

MINUTES
Colorado Springs Utilities Board
New Utilities Board Orientation
Wednesday, April 16, 2025

Utilities Board Members present via Microsoft Teams or Cabin Creek Conference Room:

Tom Bailey, Kimberly Gold, Nancy Henjum, Roland Rainey and Brandy Williams

Staff members present via Microsoft Teams or Cabin Creek Conference Room:

Travas Deal, Renee Adams, Lisa Barbato, Andy Colosimo, Tristan Gearhart, Noemi Martinez, Jacqueline Nunez, Gail Pecoraro, Bethany Schoemer and Natalie Watts

City of Colorado Springs staff members present via Microsoft Teams or Cabin Creek Conference Room:

David Beckett, Chris Bidlack, Jill Burris, Renee Congdon, Bria Cunningham, Nathan Endersbee, Michael Gustafson and Matt Vanlandingham

Residents present via Microsoft Teams or Cabin Creek Conference Room:

Lisa Tormoen Hickey, Scott Smith and Mark Valentine

1. Welcome and Video: Advice from Former Utilities Board Members

The meeting began at 8:16 a.m. Ms. Natalie Watts, Manager of Strategic Planning and Governance, and Mr. Travas Deal, Chief Executive Officer, welcomed Board Members. Mr. Deal explained that the role of a Utilities Board is extremely different than the role of a City Councilmember.

A video was presented of former Board Members sharing advice for the new Board.

2. Organizational Overview

CEO Leadership Team - Introductions

Mr. Tristan Gearhart, Chief Planning and Financial Officer, gave an overview of his leadership and department.

Board Member Brandy Williams asked if an AAA Rating is available for the organization. Mr. Gearhart said that it is, but there are costs associated.

Board Member Roland Rainey asked about the process for budget approval. Mr. Deal explained the process.

Board Member Tom Bailey asked about differentiating the roles of Utilities Board Member and City Council. Mr. Deal said that each Board Member brings their own experience and knowledge to the Board Member role.

Board Member Nancy Henjum said the role of a Springs Utilities Board Member is focused more on rates. Board Member Henjum asked if the rate case would need to be voted on again. Mr. Gearhart said the rate does not have to be voted on, but appropriations will need to be voted on.

Board Member Roland Rainey asked if the CEO Leadership Team is available to come to the individual Board Member Town Halls. Mr. Deal said that the Public Affairs Department will attend the town halls and can assist in arranging for a member of the CEO Leadership Team to attend.

Board Member Williams asked if having ex-officio members at a nation-wide level is an option. Mr. Deal said this may be available for certain projects.

Ms. Renee Adams, Chief Human Resources Officer, introduced Andy Colosimo, General Manager of Public Affairs, and explained the structure and role of her division.

Ms. Lisa Barbato, Chief System Planning and Projects Officer, described the role of her division and some of their responsibilities.

Mr. Deal advised Board Members to invite constituents to attend the Utilities Board meetings and speak, rather than meeting with them individually on matters involving Colorado Springs Utilities.

Ms. Renee Congdon, Utilities Division Chief with the City Attorney's Office, said that bond training will be forthcoming, and what a Board Member could say can affect that bond rating.

Mr. Deal said Somer Mese, who isn't able to be with us today, is the Chief Operations Officer. The Operations division consists of roughly 1,000 employees.

Mr. Deal said that Mike Francolino, Chief Enterprise and Customer Services Officer, oversees a division that includes Information Technology, Customer Service, Supply Chain, and Cyber Security.

Mr. Deal also has another direct report, Alex Baird, General Manager for Fuels and Purchase Power. Mr. Baird manages the organization's Energy Supply and Trading operations.

Ms. Gail Pecoraro, Utilities Board Administrator, introduced herself and said that she will be the person who sends meeting invitations and information. She is also the main contact for constituent questions. She stated she is excited to be working with everyone.

Workforce

Workforce information is included in the Board Orientation binder.

Acronyms

A list of organizational acronyms is included in the Board Orientation binder.

Buildings and Facilities - Terms

Ms. Watts said that the organization has multiple facilities across Colorado Springs and going to Buena Vista. A complete list of these sites is included in the Board Orientation binder.

3. Our Local Governance Model

Ms. Renee Congdon, Utilities Division Chief for the City Attorney's Office, introduced members of her team -- Mr. Matt Vanlandingham, Mr. David Beckett, Ms. Jill Burris, Ms. Bria Cunningham, Mr. Michael Gustafson, Mr. Nathan Endersbee, and Mr. Chris Bidlack. Each attorney introduced themselves and gave a brief summary of their background. Mr. Tim Scheiderer is also a member of the team, although he was not present at today's meeting.

Ms. Congdon explained TABOR, the taxpayer Bill of rights, limits how much revenue the government can retain yearly and requires voter approval. City enterprises (including Colorado Springs Utilities) are excluded from the limitations of TABOR. Colorado Springs Utilities and the Utilities Board operate within the same basic legal framework as the City and City Council.

Transparency and accountability are ensured through the Colorado Open Records Act (CORA) and the Colorado Open Meetings Law. CORA requires that any public business transaction records are open to public inspection. The Colorado Open Meetings Law requires noticing any gathering of three or more Utilities Board Members. This includes emails and text messages involving three or more Board Members.

Ethical issues include conflicts of interest, accepting gifts, ex parte communication, and legal opinions. Governmental protections are in place that include the Colorado Governmental Immunity Act, protection for actions within official capacity. Springs Utilities rates are set to cover expenses and are not profit-driven.

The focus of the Utilities Board is to set policies for the organization, to make decisions in the best interest of Springs Utilities, provide oversight of the CEO of the organization, and to monitor compliance reports.

The City Attorney's Office can hire outside counsel for subject matter expertise and resource limitations.

4. Working Committee Structure

Ms. Watts said that the Working Committee structure is being piloted through August 2025. After this, it will be decided whether the Utilities Board wants to continue with the Working

Committee structure or to return to four separate committee meetings (Finance, Personnel, Program Management, and Strategic Planning). This structure is similar to the City Council Work Session and is an opportunity for the Board to take a deep dive into issues before they go before the full Utilities Board Meeting. No public comment is taken at the Working Committee Meeting, and the Chair of the Utilities Board also presides over the Working Committee Meetings.

Mr. Deal explained that the purpose behind the Working Committee is for more in-depth information sharing and efficiencies for both the Utilities Board and staff.

Working Committee meetings take place on the Monday or Tuesday (if Monday is a holiday) prior to the Wednesday Utilities Board meeting.

5. Utilities Policy Advisory Committee (UPAC)

Ms. Bethany Schoemer, Strategic Planning and Governance Senior Specialist, explained that UPAC is an advisory committee to the Utilities Board. UPAC is outlined in City Code, and UPAC provides recommendations to the Utilities Board, but does not make decisions for the organization.

UPAC assignments provide a third-party perspective to overall strategic operating and financial policies of Springs Utilities. It provides policy research focused on a law, regulation, procedure, administrative action, incentive, or voluntary practice. The committee gives the Utilities Board additional research assistance in their fiduciary and statutory duties.

There are seven voting members on UPAC and two alternates that are approved by the Springs Utilities Board. The Utilities Board directs UPAC assignments. The UPAC Board Liaison works closely with UPAC and Springs Utilities staff to ensure the work stays within the approved scope. Ms. Schoemer is the UPAC staff liaison and provides the bridge between UPAC and Springs Utilities' staff.

The Utilities Board can accept the UPAC recommendation, choose to implement the recommendation, or they can direct the CEO to incorporate their recommendation.

Mr. Deal said that UPAC assignments are aligned with the terms of the new Utilities Board Members to ensure assignment continuity.

Board Member Henjum believes UPAC is the resource that adds a level of additional outside expertise to the Utilities Board.

Ms. Williams asked for more information on the outcome of the recent UPAC assignments. Ms. Schoemer said she will compile a list of the UPAC assignments for the last 12 years, giving more details, and the outcome of those assignments.

6. 2025 Strategic Plan

Ms. Schoemer reviewed the organization's Strategic Plan. The organization has five strategic objectives and seven Strategic Initiatives.

The organization's Strategic Objectives include Operational Excellence, Focus on the Customer, Support our Community, Financial Accountability, and Enable Employee Empowerment.

The Strategic Initiatives are Optimize Business Processes, Develop Enterprise Prioritization Framework, Enhance Outage Management Communication, Align Long-Term Financial Plans, Implement Energy Wise and Promote Safety Maturity Excellence.

Ms. Schoemer said that the Utilities Board has three focus areas, which are reliability (40%), rates (40%) and relationships (20%). These areas are reviewed annually by the Utilities Board. The Board can update these focus areas as needed.

7. CEO Performance Plan

Ms. Watts said that the CEO Performance Plan is listed in the Excellence in Governance Policy Manual to "Hire, set the salary, evaluate and terminate the Chief Executive Officer". Board Members review the CEO performance plan twice yearly.

The CEO Performance Plan is based on the Enterprise Balanced Scorecard—50% and on the CEO competencies (Balances Stakeholders, Builds Effective Teams, Drives Engagement, Drives Results and Strategic Mindset)—50%.

8. Board Bylaws

Ms. Watts explained the purpose of the Board Bylaws and stated that these can only be changed by a full vote of the Board of Directors. Bylaws are accessible on www.csu.org.

The Board Bylaws include 14 rules: 1) Board of Directors 2) Board Officers and Duties 3) Board Committees 4) Meetings 5) Customer and Public Comment 6) Board Actions 7) Motions 8) Special Motions 9) Minutes and Recordings 10) Executive Session Procedures 11) Expense Reimbursement 12) Modification of Bylaws 13) Role of the Mayor on the Utilities Board and 14) Application of City Council Rules.

Board Member Rainey asked if consent is not given by the Utilities Board to go into Executive Session can it go into open session. Mr. Deal said that if this occurs, generally the item is withdrawn and is not discussed.

Board Member Williams asked for specifics on Rule 12. Ms. Watts said there is a process to accomplish Bylaw modifications.

9. Excellence in Governance Policy Manual

Ms. Schoemer said the Excellence in Governance Policy Manual is a comprehensive document that outlines the primary duties and responsibilities of a Utilities Board Member. There are 10 major sections in the Governance Manual that help ensure long-term

organizational sustainability. The manual is periodically reviewed for organizational consistency and best governance practices.

Utilities Board Duties include D-1 Fiduciary which is to govern Springs Utilities in accordance with sound business principles, in a manner that supports long-term sustainability of the enterprise and maximizes value to the Citizens. D-2 are the Statutory and Regulatory duties. These state that the Utilities Board is to conduct all business in full compliance with applicable legal, statutory, and regulatory requirements.

The four Utilities Board Responsibilities are direction, outcomes, oversight and accountability.

There are four Utilities Board Authorities. The first is to hire, set the salary, evaluate, and terminate the CEO. The second is to appoint UPAC members and Customer Advisory Group members. The third is to approve the sale, conveyance or lease of Colorado Springs Utilities property and water rights. The last authority is to appoint directors and representatives to water authorities, partnerships, joint ventures, and smaller entities in which Springs Utilities participates.

There are six Utilities Board Commitments, four Utilities Board Practices and three Utilities Board Partnership Expectations.

Utilities Board Instructions to the CEO are also known as Compliance Reports. Reports can be annual, bi-annual, or quarterly. These are reviewed at the Working Committee first and then they go to the full Utilities Board Meeting.

Instructions center around the themes of finances, resources, the community and employees.

There are 14 Utilities Board Guidelines. Guidelines feed into the Instructions, Commitments, Expectations and Practices. They provide greater clarity around these governing policies.

The meeting adjourned at 11:28 a.m.