

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, March 19, 2025

Utilities Board members present via Microsoft Teams or Blue River Conference Room:

Chair Dave Donelson, Vice Chair Yolanda Avila, Lynette Crow-Iverson, Randy Helms, Nancy Henjum, David Leinweber, Mike O'Malley, Brian Risley and Michelle Talarico

Staff members present via Microsoft Teams or Blue River Conference Room:

Travas Deal, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Jay Anderson, Joe Awad, Alex Baird, Kerry Baugh, Jenny Bishop, Nathan Bloomfield, Connie Brown, Thad Clardy, Andy Colosimo, David Dalton, Jessica Davis, Kandy Drake, Matt Dudden, Travis Eckland, Gabby Enloe, Marcela Espinoza, Beth Gaster, Kimberly Girling, Brian Grim, Kelly Guisinger, Mallorie Hansen, Diana Harmon, Heather Harvey, Adam Hegstrom, Eric Isaacson, Jennifer Jordan, Tara Kelley, Birgit Landin, Drew Latrell, Amy Lewis, Noemi Martinez, Nick Miller, Danielle Nieves, Dan Norton, Abigail Ortega, David Padgett, Gail Pecoraro, Jessica Ramirez, Jessica Rheinschmidt, Bethany Schoemer, Kim Schwartz, April Speake, Jessica Thiel, Matthew Thieme, Amy Trinidad, Jennifer Valdois, Natalie Watts, Al Wells, Chris Welch, Michelle Wills-Hill, Kyle Wilson and Jane Zook

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room:

David Beckett, Chris Bidlack, Kellie Billingsley, Jill Burris, Renee Congdon, Bria Cunningham, Travis Easton, Natalie Lovell, Tracy Lessig, Michael Montgomery, Alex Ryden, Timothy Scheiderer, Carl Schueler and Matthew Vanlandingham

Residents present via Microsoft Teams or Blue River Conference Room:

Tom Bailey, Sherrea Elliott-Sterling, Kimberly Gold, Brennen Kauffman, Susan Luenser, Chris Meyer, Nadine Rada and Scott Smith

Kelly Williams

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:06 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Mr. Kelly Williams, Vanguard Church Pastor, delivered the invocation, and Board Chair Donelson led the Pledge of Allegiance.

3. Consent Agenda

- **Approval of Feb. 19, 2025, Utilities Board meeting minutes**

- **Re-Appointment of Andrew Colosimo to the Southeastern Water Conservancy District Board of Directors**
- **Appointment of Abigail Ortega to the Southeastern Water Conservancy District Board of Directors**
- **Appointment of Tristan Gearhart to the Fountain Valley Authority Board of Directors**
- **Approval of Changes to the Excellence in Governance Policy Manual Policy I-7 Water Supply Management/ Regional Water and Wastewater Policy**
- **Approval, in accordance with the City's Real Estate Manual, of an Acquisition of a Utility Easement, with a total purchase price in excess of \$100,000, as part of the Pikes Peak Regional Transit Authority (PPRTA) Marksheffel Road – North Carefree to Dublin Project**
- **Approval of Changes to the Electric Cost Adjustment/ Gas Cost Adjustment (ECA/GCA) rates to move forward to the March 25 regular City Council meeting**

Board Member Risley asked that the Acquisition of a Utility Easement, with a total purchase price in excess of \$100,000, as part of the PPRTA Marksheffel Road – North Carefree to Dublin Project be pulled from the Consent Agenda.

The Consent Agenda was approved unanimously with the exclusion of this item.

4. Customer Comments

There were no customer comments.

5. Recognition

- **Resolution of Appreciation for Vice Chair Yolanda Avila**

Chair Donelson read a resolution of appreciation for Vice Chair Avila for her years of service to the Utilities Board. Vice Chair Avila was presented with a recognition plaque.

Vice Chair Avila shared comments of her experience and recognized the great Springs Utilities' employees she has worked with throughout her tenure.

Mr. Travas Deal, Chief Executive Officer, thanked Vice Chair Avila for her eight years of service, particularly her dedication to the Personnel Committee.

Board Member Henjum said that Vice Chair Avila's gift is lifting people up and that is what it is all about.

Board member Helms made a motion to approve the resolution of appreciation for Vice Chair Yolanda Avila, Board Member Henjum seconded the motion. The motion carried unanimously.

- **Resolution of Appreciation for Board Member Randy Helms**

Chair Donelson read a resolution of appreciation for Board Member Helms for his years of service to the Utilities Board. Board Member Helms was presented with a recognition plaque.

Board Member Helms said that his main interest and focus has been on safety during his tenure on the Springs Utilities Board, both to citizens and employees. He was also very interested in nuclear energy and was grateful for the Utilities Policy Advisory Committee's (UPAC) most recent assignment. He believes that the relationships between Springs Utilities and the military installations within the community are very important.

Mr. Deal thanked Board Member Helms for all he has given to Springs Utilities and pointed out his dedication to the Rail Park, nuclear generation UPAC assignment, and his leadership on the Board of Directors.

Board Member O'Malley thanked Board Member Helms for all he has brought to the Springs Utilities Board. He specifically mentioned his championship of nuclear generation.

Board member Talarico made a motion to approve the resolution of appreciation for Board Member Randy Helms, Board Member O'Malley seconded the motion. The motion carried unanimously.

- **Resolution of Appreciation for Board Member Mike O'Malley**

Chair Donelson read a resolution of appreciation for Board Member O'Malley for his years of service to the Utilities Board. Board Member O'Malley was presented with a recognition plaque.

Board Member O'Malley said that as a public servant he always put the ratepayers first, and he is very grateful for the opportunity to serve on this Board.

Mr. Deal said that Board Member O'Malley has always shown an interest in the inner workings of Springs Utilities. He has brought his personal mindset to the organization through threat assessment and his advocacy to Cyber Security.

Board Member Helms said that Board Member O'Malley has brought his engineering background to his service on the Utilities Board and appreciated his interest in nuclear energy.

Board member Crow-Iverson made a motion to approve the resolution of appreciation for Board Member Mike O'Malley, Board Member Talarico seconded the motion. The motion carried unanimously.

- **Resolution of Appreciation for Board Member Michelle Talarico**

Chair Donelson read a resolution of appreciation for Board Member Talarico for her years of service to the Utilities Board. Board Member Talarico was presented with a recognition plaque.

Board Member Talarico said that she is amazed by the staff, and leadership of Mr. Deal and the executive leadership team. She feels privileged to have been a small part of this great organization. She thanked the Board and said it has been a pleasure and honor to serve.

Mr. Deal shared that Board Member Talarico has shown tremendous kindness and her support of small business has always been appreciated.

Board member O'Malley made a motion to approve the resolution of appreciation for Board Member Michelle Talarico, Board Member Henjum seconded the motion. The motion carried unanimously.

- **Recognition Video for Outgoing Board Members**

A video was shown that highlighted the work of the outgoing Board Members.

6. Compliance Reports

- ER:1-3 Utilities Board Expected Results Year End Performance –Scorecard
- I-4 Risk Management
- I-8 Asset Protection

These reports were provided in the meeting packet and were discussed at the March 17, 2025 Working Committee meeting. There were no questions or additional discussion.

- E-2 CEO / Board Partnership Responsibilities
 - Water Outlook

This report was provided in the meeting. There were no questions or additional discussion.

7. Items Called Off Consent Agenda

Approval, in accordance with the City's Real Estate Manual, of an Acquisition of a Utility Easement, with a total purchase price in excess of \$100,000, as part of the Pikes Peak Regional Transit Authority (PPRTA) Marksheffel Road – North Carefree to Dublin Project
Board Member Risley stated he wanted to recuse himself from this vote due to a potential conflict of interest.

Board Member O'Malley made a motion to move the Acquisition of a Utility Easement, with a total purchase price in excess of \$100,000, as part of the Pikes Peak Regional Transit Authority (PPRTA) Marksheffel Road – North Carefree to Dublin Project forward to the March 25, 2025 City Council Meeting. Board Member Crow-Iverson seconded the motion. The item will move forward to the March 25, 2025 City Council Meeting. This motion was approved on a vote of 8 to 0 with Board Member Risley recused.

8. Fleet Update

Mr. Richard Norton, Supply Chain General Manager, said that new fleet maintenance program was implemented Jan. 1, 2024. Prior to that, fleet maintenance was outsourced for 10 years.

Key Performance Indicators (KPIs) were set based on operational impact. These include no shows, cancelled preventive maintenance, missed preventive maintenance, fleet availability, on-time completion, re-work and customer survey score. There have been 7,896 total work orders and 7,875 completed work orders. Since bringing fleet operations in-house, there has been a decrease in no-shows and missed preventive maintenance.

An overall cost savings to the organization of \$583,887 has been realized since bringing fleet operations in-house.

The fleet team has already received recognition from NAPA, as well as one team member being nominated for the fleet professional of the year award.

Mr. Deal said that bringing fleet in-house was a topic that brought great discussion before implementation, so he wanted to provide this report for transparency.

Board Member Henjum congratulated the fleet team for a job well done. She asked Mr. Travas Easton, Deputy Chief of Staff for the City of Colorado Springs, for the City's experience bringing fleet in-house. Mr. Easton said the City's KPIs mirror that of Springs Utilities, and he would expect that results are close to the same.

Board Member Risley asked about the initial budget mishap and how that has been corrected. He asked if protocols were established to keep this from occurring again. Mr. Norton said the numbers on the Financial Summary slide reflect the correct amounts. Contracted costs versus forecasted costs have been corrected and will not be an issue going forward.

Board Member O'Malley asked if the initial supply chain issues have been resolved. Mr. Norton said that most of the issues have been resolved, but there remain long lead times on certain items. Prices have evened out, but there may be future price increases and lag time increases due to the anticipated tariff changes. Board Member O'Malley asked if inventories have been increased since COVID and Mr. Norton said they have.

Board Chair Donelson said that a 10% savings for ratepayers is great, and the reliability of service is to be commended.

9. Resolution to Temporarily Suspend and Amend the Board Bylaws and Excellence in Governance Policy Manual Policies Regarding Standing Committees

Ms. Renee Congdon, Utilities Division Chief for the City Attorney's Office, introduced a resolution to suspend and amend portions of the Utilities Board Bylaws and Excellence in Governance Policy Manual Policies regarding standing committees. This will be a temporary change as the Springs Utilities Board runs a pilot program to suspend the four standing committees (Finance, Strategic Planning, Personnel, and Program Management Review) and replace them with a single Working Committee composed of all Board Members. This topic will be revisited in August 2025, after the pilot program is completed.

Board Member Crow-Iverson questioned having only three Board Members constitute a quorum, which is not even half of the Board. Ms. Congdon said the resolution was written in this manner due to attendance issues at previous committee meetings. Board Member Crow-Iverson said she does not support the resolution or the three Board Members constituting a quorum.

Board Member Talarico said that she does not recall the conversation to make the Working Committee a pilot during the summer. She also has concerns with a quorum of three members.

Board Member Leinweber said that he supports the resolution as written, since the Working Committee is informational, and decisions are made at the full Utilities Board meeting. He also said that with a new Board the summer timeframe was appropriate to decide the feasibility of the Working Committee.

Mr. Deal said the quorum of three was determined by the size of the traditional committee structure, not the full Utilities Board.

Ms. Congdon said that usually the only item voted on at the Working Committee is to approve the minutes of the previous months. All other items to be voted on reserved for Utilities Board meetings.

Board Member Helms said that after the first Working Committee, he fully supports the new Working Committee structure. He also agrees with the quorum number as written.

Board Member Henjum highlighted the Excellence in Governance Policy should be the guiding star. She supports increasing the quorum to five. Her understanding was this change was to use the Board Members and staff's time as efficiently and effectively as possible.

Board Member Henjum made a motion to temporarily suspend and amend the portions of the Utilities Board Bylaws and Excellence in Governance Policy Manual policies regarding Standing Committees as written. Board Member Helms seconded the motion. Board Member Risley made a motion to amend the resolution, changing the quorum from three to five members. The motion to increase the quorum to five members was approved 9 to 0.

The amended resolution was approved with a vote of 8 to 1, with Board Member Crow-Iverson opposed, following a motion by Board Member Henjum and a second by Board Member Helms.

10. Board Member Updates

Board Member Helms said fiber continues to do well.

Vice Chair Avila said she is leaving Springs Utilities in great hands. She gave a shout out to the Delta Team and said that diversity makes everything stronger.

Chair Donelson thanked Springs Utilities staff, especially the staff that worked for those customers that lost power with last night's snow squall.

Board Member Henjum thanked the efforts of Springs Utilities and their great job at communication.

11. Summary of Board Actions

- Approved Feb. 19, 2025, Utilities Board meeting minutes
- Approved re-Appointment of Andrew Colosimo to the Southeastern Water Conservancy District Board of Directors
- Approved appointment of Abigail Ortega to the Southeastern Water Conservancy District Board of Directors
- Approved appointment of Tristan Gearhart to the Fountain Valley Authority Board of Directors
- Approved changes to the Excellence in Governance Policy Manual Policy I-7 Water Supply Management/ Regional Water and Wastewater Policy
- Approved an acquisition of a utility easement, with a total purchase price in excess of \$100,000, as part of the Pikes Peak Regional Transit Authority (PPRTA) Marksheffel Road – North Carefree to Dublin Project. This resolution will move forward to the March 25, 2025 City Council agenda.
- Approved changes to the Electric Cost Adjustment/ Gas Cost Adjustment (ECA/GCA) rates to move forward to the March 25, 2025 City Council regular meeting
- Approved Resolution of Appreciation for Vice Chair Yolanda Avila
- Approved Resolution of Appreciation for Board Member Helms
- Approved Resolution of Appreciation for Board Member O'Malley
- Approved Resolution of Appreciation for Board Member Talarico
- Approved changes to the Utilities Board Bylaws and Excellence in Governance Policy Manual policies regarding standing committees

12. Executive Session – 2024 CEO Performance Review Close Out

Ms. Renee Congdon, Utilities Division Chief, City Attorney's Office, read the closed Executive Session notice, and Board members approved going into Executive Session on a vote of 9 to 0 at 2:55 p.m.

Executive Session ended at 4:07 p.m.

The regularly scheduled Utilities Board Meeting resumed at 4:14 p.m.

13. Executive Officer Salary

Mr. Tristan Gearhart, Chief Planning and Financial Officer, said that Board Policy UBA: 1-4 gives the Utilities Board the authority to hire, set the salary, evaluate, and terminate the Chief Executive Officer.

Since 2016, the CEO salary has increased from \$447,175 to the current salary of \$521,640. It was noted that the salary did not change from 2018 – 2023. According to the 2018 Milliman Findings, the current base salary is 14% below the market median (50th percentile), and total cash compensation is 36% below the market median.

Board Member Risley asked if part of the hiring process for the new CEO included salary negotiation during the recruitment/hiring process, and if salary negotiation is part of that process. Mr. Gearhart referred to the 2018 Milliman Findings which were used to determine the new CEO salary. At that time, the Board set the salary at \$480,000 which was below the Milliman findings. Board Member Risley said that being market competitive has not proven to be an issue, since two CEOs have been hired below the market salary comparisons.

Board Chair Donelson asked what the CEO salary would be if market adjustments were made mirroring all Springs Utilities employees. Mr. Gearhart said the salary range would be between \$560,000 and \$590,000.

Mr. Gearhart presented various options for salary increases based on data from other utilities and from the Large Public Power Council (LPPC).

Board Chair Donelson said that these options are for data purposes only. The Utilities Board can choose any of these options or choose a different salary.

Board Chair Donelson asked what percentage of the total Springs Utilities budget is CEO pay. Mr. Gearhart said that the total CEO pay is .00043% of the total Springs Utilities Budget.

Board Member Crow-Iverson asked how much was budgeted for CEO pay in 2025. Mr. Gearhart stated that Option 1 (\$652,098) is included in the current year's budget.

Board Members discussed the various salary options and information presented.

Board Member O'Malley made a motion to increase the Chief Executive Officer's salary to \$550,000 annually. Board Member Leinweber seconded the motion. The motion passed on a vote of 9 to 0.

14. Adjournment

The meeting adjourned at 4:39 p.m.