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UTILITIES BOARD WORKING COMMITTEE
Rosemont Conference Room
121 S. Tejon St., South Tower, 5th Floor
Colorado Springs, CO 80903

Minutes
August 18, 2025
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1. **Call to Order**
Pursuant to the Colorado Open Meetings Law and the City Charter, since three or more members of the Utilities Board may be attending this public meeting, it is noticed and open to the public. Pursuant to the Utilities Board Bylaws, this Committee of the Utilities Board will not accept public comments.

Board Chair Donelson called the meeting to order at 9:00 a.m.

Present – Board Member David Leinweber, Board Member Kimberly Gold, Board Member Lynette Crow-Iverson, Board Member Tom Bailey

Vice Chair Brandy Williams and Board Member Roland Rainey attended the meeting virtually.

2. **Acceptance of July 14, 2025 Working Committee Minutes**
Ms. Natalie Watts, Strategic Planning and Governance Manager, advised Chair Donelson of a mistake in the minutes. The minutes should have read July instead of June. Ms. Renee Congdon, City Attorney Utilities Division Chief, stated the minutes could be adopted with the correction.

Board Member Gold made a motion to approve the July meeting minutes with the adopted change and Board Member Bailey seconded the motion. The motion passed unanimously.

3. **Safety Moment: National Traffic Awareness Month**
Mr. Tristian Gearhart, Chief Planning and Finance Officer, advised that August is National Traffic Safety Awareness Month and provided examples of safe driving and car maintenance.

Board Member Henjum stressed the importance of having a safe state of mind before getting behind the wheel of a vehicle. She thanked Mr. Gearhart for bringing this matter to everyone's attention.

4. **Compliance Reports:**

I-2 Financial Condition and Activities (to include Contracts Over $500K) G-7 (Quarterly April-June)**
Mr. Gearhart reviewed the I-2 compliance report that included the adjusted debt service coverage, days cash on hand, and the debt ratio for 2025.

Board Member Henjum expressed concern about the fiber project and asked how it affects the days cash on hand for Utilities and if it was planned. Ms. Somer Mese, Chief Operations Officer, explained Utilities is under contractual obligation to hit 150,000 connections by 2027 and each connection will provide revenue. Mr. Travas Deal, Chief Executive Officer, stated it was planned. Due to the first contractor defaulting, Utilities ran the risk of not meeting the end goal and has moved forward in hiring three more contractors.

Board Member Henjum requested a more in-depth explanation and review of the status of the fiber project. Board Member Bailey agreed to the recommendation.

The Committee discussed the different projects throughout and their cost.

I-4 Risk Management (semi-annual)

Mr. Gearhart briefly reviewed the compliance report and stated everything meets the obligations set forth in the report. He reminded the committee there would be an upcoming closed session reviewing risk management before the end of the year.

Mr. Gearhart gave kudos to Utilities' insurance providers. Thanks to their proactive strategies, our organization experienced one of the smallest increases in property insurance rates due to things such as fire mitigation.

I-8 Asset Protection (semi-annual)

Mr. Gearhart provided a brief overview of the compliance report and asked if there were any questions. None were asked.

I-9 Treatment of Customers and Customer Information (Annual)

Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, reported no changes to the compliance report. He noted that the Cybersecurity team has assumed responsibility for managing confidential Personally Identifiable Information (PII) and ensuring robust data protection through multiple encryption layers to safeguard customer information. There were no questions asked.

5. Arkansas River Power Authority (ARPA) Intergovernmental Agreement

Mr. Rich Norton, Supply Chain General Manager, reviewed the intergovernmental agreement and the purpose of the partnership between Utilities and ARPA.

Mr. Deal explained the partnership will help with water acquisitions and show support for the communities in the area. He clarified that Colorado Springs' rate payers are not subsidizing the costs for the agreement.

The committee discussed the item moving forward to the consent agenda on August 20, 2025 at the Utilities Board meeting and the September 9, 2025 City Council meeting.

Board Member Leinweber suggested not having the item on the Consent calendar at the City Council meeting because it was a missed opportunity for Utilities to talk about the agreement at the meeting, as the public should be aware. Mr. Deal stated it was possible for it to be a regular item on the City Council agenda. The committee agreed to keep the item on Consent at the Utilities Board meeting, and it will not be on Consent at the City Council meeting. Ms. Renee Congdon, City Attorney Utilities Division, advised the Board Chair will need to make a statement when approving the consent calendar that the item will not go on Consent but instead it will be part of Utilities Business.

6. Colorado River Update and Water Outlook

Ms. Kim Gortz, Water Supply Resources Manager, and Mr. Nick Harris, Water Resource Planning Engineer, provided an informational presentation on the Colorado River and Water Outlook.

Board member Henjum asked for an explanation on how Lakes Mead and Powell interplay with their water levels. Ms. Gortz explained there is an agreement between both lakes and Lake Powell receives water from the Upper Basin. The amount of water released is dependent on the lake's levels.

Board member Henjum asked about the long-term Colorado River declines and how it affects Utilities' water supply and energy systems. Ms. Gortz explained there will be a compact curtailment scenario for the future. Ms. Abby Ortega, General Manager of Resource and Infrastructure Planning, explained that a key component for future planning depends on the Bureau of Reclamation's inner guidelines.

Chair Donelson asked for the definition of "minimum power pool." Ms. Ortega stated it means the water level at the reservoir is below the intake of the hydro units.

Mr. Nick Harris, Engineer III, gave an overview of how the Water Outlook has been presented and asked the committee for suggestions on how they would like to see it going forward. Board Chair Donelson stated he is satisfied with how it has been done and had no recommendations for change.

Board member Bailey suggested shortening the presentation time during the Utilities Board meetings. Board member Henjum agreed with Chair Donelson on the state of how it has been presented in the past and emphasized the importance of keeping it in the packet for public knowledge. Board Member Leinweber asked if there was a way to capture water runoff and exchange data and Ms. Ortega responded by stating it would require a presentation of its own due to the extensiveness of the subject. In conclusion, suggestions for this item were put on hold until April 2026, since the Water Outlook is presented from June to August and the presentations are over for the year.

The committee took a break at 10:35 a.m. and returned at 10:40 a.m.

7. 2026 Budget and Rate Case

Mr. John Hunter, Financial Planning and Risk Manager, and Mr. Scott Shirola, Pricing and Rates Manager, presented the 2026 Budget and Rate Case.

Board Member Henjum asked for the percentage of the total appropriation are from rate increases. Mr. Hunter said it was 2.8% of the total budget.

Board Member Gold asked what the "other" meant in the proposed 2026 budget summary. Mr. Hunter answered by saying it is for the taxes for providing electric services.

Board Member Henjum inquired about the Horizon Power Plant and why it is being categorized in the regulatory category. Staff stated it is needed for the City's growth and is being accelerated due to the closure of the Nixon Power Plant.

Board Member Henjum asked why Utilities is wanting to use nuclear energy and not using the zero carbon options, such as wind and solar. Mr. Deal advised using the zero carbon options will not be sustainable and state regulations are driving utility companies to have to use nuclear power as a necessary clean energy option.

Board Member Henjum asked when Utilities is required to resubmit their Integrated Resource Plan (IRP). Ms. Lisa Barbato, Systems Projects and Planning Officer, said Utilities is required to resubmit every five years by the Western Area Power Administration (WAPA). The IRP will be reviewed by the Utilities Board before it will be resubmitted in 2026.

Board Member Rainey questioned if cyber is included in the common capital budget and Mr. Peter Alonge, Information Technology Infrastructure Manager, confirmed it was included in the IT budget.

Board Member Henjum asked whether the projects presented in each category were the only ones being considered, or if additional projects existed beyond those shown. Mr. Gearhart responded that only the top 10 projects in each category were included in the presentation.

The committee took a 10-minute break at 12:40 p.m. and returned at 12:50 p.m.

Board Member Henjum inquired about what new information Utilities has gained over the past year that now allows them to include large load electric rate schedules in the 2026 Rate Case. Mr. Shirola explained that other utility companies have set a precedent, and Utilities is aligning with industry best practices.

Vice Chair Williams inquired whether net metering customers will be subject to peak hour pricing in the same way as non-net metering customers. Mr. Shirola advised Utilities is proposing a new charge for net metering customers to align and pay an appropriate cost for their capacity charge during the 5 – 9 p.m. on-peak time frame.

Vice Chair Williams asked why net metering customers would have to pay the highest demand charge and not an average. Mr. Deal advised the charge is for the distribution of solar power from the customers that have solar panels. He stated that charge is currently being paid for by those customers that do not have solar.

Board Member Leinweber asked when Energy Wise rates will begin for customers, and Mr. Gearhart responded they will begin Oct. 1, 2025.

Board Member Henjum asked if there is a strategy in place to inform the 9,000 solar customers about the net metering cost shift. Mr. Shirola advised the Public Affairs Team is working on the communication strategy. He emphasized this change is being proposed to go into effect January of 2027.

8. Adjournment

Board Chair Donelson adjourned the meeting at 1:57 p.m.