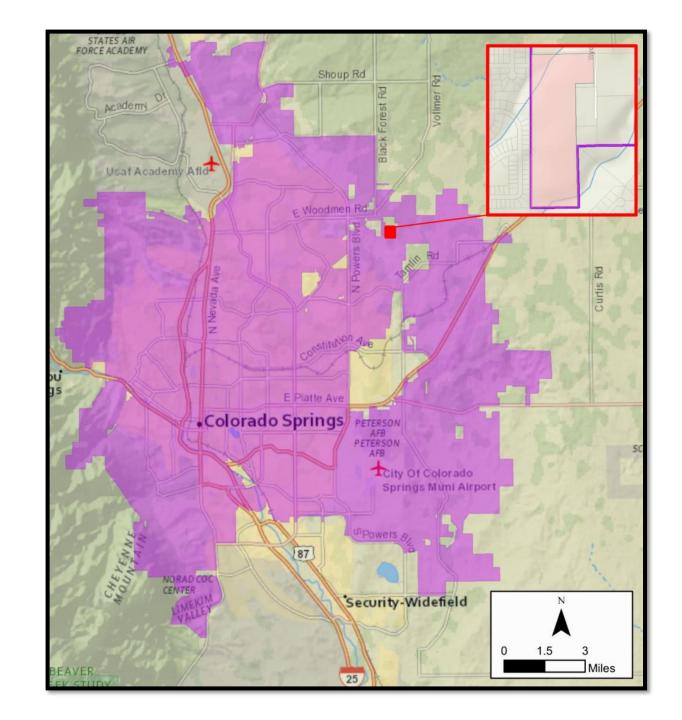


Miller Downs at Wyoming Lane Annexation Four-Service Perspective

October 14, 2025, City Council
Bryan T. English, PMP, Development Projects Manager
Customer Utilities Connections

Vicinity Map



City Code 12.4.305.B

- Requires City Council approval to provide water service outside City limits
 - Approval must be based on substantiated and written record demonstrating one of the following:
- City's available water supply is sufficient to meet at least 128% of existing water usage* plus projected demand for proposed water extension(s);

OR

2. A unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City;

or The second is second

OR

The area is owned or leased by the City, or

3. The area is an enclave,

The extension will have a de minimis impact on the overall City's available water supply.

3

^{*}Calculated using a five- (5) year rolling average of unrestricted weather normalized usage data

Utilities Application of City Code 12.4.305

B. 1. The City's available water supply is sufficient to meet at least 128% of existing usage (calculated using a five (5) year rolling average of weather normalized unrestricted usage data) and the projected demand for water services within the proposed extension(s) of service...

Current Reliably Met Demand (RMD) and Existing Usage				
Category	Acre-feet/year (AFY)	When updated		
RMD	95,000	As needed per RMD Update Policy		
Existing Usage*	70,325	Yearly as part of IWRP Update		

^{*5-}year rolling average of weather normalized unrestricted water usage (2019-2023)

Minimum Water Supply Requirement (MWSR)				
Existing Usage/year	Percentage	MWSR		
70,325 AFY	x 128%	= 90,015 AFY		

Available Water Surplus (AWS)			
RMD (AFY)	MWSR (AFY)	AWS (AFY)	
95,000	- 90,015	= 4,985	

AWS used for establishing de minimis amount.

De minimis = 1% of AWS or any projected water demand less than 50 AFY

Application of City Code 12.4.305

Miller Downs at Wyoming Ln

Defined as an enclave per City Planning Meets City Code 12.4.305.B.3.

Projected Water Demand: 38 AFY

Petitioned Annexations
Total Projected Water Demand
(includes Miller Downs at Wyoming
Ln, as of 09/29/2025)



150 AFY

4,985

Annexations Approved since City Code 12.4.305 adopted (February 14, 2023) as of 09/29/2025



of Approved Annexations: 20 (to date)

Projected Water Demand: 1,636 AFY

Current Water Resources

Reliably Met Demand 95,000 AFY

Existing Use - 70,325 AFY

Existing Buffer for Growth 24,675 AFY

Full-Buildout Water Requirements¹

Need for current in City 129,000 AFY

Reliably Met Demand - 95,000 AFY

Gap (need to develop) 34,000 AFY

Any Annexation + Additional AFY

AFY = Acre-feet/year | 1 acre-foot = 325,851 gallons

¹Will be adjusted in IWRP based on City boundary

Balanced Portfolio – Planned Water Supplies⁽¹⁾



- 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

City Code 7.5.701.A.4.

Requirements of Annexation

a. Groundwater Rights

Owner shall transfer title to all groundwater underlying the land to the City

b. Water Rights

Owner shall transfer any additional water rights historically used on or for the benefit of the area to be served

Current Conditions

Owner provided inventory of well permits and water rights, which includes one (1) existing domestic well. The Owner requests its continued use for single-family residence.

c. Rights of Way and Easements

Owner shall obtain and/or dedicate all property and easements required for utility-system facilities to serve the property and ensure integrated utility systems

d. Service Area Overlap

Electric

Miller Downs at Wyoming Ln is located entirely within Mountain View Electric Association (MVEA) service territory

MVEA entitled to just compensation per Colorado Revised Statutes if property annexed and incorporated into Springs Utilities' service territory

Natural Gas

Miller Downs at Wyoming Ln is located entirely within Springs Utilities' service territory

Electric Service Area Overlap



City Code 7.5.701.A.3.b

Conditions for Annexation

(3) Service Capacity

Unless an exception granted under section 12.1.111 of this Code will be in effect at the time of annexation, whether at the time of request there is projected: available surplus capacity and resources across all Utilities' service lines for the foreseeable future to serve all present users and the projected new users from the area proposed to be annexed, taking into account section 12.4.305 of this Code, and that performance criteria, as defined for each service line in standards adopted by Utilities, will not be impaired.

(4) Utility Facilities

Whether the existing and projected utility facilities of the City are expected to be sufficient for the present and projected needs for the foreseeable future to serve all present and projected users whether within or outside the corporate limits of the City.

(5) Utility Extensions

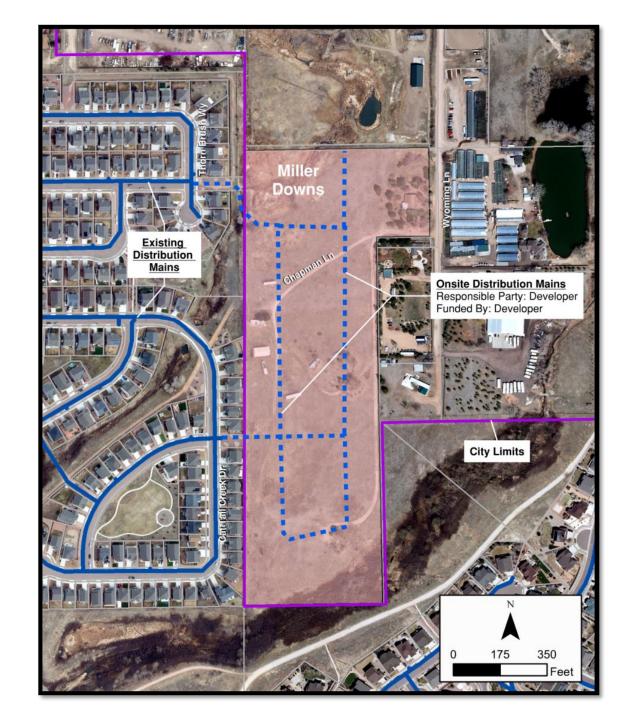
Whether utility services and facilities can be extended to serve the property proposed to be annexed at the time of annexation or sometime in the future.

(8) Utilities' Revenues

Whether the Utilities' revenues expected to be generated by the development of the proposed annexation will offset the estimated immediate and long-range costs to Utilities for the acquisition of utility resources, extension of utilities services, development of utilities infrastructure, and operations and maintenance as required by Utilities Rules and Regulations.

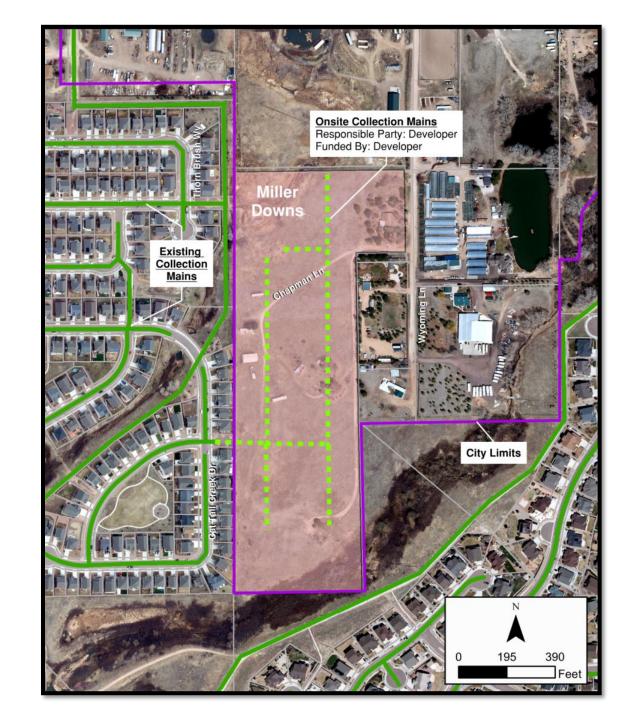
Water Infrastructure





Wastewater Infrastructure





Natural Gas Infrastructure

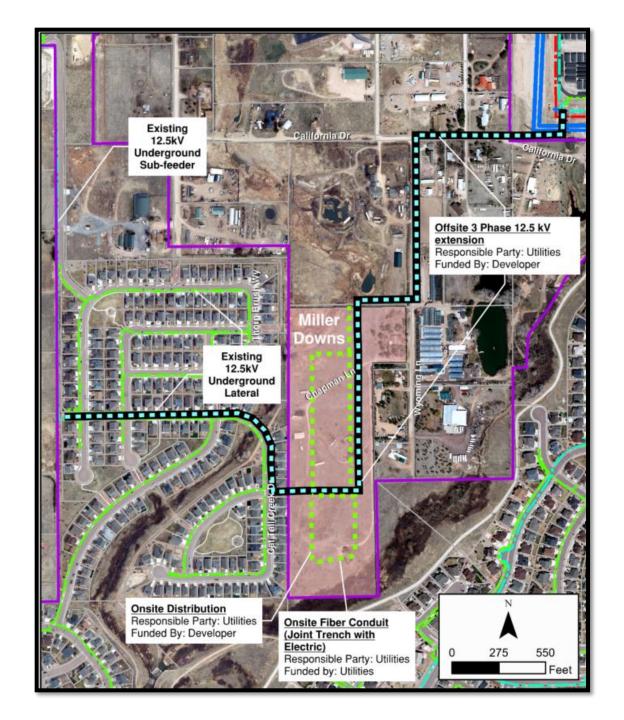




Electric and Fiber Infrastructure



~1 mile offsite extension of 3
 phase 200A 12.5 kV electric.
 Exact alignment to be determined
 based on roadway layout and
 field conditions.



Springs Utilities Capital Cost Estimate

Springs Utilities' Estimated Cost (millions) 1,2

	Springs C	itilities' Estimated Cost (i	millions) (
Electric	Low	Mid	High
Infrastructure (Meters)	\$0.04	\$0.05	\$0.05
Resource (Generation)	\$0.52	\$0.65	\$0.78
Natural Gas			
Infrastructure (Meters)	\$0.05	\$0.06	\$0.07
Wastewater			
Facilities (Treatment Plant)	\$0.52	\$0.65	\$0.79
Water			
Facilities (Treatment Plant)	\$0.12	\$0.15	\$0.17
Infrastructure (Meters)	\$0.06	\$0.07	\$0.08
Fiber			
Infrastructure (Conduit)	\$1.00	\$1.25	\$1.50
Vehicles			
Vehicles	\$0.01	\$0.01	\$0.02
Total Springs Utilities' Capital Cost	\$2.3	\$2.9	\$3.5

¹Utilities Financial Risk: Approved annexation costs that occur prior to 2029 have not been included in our financial planning.

²Estimated 2025 costs are rough order of magnitude and may vary based on external factors, including but not limited to market conditions, material costs and phasing.

Developer Capital Cost Estimate

		Developer's Estimated Cost (millions) ^{1,2}		
	Electric	Low	Mid	High
	Infrastructure (Onsite and Offsite Extensions)	\$0.54	\$0.68	\$0.82
A	Natural Gas			
(,)	Infrastructure (Onsite Extensions)	\$0.09	\$0.11	\$0.13
	Wastewater			
	Development Charges ³	\$0.26	\$0.26	\$0.26
	Water			
	Development Charges ³	\$1.12	\$1.12	\$1.12
	Water Resources Fees ³	\$0.81	\$0.81	\$0.81
	Total	\$2.82	\$2.98	\$3.14

¹Estimated 2025 costs are rough order of magnitude and may vary based on external factors, including but not limited to market conditions, material costs and phasing.

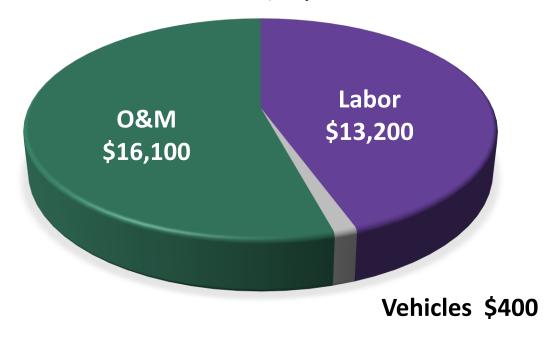
²Electric and Gas costs provided as Electric and Gas extensions are designed and constructed in-house by Colorado Springs Utilities. The Developer is to pay unit costs per 2025 Utilities Rules and Regulations (URRs). Water and Wastewater extensions are designed and constructed by Developer or Developer's contractor and, as such, are subject to factors and market conditions out of Utilities' control. Therefore, Developer cost estimates for Water and Wastewater are not provided.

³Per 2025 URRs, charges typically paid by builder at time of building permit.

Springs Utilities O&M Costs (at Full Buildout)

ESTIMATED ANNUAL O&M EXPENSES

TOTAL = \$29,700



\$30K O&M phased in as capital assets put in service

Total O&M Costs (in millions)				
Scenario	SFEs/year	25 Years	50 Years	
High CapEx	70	\$0.6	\$1.3	
Mid CapEx	70	\$0.6	\$1.3	
Low CapEx	70	\$0.6	\$1.3	

Miller Downs Annexation Cost Summary

- Utilities Capital Cost Estimate: ~\$2.3 3.5 million
 - \$2.9 million mid-scenario capital cost
 - \$2.1 million 5-year capital cost
 - \$1.2 million first year capital cost
- Utilities Annual O&M Cost Estimate: ~\$30K
- Cost Payback Timeframe: ~ 4 to 6 years
 - 2026: 70 units
 - 2027: 70 units
 - Approx. 5 -year payback
- Utilities Financial Risk: Approved annexation costs that occur prior to 2029 have not been included in our financial planning

