



Colorado Springs Utilities  
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# **Amara Annexation Utilities Information**

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Tristan Gearhart, Chief Planning & Financial Officer

Lisa Barbato, Chief System Planning & Projects Officer

# Financial Information

# Amara Annexation Cost Information

- **Utilities Capital Cost Estimate: ~\$150 to \$230 Million**
  - \$190 million mid-scenario capital cost
  - \$95 million 10-year capital cost
  - \$55 million first year capital cost
- **Utilities Annual O&M Cost Estimate: ~\$2.0 to \$4.5 Million**
  - \$20 million 10-year O&M cost (Assumes 400 units built per year)
  - \$2 million per year in first 10-years
- **Cost Payback Timeframe: ~20 to 40+years**
  - 400 units per year with mid-scenario capital cost = Approx. 21-year payback
- **Utilities Financial Risk: Cost and timing of annexation puts other growth and reliability projects inside the existing city limits at risk of exceeding Utilities debt capacity.**

# Financial Risk Mitigations

- System Extension Rider
  - Riders are efficient method to “cash fund” cost not currently in Utilities budget
  - Typical monthly residential customer rider amount:

Rate Class	Current Sample Bill As of 4/1/24	Yr.1	Yr. 2	Yr. 3	Yr.4	Yr.5	Yr.6	Yr.7	Yr.8	Yr.9	Yr.10	Yr.11
Residential <sup>(1)</sup>	\$ 245.96											
\$ Sample Bill Impact		\$ 8.29	\$ 0.85	\$ 2.67	\$ 0.91	\$ 4.76	\$ 1.06	\$ 1.06	\$ 1.06	\$ 1.06	\$ 1.06	\$ 9.64
% Sample Bill Impact		3.37%	0.35%	1.09%	0.37%	1.93%	0.43%	0.43%	0.43%	0.43%	0.43%	3.92%
Commercial <sup>(3)</sup>	\$ 1,437.89											
\$ Sample Bill Impact		\$ 95.77	\$ 6.72	\$ 44.40	\$ 7.10	\$ 40.10	\$ 8.15	\$ 8.15	\$ 8.15	\$ 8.14	\$ 8.14	\$ 44.92
% Sample Bill Impact		6.66%	0.47%	3.09%	0.49%	2.79%	0.57%	0.57%	0.57%	0.57%	0.57%	3.12%
Industrial <sup>(4)</sup>	\$ 44,787.97											
\$ Sample Bill Impact		\$ 3,991.67	\$ 185.56	\$ 562.18	\$ 192.92	\$ 2,392.21	\$ 214.31	\$ 213.94	\$ 213.57	\$ 213.19	\$ 212.80	\$ 825.54
% Sample Bill Impact		8.91%	0.41%	1.26%	0.43%	5.34%	0.48%	0.48%	0.48%	0.48%	0.48%	1.84%

- Reprioritize or Delay Planned Capital Projects and/or Adjusted Base Rates

# **Water Requirements for Current and Full-Buildout**

# Current Water Resources

Reliably Met Demand	95,000 acre-feet
Current Use	- <u>69,800 acre-feet</u>
Existing Buffer for growth	25,200 acre-feet

# Full Buildout Water Requirement

Need for current in City	129,000 acre-feet
	- <u>95,000 acre-feet</u>
Gap (need to develop)	34,000 acre-feet
<b>Any Annexation</b>	<b>+ additional acre-feet</b>

# Balanced Portfolio – Planned Water Supplies<sup>(1)</sup>



- Additional supplies are needed to meet future growth and manage risks
- All components of the Balanced Portfolio are necessary, difficult, and expensive
- Completing fewer projects in one category means doing more projects in another

(1) Based on 2017 Water Integrated Resource Plan- validated annually



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