

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, May 21, 2025

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

Chair Dave Donelson, Tom Bailey, Lynette Crow-Iverson, Kimberly Gold, Nancy Henjum, David Leinweber, Roland Rainey, Brian Risley and Vice Chair Brandy Williams

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

Travas Deal, Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Jay Anderson, Joe Awad, Kerry Baugh, Jenny Bishop, Nathan Bloomfield, Jake Clark, Andrew Colosimo, Matt Dudden, Bryan English, Justin Fecteau, Brian Fergen, Ian Gavin, Kim Gortz, Jason Green, Brian Grim, Kelly Guisinger, Lisa Halcomb, Ginny Halvorson, Diana Harmon, Nicholas Harris, Adam Hegstrom, Jesse Hillman, Eric Isaacson, Tyrone Johnson, Tara Kelley, Rebecca Kerrigan, Heidi Kourajian, David Longrie, Melania Lopez, Tommy Lovelace, Michelle Luukkonen, Noemi Martinez, Patty McLaughlin, Nicole Means, Jason Messamer, Tara McGowan, Jared Miller, Mike Myers, Tracy Neiger, Kyle Newlin, Danielle Nieves, Jacqueline Nunez, David Padgett, Gail Pecoraro, Chris Quinn, Jessica Ramirez, Joseph Rasmussen, Jason Rigler, Matthew Roberts, Kelly Roesch, Tara Russell, Bethany Schoemer, Kim Schwartz, Leslie Smith, Stuart Smith, Russ Strom-Olsen, Todd Sturtevant, Jennnifer Travis, Jennifer Valdois, Natalie Watts, Al Wells, Michelle Wills-Hill and Justin Zeisler

City of Colorado Springs Staff Members present via Microsoft Teams or Blue River Conference Room:

David Beckett, Chris Bidlack, Ben Bollinger, Patrick Bowman, Jill Burris, Vicki Classen, John Driscoll III, Nathan Endersbee, Sarah Johnson, Elena Lobato, Michael Montgomery, Alex Ryden, Mark Smith, Ryan Trujillo, Matthew Vanlandingham and Kevin Walker

Customers and Residents present via Microsoft Teams or Blue River Conference Room:

Elizabeth Baston, Randy Case, Bob Cope, Andria Fortier, Jill Gaebler, Bob Gardner, Hannah Gerardy, Molly Gidley, Don Gravette, Chris Jenkins, G. Johnson, Brennan Kauffman, Shawna Lippert, Chris Meyer, Elizabeth Minyard, Brett Muck, Marla Novak, Johnna Reeder Kley Meyer, Lindsey Samelson, Gannon Scudder, Eric Smith, Scott Smith, Troy Stover, Doug Stimple, Lisa Tormoen, Mark Valentine, and Carolyn Vogrin

1. Call to Order

Board Chair Donelson called the Utilities Board meeting to order at 1:01 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Ms. Natalie Watts, Strategic Planning and Governance Manager, delivered the invocation, and Board Chair Donelson led the Pledge of Allegiance. A moment of silence was observed in recognition of Memorial Day for those who lost their lives during combat for our country.

3. Executive Session

Ms. Renee Congdon, City Attorney Utilities Division Chief, read the notice to go into Executive Session. The Colorado Springs Utilities Board voted to go into Closed Executive Session unanimously at 1:07 p.m.

The Utilities Board returned from Executive Session at 2:20 p.m.

4. Eastern Wastewater System Expansion Project (EWSE)

Mr. Tristan Gearhart, Chief Planning and Financial Officer, and Ms. Tara McGowan, Engineering Design for Water and Wastewater Manager, explained the need to expand existing infrastructure to help manage the additional wastewater flows to meet the needs of new homes and businesses on the city's east side. The EWSE will provide the critical "backbone" of infrastructure needed to serve development on the city's east side. Phase I is estimated to begin in 2026 and last through 2030. The estimated cost of Phase I is \$396 million. Costs evolve with the project and will likely change as the project progresses.

As a municipal utility, the organization has the obligation to serve all customers within the city's service boundaries. At the current growth rate, wastewater capacity constraints in the city's east side could be realized as early as 2028. This expansion does not serve just one development, but many customers including the organization's Horizon Utility Campus and the potential Karman Line annexation.

Possible solutions to expand the wastewater system were explored, beginning in 2019. There were seven possible alternatives identified, which were each weighed carefully including where to treat waste. Five alternatives were studied further. After weighing each alternative, the solution selected was to treat all wastewater flows at the Las Vegas Water Resource Recovery Facility. This option provided the lowest life-cycle cost, the most water reuse opportunities, use of available capacity at the facility, the fastest construction, and minimal change to discharge permits during initial phases.

This expansion is a significant portfolio of projects that will occur in phases over a 50-year planning horizon. At full build-out, the expansion will manage wastewater service for approximately 225,000 people.

Board Member Risley asked about the construction for the Peak Innovation Park and others, specifically how early capacity can be brought online. Ms. McGowan said that a progressive design builder will evaluate phasing of this project. Some portions of the system may be brought on before 2030. Mr. Gearhart said that permits issued within the area will result in cost recovery for the organization, which is currently being carried out. Right now, more than \$6 million has been recovered.

Developers will bear the responsibility for the installation and associated costs of wastewater collection mains and service lines in developments that connect to the EWSE. They are also responsible for fees to connect to EWSE, paying a proportionate share based on their level of benefit from the infrastructure. These costs are paid as development occurs. The contribution from each developer depends on their level of benefit from the infrastructure. Collected fees will offset future system costs for all users, mitigating the need for higher base-rate increases in the future.

Board Member Henjum asked if the developer will be responsible for connecting to Colorado Springs Utilities infrastructure. Mr. Gearhart said that is correct.

Mr. Gearhart said that Springs Utilities has done its due diligence in communicating EWSE information to its customers.

Mr. Travas Deal, Chief Executive Officer, said this project will take the organization into the next 50 to 70 years. This is a major project that has involved collaboration throughout the community with various stakeholders. Mr. Deal said the Southern Delivery System was the initial part of this proposed solution. The community has stepped up to support this project.

Mr. Ryan Trujillo, Deputy Chief of Staff for the City of Colorado Springs, said the value of the EWSE to the airport and the Peak Innovation Park, which has driven significant economic value to the region. There has been a collaborative effort between the City and Colorado Springs Utilities, and the EWSE is critical to the community and Peak Innovation Park.

Board Member Henjum said that the 225,000 people this project will serve is admirable. She acknowledged Ms. McGowan and members of this project, including Mr. Deal, for his leadership and bringing forth the needs of the rate payer and the customer in meeting the needs of the city.

Vice Chair Brandy Williams thanked Colorado Springs Utilities and the CEO Lead Team for the leadership they provide the organization, and finding the best option for providing wastewater service to the eastern part of the city.

Board Chair Donelson said that the Utilities Board and staff works to give the best value for ratepayers. The best way to do this is to maximize assets, and to take care of the current ratepayers while allowing development in the city.

Ms. Marla Novak, Executive Officer of the Housing and Building Association (HBA), thanked the CEO and staff who have spent a lot of time going over this collaborative process. The transparency and collaboration involved in this process should be recognized. Of the five options scored transparently, the chosen option was the best for all parties including the ratepayers. The advanced cost recovery fees ensure that Springs Utilities can recover the costs of this project.

Ms. Johnna Reeder Kleymeyer, President and CEO of the Colorado Springs Chamber and Economic Development Corporation, said the Chamber and EDC is responsible for reclaiming jobs for the City. The need for this project is great, and if this project is not completed, the Chamber's economic development efforts will cease. If the wastewater system is not improved, by 2028-2029 the city will be out of capacity. Without the EWSE, economic development will be greatly affected.

Mr. Doug Stimple, Colorado Springs Housing and Building Association member, said that the community needs this expansion. Mr. Stimple commended the Utilities Board for engaging in this process. The process was thoughtful and transparent and well done.

Mr. Scott Smith, Colorado Springs Housing and Building Association member, said that Springs Utilities has been forward thinking to ensure there are facilities and structures in place that will help with the growth of the community. The community is experiencing a housing crisis, but the infrastructure which goes in must be paid for as well. The ESWE has already implemented advance recovery agreements for every home with building permits pulled. He mentioned that the Wastewater Recovery Agreement has been updated, which makes the recovery costs in tune with bond rates and recovery costs.

Ms. Lindsey Samelson is a landowner of significant acreage near the Peterson Spaceforce Base, Peak Innovation Park, and the airport. Ms. Samelson expressed her support and gratefulness for the EWSE. Development near Peterson Airforce Base strengthens the city and supporting growth in this area enhances the relationship between the city and the military. Increased utility capacity means more jobs and provides financial security for her family in terms of development of the land she owns. The investment in the EWSE will allow development in the area.

Mr. Randy Case, EDC Site Readiness Coordinator, offered his support for the EWSE project. He has been involved in the Pikes Peak Association of Realtors and has researched infrastructure expansions and upgrades to address the city's growth. The Southern Delivery System needs to have a wastewater system to operate to its capacity. This project is about the entire community.

Mr. Bob Gardner, former State Senator and current Attorney at Law, represented a commercial ratepayer. Mr. Gardner agrees that this is a particularly important project but said that the decision was not made openly or transparently. Mr. Gardner said that the financial obligation has been imposed on Springs Utilities ratepayers. Mr. Gardner said there is an opportunity for the Board and organization to relieve the cost from the ratepayers to the developers. The expansion is critical, but he believes that the public was not involved in the process.

Mr. Troy Stover, Director of Peak Innovation Park, expressed his appreciation and the need for this infrastructure. He said the EWSE is paramount to the development and growth of the Peak Innovation Park and the airport. Aviation growth is also aviation development, and the EWSE will play a role in undeveloped land at the airport. The EWSE will help maximize

growth for up to 40,000 jobs to the community. There has already been cost recovery through participants at the Peak Innovation Park.

Mr. Deal said this has been a lengthy process, with much misinformation in the public. Mr. Deal asked for consensus from the Springs Utilities Board before execution of the project begins.

Board Member Henjum said that she has been able to ask as many questions as needed to get the information necessary for her to make an informed decision. She said she has profound trust in the leadership of Springs Utilities and the work of the employees of Springs Utilities.

Board Member Leinweber said that large investments have been made to the north and northeast parts of the city over the past decade. There is growth opportunity that can happen in the southeastern part of town. It is the right time, the right location, and the right place to be more efficient on how to grow the city. Board Member Leinweber stated he is in full support of this effort and believes this is the time for southeast Colorado Springs to come to life.

Board Member Risley said he is in full support of Springs Utilities staff and moving forward with this project. Board Member Risley said the longer it takes to get this up and running, the more it will cost stakeholders and ratepayers.

Vice Chair Williams commended staff on taking the steps necessary to find this solution. She explained this is a revolutionary answer to a need within Springs Utilities infrastructure.

Consensus to proceed with this project was given unanimously by the Utilities Board.

5. Consent Agenda

- **Approval of April 16, 2025 Utilities Board Orientation Minutes**
- **Approval of April 16, 2025 Utilities Board Meeting Minutes**
- **Approval of May 9, 2025 Utilities Board Orientation Minutes**
- **Approval of the Appointment of Joseph Rasmussen to the Homestake Steering Committee**
- **Approval of the Appointment of Joseph Rasmussen to the Aurora Colorado Springs Joint Water Authority Board**

Board Member Crow-Iverson made a motion to approve the Consent Agenda and Board Member Risley seconded the motion. The motion carried unanimously.

6. Customer Comments

There were no customer comments.

7. Recognition

- **2024 Best in Class Employer from Gallagher**

Ms. Renee Adams, Chief Human Resources Officer, said that Springs Utilities was honored as a 2024 Best in Class employer, based on the organization's participation in Gallagher's 2024 Benefits Strategy and Benchmarking Survey. This recognition places the organization among the top 25% of more than 3,500 U.S. organizations evaluated for their support of employees' physical, emotional, career, and financial wellbeing.

- **2024 Cigna Healthy Workforce Designation**

Ms. Adams said that the organization was recognized with the 2024 Cigna Healthy Workforce designation. This was based on senior leadership offering extensive support of Springs Utilities well-being program, programs and resources that support various dimensions of wellbeing, worksite policies to create a supportive culture and safe and healthy workplace, communication that actively engages employees and promotes the well-being program, and health equity and social determinants of health considerations as part of the well-being program.

- **Water and Wastewater Worker Appreciation Week**

Ms. Tara Kelley, Water and Wastewater Treatment Plants Manager, said that Springs Utilities takes pride in ensuring clean and safe water for our community, the environment, and downstream users. Water and wastewater workers monitor and operate systems 24 hours a day, 7 days per week, keeping things running, maintaining regulatory compliance, and planning for the future. Water and wastewater collection and treatment relies on operators, mechanics, electricians, instrumentation and controls staff, distribution and collection specialists, laboratory workers, industrial pretreatment specialists, engineers and other skilled workers. Governor Jared Polis declared April 21 – 27, 2025 as Wastewater Worker Appreciation Week statewide. May 4 – 10 was Drinking Water Week. In 2024, Colorado Springs Utilities received Peak Performance Awards through the National Association of Clean Water Agencies.

Board Member Henjum said she appreciates all the work done by water and wastewater personnel. She asked what the worst thing is to put into the wastewater system. Ms. Kelley said that it is important to not put things down the drain such as flushable wipes, larger solids like coffee grounds, eggshells, and grease.

Mr. Deal said that he has worked closely with members of the Water and Wastewater group. Mr. Deal thanked the workers for all that they do.

Board Member Gold said she recently took a tour of the Las Vegas Water Resource Recovery Facility, and she learned a lot. She thanked these employees for the work that they do.

Board Chair Donelson thanked water and wastewater workers for all they do. He said that the community takes for granted the excellent wastewater system that is in place. Board Chair Donelson thanked these workers for the hard work they do every day.

8. Compliance Reports

- I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (Quarterly Oct-Dec)

This report was provided in the meeting packet and was discussed at the May 19, 2025 Working Committee meeting. There were no questions or additional discussion.

- I-2 Financial Condition and Activities - Annual City Auditors Report G-7 (Annual external)

This report was provided in the meeting packet and was discussed at the May 19, 2025 Working Committee meeting. There were no questions or additional discussion.

- I-8 Asset Protection – Annual City Auditor’s Report (Annual External)

This report was provided in the meeting packet and was discussed at the May 19, 2025 Working Committee meeting. There were no questions or additional discussion.

- E-2 CEO / Board Partnership Responsibilities
 - Electric Cost Adjustment / Gas Cost Adjustment Monitoring
 - Water Outlook

Mr. Nick Harris, Water Resource Planning Engineer, explained that in April, the Colorado Springs Airport recorded 0.45 inches of precipitation, which is 31% of the normal amount. The average temperature for April was 49.1 degrees, 1.6 degrees above normal. The year-to-date total precipitation for 2025 is 1.87 inches, which is 65.6% of the normal amount.

Currently, approximately 45% of the country is experiencing normal conditions, representing a 16-percentage point improvement since the beginning of 2025. However, it is important to highlight that in some regions where drought was already present, conditions have worsened, with notable increases in severe, extreme, and exceptional drought classifications. As of May 15, approximately 30% of Colorado is free from drought, a modest recent improvement. However, moderate to extreme drought conditions remain widespread, with increasing intensity across the headwater regions of the Colorado and Arkansas Rivers, which are key sources of our water supply.

Board Chair Donelson asked what is measured to determine drought. Mr. Harris said that there are multiple factors that go into the determination, with factors varying based on location. Board Chair Donelson asked if at a future meeting the levels of drought could be discussed. Mr. Harris will include this information in future presentations.

Board Member Henjum asked how water is retained if snowpack melts too quickly. Mr. Harris said that in a normal year, the snow melts at a reasonable rate with temperatures increasing toward the summer. Mr. Harris said that snow is melting early in 2025 and that systems are prepared to collect the runoff as it occurs.

As of May 19, 2025, the Snow Water Equivalent in the Arkansas River Basin stands at 52% of normal, reflecting a 14% increase since the end of April. This improvement is attributed to recent precipitation events. As of May 19, 2025, the Snow Water Equivalent in the Colorado Headwaters River Basin is at 58% of normal, representing a 7% decrease since the end of April.

Water demand in April averaged 51.1 million gallons per day, which was 1.3% more than last year. The total demand for calendar year 2025 was 5.2 billion gallons, which was 1.2% more than 2024 at this time.

Local reservoir levels for the system are at 77% of normal, which is above the average of 74%.

Board Member Leinweber asked that the Reservoir Level slide take into consideration the fact that South Catamount is not operational and the potential of lowering Mason due to maintenance. Mr. Harris said that the 62% of Pikes Peak does not take this into consideration. Mr. Harris will update future graphics to reflect this.

South Catamount Reservoir capacity remains restricted for planned dam maintenance, and the South Suburban Reservoir is drained for outlet work repairs.

9. Items Called Off Consent Agenda

No items were called off the Consent Agenda.

10. Board Member Updates

Board Members did not have any updates.

11. Summary of Board Actions

- Approved the April 16, 2025, Utilities Board orientation minutes
- Approved April 16, 2025, Utilities Board meeting minutes
- Approved May 9, 2025, Utilities Board orientation minutes
- Approved the appointment of Joseph Rasmussen to the Homestake Steering Committee
- Approved the appointment of Joseph Rasmussen to the Aurora Colorado Springs Joint Water Authority Board

12. Adjournment

The meeting adjourned at 4:27 p.m.