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

AGENDA
May 18, 2026
Join the meeting now
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9:00 a.m.	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 at this meeting.	Board Chair Donelson
9:05 a.m.	Acceptance of Minutes • April 20, 2026, Working Committee Minutes	Committee
9:10 a.m.	Safety Moment: Mental Health Awareness Month	Somer Mese, Chief Operations Officer
9:25 a.m.	Compliance Reports: • I-2 Financial Conditions and Activities (to include Contracts over $500,000) G-7 (Quarterly October through December)	John Hunter, Manager of Financial Planning and Risk
	• E-2 CEO/Board Partnership Responsibilities – CEO Responsibilities 1. Electric Cost Adjustment/Gas Cost Adjustment Update	Tristan Gearhart, Chief Planning and Financial Officer
9:45 a.m.	Net Metering Rate Information	Tristan Gearhart, Chief Planning and Financial Officer
10:30 a.m.	Integrated Resource Plan Status Reports	David Longrie, Manager of Energy Resource Planning and Innovation Justin Zeisler, Supervisor of Water Resource Planning
11:15 a.m.	Electric Integrated Resource Plan (EIRP) Progress Update	Troy Bass, Supervisor of Energy Resource Planning David Longrie, Manager of Energy Resource Planning and Innovation

12:45 p.m.	Economic Development Engagement Update	Mike Francolino, Chief Customer and Enterprise Services Officer
1:00 p.m.	Adjournment	Chair Donelson

Minutes
April 20, 2026
Rosemont Conference Room or Microsoft Teams

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 at this meeting.

Board Chair Dave Donelson called the meeting to order at 9:02 a.m.

Present – Board Chair Dave Donelson, Board Member Ken Casey, Board Member Lynette Crow-Iverson, Board Member Kimberly Gold (online), Board Member Nancy Henjum, Board Member David Leinweber, Board Member Roland Rainey, Board Member Brian Risley and Board Vice Chair Brandy Williams

Acceptance of the March 16, 2026, Working Committee Minutes
Board Member Nancy Henjum made a motion to approve the March meeting minutes, and Board Member Rainey seconded the motion. The motion passed unanimously, with Board Member Casey abstaining from the vote.

Safety Moment: Dangers of Distracted Driving
Ms. Renee Adams, Chief Human Resources Officer, presented the safety moment of the dangers of distracted driving and how to stay focused behind the wheel.

Compliance Reports
Electric Cost Adjustment/Gas Cost Adjustment Update
Mr. Scott Shirola, Pricing and Rates Manager, provided the Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) update. In this update, Mr. Shirola detailed the natural gas prices as of March 1, 2026, and the ECA and GCA predictions for April 2026.

Vice Chair Williams noted that the overcollection in the ECA remains steady until January of 2027 and asked what can be done to lower that overcollection considering the gas rate has been decreased. Mr. Shirola explained that the main driver in lowering the overcollection is the cost line. As this draws over the next 12 months, it will maintain as the cost of gas is lower currently and the decrease will begin to show closer to the end of the 12months as the cost of gas normally spikes in the fall and winter months.

Board Member Rainey asked what the status of the Tallgrass site is. Mr. Travas Deal, Chief Executive Officer, responded that Tallgrass is on track to be online in 2028.

Excellence in Governance Policy Manual Revisions: I-8 and I-13
Mr. Tristan Gearhart, Chief Planning and Financial Officer, presented the Excellence in Governance Policy Manual revisions to the I-8 and I-13. The recommended revision for the I-8 is to change the

reporting cycle from bi-annual to annual, and the recommended revision for the I-13 is to remove section five of the current I-13 policy to ensure alignment and consistency with the updated internal policy.

Board Member Henjum asked why the I-8 was originally evaluated bi-annually. Mr. Gearhart said he believed it was due to the I-4 Risk Management Policy being evaluated bi-annually and the financial hedging that was done in the early 2000s. Now that the financial hedging program no longer exists, there is not a need for bi-annual evaluation.

Reimbursement Resolution for 2026

Mr. Adam Hegstrom, Manager of Treasury and Finance, presented the Reimbursement Resolution for 2026, which will allow Colorado Springs Utilities to utilize the 2026 Bond proceeds to finance CapEx incurred up to 60 days prior to the resolution approval date through the bond issuance date. Mr. Hegstrom clarified that the timing of this resolution is to be more flexible to Colorado Springs Utilities' shifting project plans, and that the organization is not anticipating borrowing more, borrowing less, or changing the structure of debt issuance from base strategies.

Board Member Casey asked if this allows Utilities to obligate funds before we have them. Mr. Hegstrom explained that due to the IRS' strict rules about tax-exempt bonds, we have to keep track of what project each dollar went to, meaning the money has to be spent before you can reimburse yourself through bond funds. This resolution gives Springs Utilities the ability to use our unrestricted floating cash balances during the proposed time period. Once the time period is over, receipts are applied and we can reimburse ourselves through the bond funds.

Vice Chair Williams asked if we have used this type of resolution before. Mr. Hegstrom answered yes, during Winter Storm Uri, as there was a spike in costs, so capital spend was rearranged throughout the year and then reimbursed back. Vice Chair Williams asked if a resolution was used at that time, to which Mr. Hegstrom responded yes, a resolution very similar to this one that was made very quickly.

Board Member Casey asked if this resolution would only apply to this year, or if this type or resolution would be something needed every year. Mr. Hegstrom confirmed it would only be for this year, as the particular environment of our capital plan is somewhat uncertain so this will allow for flexibility.

Board Member Rainey asked about the timing of the resolution. Mr. Gearhart explained the policy of presenting to the Working Committee one month, then formally at the Utilities Board the following month before the item moves to City Council for final approval. Mr. Gearhart said the timing of this was planned for approval in June.

Report Out on Net Metering Focus Groups

Ms. Leslie Smith, Supervisor of Customer Insights and Programs, presented information on the net metering focus groups. This presentation provided an overview of concepts covered, a summary of participants, solar group insights, non-solar group insights, key observations and insights, consistent themes, and next steps in the net metering process.

Board Member Henjum asked Ms. Smith what the desired outcome of the focus groups was. Ms. Smith responded that there was no one desired outcome, just that the information received during the focus groups could speak to the data points from previous surveys and add an additional layer of

feedback to the process. Ms. Smith added that it was made very clear to the volunteers in the focus groups that no decision on net metering had been made.

Vice Chair Williams noted that Ms. Smith stated that, when walked through the difference between the demand charge being a market-based rate or a net billing rate, the preferred choice by the focus groups was different than that from the survey. She asked if solar users could have a combination of both, to which Mr. Gearhart responded yes. Vice Chair Williams asked if this terminology was the same in both the focus groups and the survey, which Ms. Smith confirmed.

Mr. Gearhart added that this would be a monthly fee when a ratepayer's panels are not producing, so they still have access to power from the grid. While initial calculations have been run on this fee, there is not a final answer yet. However, this fee should look similar to net billing or energy rates, and Mr. Gearhart said initial calculations were around $25 to $28 per month as a flat fee. Vice Chair Williams asked how a solar customer would know about this fee if it essentially doesn't exist yet. Mr. Gearhart speculated that those customers pay an access and facility charge per day, which could be confused for a grid access fee. The fee currently recovers the cost of meters. Mr. Gearhart emphasized the importance of being clear about what is being paid for with the differing fees moving forward.

Board Member Henjum asked how Mr. Gearhart is processing the differences in responses between the survey and the focus groups. Mr. Gearhart stated that he has the Pricing and Rates team running different scenarios based on the survey and focus group results, looking at industry standards, and running calculations. As far as industry standards go, when there is a cost shift between customers, typically there is a demand charge or grid access fee to make up the difference.

Mr. Gearhart stated that he believed a flat fee is a better approach than looking at individual electric use over a monthly period. If a flat monthly fee was set, it would need to be changed through rate cases that would come before City Council for approval, like all other rate cases. Chair Donelson agreed that a flat rate is reliable, which people typically like.

Board Member Rainey asked if the solar focus group understood the difference of where the roles and responsibilities start and stop from a Colorado Springs Utilities perspective, and the third party who sold them the solar panels. Ms. Smith answered that this did come up during discussions with the focus group, where they ultimately requested that Springs Utilities vet solar companies and help guide customers on who they should buy from. While this is not something that Springs Utilities can do, Ms. Smith understood that the desire for this comes from confusion between the companies selling solar and how Springs Utilities manages solar. Board Member Henjum said this spoke to the trust in Springs Utilities.

Vice Chair Williams asked if the solar customers received the explanation that while making power, it is to their advantage to push energy back to the grid. Vice Chair Williams said she couldn't imagine that any solar user would want this to change for time-of-day rates and asked if these users understood this. Ms. Smith answered that this conversation was not had, but it was made clear that solar customers would still see their contribution. Vice Chair Williams suggested making that message clearer. Mr. Gearhart clarified that energy delivered during the time-of-day rates versus energy

delivered during the middle of the day is what helps offset the peak demand from a cost standpoint.

Board Member Henjum stated that solar energy, however it is being generated, is contributing to grid reliability. She stated that she understands the frustration of solar customers who may feel they are being told their rooftop solar is not as valuable to the grid as other solar. Mr. Gearhart agreed with Board Member Henjum and said the hope is to look at solar customers generally and where they generate the most power economically.

Board Member Rainey asked what the impact of this is from the perspective of joining the Southwest Power Pool (SPP). Mr. Gearhart said he believed this opened up more avenues for resources that will price out differently in the market.

Mr. Deal explained that the solar contracts within this are tied to purchase power agreements and are very firm, but rooftop solar is uncontrolled and not guaranteed, as it is based off weather patterns and the customer's behaviors. While rooftop solar does provide deferred usage, it does not help on the market side as it is unpredictable. Mr. Deal said he believed in the fundamentals of why customers may choose to have solar but said one of the complexities is when a customer tries to monetize it at a higher rate so they can pay the system off.

Vice Chair Williams asked why the solar customers want the companies who sell solar vetted. Mr. Deal answered that solar companies are promising something that Colorado Springs Utilities cannot deliver, such as the investment in batteries. Mr. Deal also noted that the degradation of solar panels is another issue. Vice Chair Williams asked if there is some way customers can be informed of the risks of taking on solar before they choose to invest, so Springs Utilities can make expectations clear for solar customers. Ms. Smith said more robust education and communication could likely help bridge the gap between what Springs Utilities can and cannot say.

Board Member Rainey asked if there is any case law on solar or solar companies that could be referred to. Renee Congdon, Utilities Division Chief for the City Attorney's Office, said she would look into this and provide an update offline.

Mr. Deal took a moment to differentiate reliability between different types of energy. He stated that reliability requires predictability, and without predictability, energy is not reliable. Rooftop solar helps to shave off peak demand, but it is not necessarily reliable like gas or coal. Mr. Deal said he encouraged solar users to purchase batteries if they are able to, so they can have a more personally reliable system.

Chair Donelson noted that Ms. Smith had said many Colorado Springs Utilities customers may be considering solar, which is why there is an emphasis on educating customers on the reality of solar, both positive and negative.

Board Member Henjum stated that she understood the next steps for a rate case but asked if there would be additional information beyond the presentation provided. Ms. Smith responded yes, much more information. There is a summary for each group that will go on CSU.org, updates to the net metering newsletter, and updated information on the website as well.

Board Member Rainey asked if this was solely used for research purposes, not to drive an outcome, and if a third-party group could use this information to drive outcomes with customers. Ms. Congdon

said this information was not binding, and this should not be dissuading or persuading a customer's decision, it is simply a report from the focus groups.

Board Member Henjum said she felt it is important to acknowledge the difference between facts and opinion and speak kindly when it comes to the beliefs of customers based on the understanding they have on energy, reliability, concerns about the environment, and solar versus non-solar users. She said this is a complex consideration and it is imperative to consider opinions and help educate. Chair Donelson agreed with this statement and said the message from Colorado Springs Utilities needs to be clear that they are not pro-solar or anti-solar.

Electric Integrated Resource Plan (EIRP) Progress Update
Mr. David Longrie, Manager of Energy Resource Planning and Innovation, and Mr. Troy Bass, Supervisor of Energy Resource Planning, provided the Electric Integrated Resource Plan (EIRP) progress update. In this update, they detailed electric planning strategic drivers, major projects, generation resource retirements, transmission capacity, the Integrated Resource Plan process, modeling and analysis, load forecast, and demand side management. Mr. Longrie and Mr. Bass also provided the next steps for the EIRP.

Vice Chair Williams asked if Colorado Springs Utilities provides the timeline of how fast a large load customer can be brought online to interested customers. Mr. Longrie answered yes, that is discussed with potential large-load customers.

Board Member Henjum asked where the Fuller Substation is. Mr. Longrie answered that it is east of Colorado Springs. Chair Donelson requested a tour of this substation. Mr. Deal answered that staff would coordinate this tour.

Board Member Leinweber asked if Springs Utilities is maxed out on how many megawatts can be transmitted, or if there is still capacity to transmit. Mr. Longrie answered that there is some capacity, as long as all generating units are working. Mr. Deal noted that to be a generating facility, you have to have two-way transmission.

Board Member Henjum asked if there is a limit on tech load. Mr. Longrie responded no, there is not a limit, but that the graph showed where Colorado Springs Utilities is today. Mr. Deal added that he had the team add a subsection to the load called "Economic Development Load" to help plan for and stay ahead of normal business development, essentially as a buffer. Board Member Henjum requested this information to be added as a footnote to the presentation. Mr. Deal noted that true-ups are done each year to adjust and change as needed.

Board Member Risley asked if it was possible to add the green footprint of renewables. While they generate cleaner energy, there is an environmental footprint in the manufacturing and transportation of these items. Board Member Risley suggested this might be an appropriate assignment for the Utilities Policy Action Committee (UPAC) to take on. Board Member Leinweber agreed with this assignment. Mr. Deal said that, while this assignment is possible, there is a lot more to the environmental and social cost along with state and federal guidelines, which presents a challenge. The data changes so rapidly, it could be difficult to truly capture. Mr. Deal reiterated how

imperative it is to have reliable energy, and how that drives the decisions that he makes for the organization.

Board Member Leinweber asked if there is a true cost saving from the $800,000 option to the $600,000 option. Mr. Deal responded no, the difference is in the timeframe as the Nixon Powerplant would come offline and that capital would need to be reinvested into other resources to meet the gap. Board Member Leinweber asked about the status of pump-hydro as an energy option. Mr. Longrie said it is something that continues to be discussed, however the goal is to use technology that has significantly less impact on water. This type of energy would be more of a storage technology than one that could support a base load.

Board Member Casey asked what creates the difference in cost between the different plans presented. Mr. Longrie responded that nuclear overall has a higher cost, both to build and to run. The bulk of this cost is to bring a site online. Once a site is constructed, then additional improvements will be cheaper.

Board Member Henjum noted the difference in emission reductions between the nuclear high cost and nuclear delayed cost. She asked if the difference in the two amounts was due to the battery. Mr. Bass answered that when the Nixon Power Plant is retired in 2038, renewables will need to be built to make up for the capacity lost.

Board Member Leinweber reiterated Board Member Risley's idea to give UPAC the assignment of calculating the social and environmental costs between nuclear and renewable energy. Chair Donelson said he understood where Board Member Leinweber was coming from, but this particular assignment could be somewhat contentious and political, which is not ideal. Chair Donelson did agree that UPAC is in need of a new assignment, however, the Board would not be voting on an assignment at the upcoming April Utilities Board meeting. Mr. Deal agreed that this would not be the best assignment due to its political nature.

Kelker to South Plant Transmission Line Update
This item was pulled from the agenda and not presented during the meeting.

Adjournment
Chair Donelson adjourned the meeting at 11:56 a.m.

Colorado Springs Utilities
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Mental Health Awareness Month

Somer Mese
Chief Operations Officer
May 18, 2026

Mental Health Awareness Month and Why It Matters

Mental Health and Safety
Mental health directly impacts safety by influencing focus, awareness, and decision-making in the workplace.

Common Mental Health Challenges
Stress, anxiety, and emotional fatigue affect employees regardless of role or background, impacting performance.

Reducing Human-Factor Risks
Prioritizing mental health reduces distraction and risky behaviors, promoting physical and mental readiness.

How Mental Health Impacts Safety Performance

Mental Health Effects on Safety
Stress, anxiety, and fatigue impair concentration and judgment, increasing the risk of safety lapses at work.

Impact of Chronic Stress
Prolonged stress leads to burnout and reduced situational awareness, causing shortcuts and disengagement from safety.

Teamwork and Communication
Mental health challenges hinder communication and teamwork, increasing errors and missed safety information.

Recognizing Signs Someone Might Be Struggling

Behavioral and Mood Changes
Subtle shifts like irritability, withdrawal, or reduced communication may indicate emotional distress in employees.

Work Performance Indicators
Difficulty concentrating, forgetfulness, and increased mistakes can signal mental strain affecting job tasks.

Physical Signs of Struggle
Fatigue, headaches, and altered sleep patterns may be physical manifestations related to mental health challenges.

How We Can Support Each Other at Work

Checking In on Coworkers
Simple check-ins and genuine listening reduce isolation and foster mental health support at work.

Encouraging Open Communication
Promoting speaking up about mental fitness prevents risks and builds a responsible workplace culture.

Utilizing Workplace Resources
Awareness and use of EAPs and trusted contacts are essential for confidential mental health support.

Key Takeaways: Mental Health is Safety

Mental Health Equals Safety
Mental well-being is essential for a safe workplace.

Prioritize Mental Well-being
Integrating mental health into safety practices builds resilient teams and protects everyone.

Speak Up and Seek Help
Encouraging open conversations about mental health fosters strength and prevents issues.

Resources
EAP – Spring Health 24/7/365 Crisis Support
csu.springhealth.com
988 Colorado – Colorado Mental Health Line


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Date: May 20, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report**
Financial Condition and Activities (I-2)

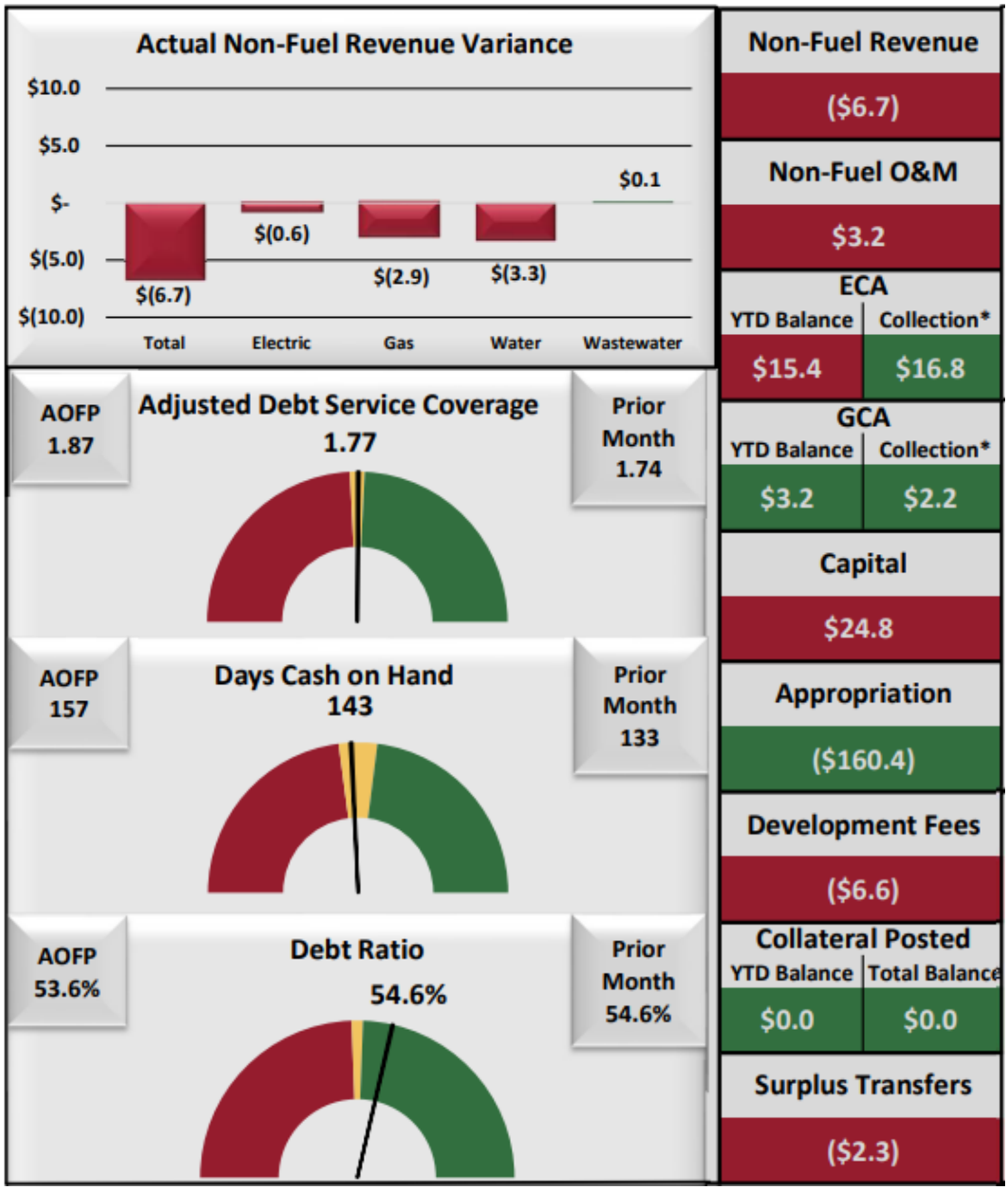
Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**October 1, 2025 – December 31, 2025**
Policy Title (Number):	**Financial Condition and Activities (I-2)**	Reviewing Committees:	**Working Committee**
Monitoring Type:	**Internal; City Auditor**	Monitoring Frequency:	**Quarterly, Annually**
Guidelines:	**Local Vendor (G-7)**		

The Chief Executive Officer shall direct that financial condition and activities, and actual expenditures are consistent with Board Expected Results. Accordingly, the CEO shall:

1. *Operate within total appropriations for the fiscal year and inform the Utilities Board of:*
    a. *Significant financial variances*
        - 2025 Total Use of Funds $1.67 billion a decrease of $(160.4) million or (8.8)% from the 2025 Approved Budget of $1.83 billion. This meets the I-2 objective to operate within the appropriation.
        - Fuel expenses are $(188.8) million or (38.2)% under the approved budget primarily due to lower actual 2025 natural gas prices than those projected at the time of the 2025 budget appropriation.
        - Operating revenues are $(192.5) million or (14.6)% under the approved budget due to a decrease in fuel costs that are reflected in lower ECA/GCA revenue.
        - Capital expenses are $24.8 million or 4% over the approved budget primarily related to Horizon Power Plant accelerated payments forward from 2026.



b. *Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater, and common.*

	O&M	Capital
Electric	$ (70,529)	$ 103,075
Gas	$ (104,712)	$ 7,280
Water	$ (1,456)	$ (47,537)
Wastewater	$ 3,756	$ (21,227)
A&G and Common	$ (12,612)	$ (16,751)
Utilities Total	$ (185,552)	$ 24,839

Note: O&M is both fuel and non-fuel, non-fuel is over by $3.2 million

2. *Budget transfers, canceled major capital projects, or new major capital projects not funded in the Approved Budget over $1,000,000*

Project Over/Under Runs						
Activity #	Project Name	Service Line	Investment Type	2025 AOFP	Change	New Budget
193952	Operational Fiber Network	Electric	Regulatory	$63,045,000	$29,824,767	$92,869,763
495436	EWSE Phase 1 - New Lift Stations and Force Mains	Wastewater	Growth	$18,871,906	($13,787,760)	$5,084,146
194037	APIP - Horizon Substation - Add New (34.5kV) Transformer, Switchgear, and Feeders	Electric	Growth	$9,600,000	($8,554,366)	$1,045,634
394749	Highline Pressure Zone Extension and Redundant Supply	Water	Growth	$13,699,398	($7,552,393)	$6,147,005
193877	SEP Kelker-South Plant New 115kV Transmission Line	Electric	Regulatory	$8,604,232	($7,270,194)	$1,334,038
193880	SEP MW-KE Transmission Line	Electric	Growth	$19,242,704	$6,825,286	$26,067,990
193898	Front Range CT1 & CT2 Rotor Replacement	Electric	Reliability	$6,750,000	($6,524,005)	$225,995
193884	APIP - Claremont Substation - Add Transformer, Switchgear, and Feeders	Electric	Regulatory	$260,000	$5,918,729	$6,178,729
193874	SEP Kelker Substation Rebuild-Expansion	Electric	Regulatory	$31,485,002	$5,599,526	$37,084,528
394652	WOLF and UBGT Pressure Zone Interconnection - North Segment, Phase 1 of 2	Water	Regulatory	$5,589,000	($4,925,289)	$663,711
394476	Rosemont Pipeline Replacement	Water	Reliability	$4,854,879	($4,558,701)	$296,178
394696	N. Slope - South Catamount Dam Rehabilitation	Water	Reliability	$6,000,000	$4,451,547	$10,451,547
193975	Tesla TIV Replacement & Stanley Canyon Repair Project	Electric	Reliability	$2,920,500	$4,144,880	$7,065,380
596710	MAXimize	Common	Reliability	$4,935,000	($3,818,123)	$1,116,877
495307	LVSWRRF Aeration System Modifications	Wastewater	Reliability	$10,960,000	($3,704,686)	$7,255,314
293170	Marksheffel Connector GPAP expansion	Natural Gas	Growth	$2,000,000	$3,685,290	$5,685,290
293182	DIMP - Gas Projects	Natural Gas	Regulatory	$220,000	$3,604,934	$3,824,934
293179	DIMP - Gas High-Pressure Distribution System Renewals	Natural Gas	Regulatory	$7,433,144	($3,548,238)	$3,884,906
193970	Manitou Units 1&2 Turbines & Generators Rehabilitation Project	Electric	Reliability	$3,500,000	($3,498,845)	$1,155
193407	Front Range General Electric Hot Gas Path Replacement	Electric	Reliability	$6,201,347	$3,451,917	$9,653,264
193974	System Additions for New Development	Electric	Growth	$2,400,000	$3,345,862	$5,745,862
495363	LVSWRRF Influent Junction Box Replacement	Wastewater	Reliability	$4,000,000	($3,073,761)	$926,239
193642	Central Bluffs Substation	Electric	Growth	$16,000,000	($3,064,759)	$12,935,241
394587	Potable Pumping Station Replacement Program	Water	Reliability	$6,000,000	$2,897,565	$8,897,565
495435	EWSE Phase 1 - Upper and Lower Crosstown Interceptor	Wastewater	Growth	$2,689,052	$2,641,288	$5,330,340
596761	Vac Material Processing Wash Plant Recovery System	Common	Reliability	$2,600,000	($2,592,287)	$7,713
394669	AMI Project - Water	Water	Reliability	$3,700,000	($2,549,200)	$1,150,800
596712	Data Analytics and Strategy - Storage & Access	Common	Regulatory	$4,500,000	($2,454,111)	$2,045,889
495437	EWSE Phase 1 - Milton Proby Interceptor	Wastewater	Growth	$481,584	$2,324,925	$2,806,509
394744	Finished Water Linear Asset Program	Water	Reliability	$11,312,000	$2,300,102	$13,612,102
194103	Airport & Powers - Electric Relocation - CDOT T&M	Electric	Reliability	$300,000	$2,060,015	$2,360,015
194029	Santa Fe Substation - Add New Transformer, Switchgear, and Feeders	Electric	Growth	$1,150,000	$1,978,680	$3,128,680
293181	DIMP - Gas Vintage Plastic Renewals	Natural Gas	Regulatory	$500,000	$1,924,540	$2,424,540
180283	Public Improvements-Electric	Electric	Reliability	$253,003	$1,812,863	$2,065,866
192296	Underground 12.5kV Distribution to New Residential Customers	Electric	Growth	$4,900,359	$1,739,101	$6,639,460
192347	Electric Meters - Base Requirements	Electric	Growth	$2,359,948	($1,729,009)	$630,939
293178	DIMP - Gas Bare Steel Replacements	Natural Gas	Regulatory	$600,000	$1,691,269	$2,291,269
293183	Gas Unplanned Maintenance	Natural Gas	Regulatory	$1,605,533	$1,645,999	$3,251,532
596758	BRDS02 Data Center PDU/UPS Upgrade	Common	Reliability	$1,500,000	($1,489,046)	$10,954
495356	Northern Monument Creek Interceptor	Wastewater	Growth	$4,000,000	($1,390,974)	$2,609,026
596759	Network TIL Redesign	Common	Growth	$1,500,000	($1,388,964)	$111,036
380109	Water Service Vehicles & Equipment	Water	Reliability	$5,367,337	($1,341,355)	$4,025,982
596544	Network Enterprise Services Program	Common	Reliability	$2,000,000	($1,253,510)	$746,490
495331	CSRRRF Biogas Utilization Project	Wastewater	Regulatory	$0	($1,235,264)	($1,235,264)
293180	DIMP - Gas Coated Steel Renewals	Natural Gas	Regulatory	$2,000,000	($1,234,318)	$765,682
596754	MESA01 Boiler Replacement Project	Common	Reliability	$194,750	$1,213,461	$1,408,211
192297	Underground 12.5kV Commercial Distribution	Electric	Growth	$2,073,081	$1,196,249	$3,269,330
194045	Fontanero Substation - Add Second 115/12.5 kV Transformer, Switchgear, Feeders, and retire Yampa Sub	Electric	Growth	$4,000,000	($1,168,220)	$2,831,780

Project Over/Under Runs						
Activity #	Project Name	Service Line	Investment Type	2025 AOFP	Change	New Budget
495343	CSRRRF Electrical Upgrades Project	Wastewater	Reliability	$2,300,000	$1,132,692	$3,432,692
394675	Homestake 72" Inline Valve on Discharge Line	Water	Reliability	$1,500,000	$1,126,661	$2,626,661
193224	Electric Underground Infrastructure Preventative Maintenance	Electric	Reliability	$1,890,000	$1,097,992	$2,987,992
193745	Atmel Substation - Add New Transformer, Switchgear, and Feeders	Electric	Growth	$458,543	($1,026,306)	($567,763)
Total				**$320,307,302**	**$4,902,456**	**$325,209,754**

Cancelled / Delayed Projects						
Activity #	Project Name	Service Line	Investment Type	2025 AOFP	Change	New Budget
193784	SEP EIRP Implementation	Electric	Growth	$42,120,000	($42,120,000)	$0
394683	Water Acquisition	Water	Growth	$33,000,000	($33,000,000)	$0
194133	SEP EIRP Implementation - Transmission	Electric	Reliability	$25,000,000	($25,000,000)	$0
394790	Ruxton 24" and 30" Raw Water Main Replacement/Rehabilitation	Water	Reliability	$3,500,000	($3,500,000)	$0
300905	Water Manager Reserve	Water	Reliability	$2,872,469	($2,872,469)	$0
194028	Fuller Substation - Add Two New Feeders	Electric	Growth	$2,385,000	($2,385,000)	$0
394722	Pine Valley & McCullough DOVE Disinfection Improvements	Water	Reliability	$2,250,000	($2,250,000)	$0
596651	GIS Technology Modernization Project	Common	Reliability	$2,000,000	($2,000,000)	$0
400905	WWater Manager Reserve	Wastewater	Reliability	$1,544,144	($1,544,144)	$0
394771	Reduced Briargate Tank (2021 FWSP)	Water	Reliability	$1,186,086	($1,186,086)	$0
586280	BRDS02 Halon Replacement	Common	Reliability	$1,050,446	($1,050,446)	$0
Total				**$116,908,145**	**($116,908,145)**	**$0**

New or Advanced Projects						
Activity #	Project Name	Service Line	Investment Type	2025 AOFP	Change	New Budget
194144	SEP - Horizon Power Plant	Electric	Reliability	$0	$117,849,761	$117,849,761
194147	Front Range High Energy Piping Insulation & Heat Trace Replacement Emergency	Electric	Regulatory	$0	$8,960,899	$8,960,899
194179	Rock Island Relocation Land Acquisition	Electric	Reliability	$0	$7,290,806	$7,290,806
394802	South Suburban Reservoir Emergency Repairs	Water	Regulatory	$0	$6,077,722	$6,077,722
193889	Kettle Creek 12.5kV Feeder Addition	Electric	Regulatory	$0	$2,168,361	$2,168,361
394793	SDS I&C Pump Station Upgrades	Water	Reliability	$0	$1,803,184	$1,803,184
394755	Arkansas Basin Storage - Clear Creek	Water	Reliability	$0	$1,600,978	$1,600,978
495475	LVTP06 Complete Interior Renovation Project	Wastewater	Growth	$0	$1,500,000	$1,500,000
394807	FLCC Shares Acquisition	Water	Growth	$0	$1,402,243	$1,402,243
394787	Penrose Water Supply	Water	Reliability	$0	$1,079,152	$1,079,152
Total				**$0**	**$149,733,106**	**$149,733,106**

Summary			
Category	2025 AOFP	Change	New Budget
Total I-2 Reportable Changes	$437,215,447	$37,727,417	$474,942,860
Total Other Changes	$191,536,731	($12,887,998)	$178,648,737
Grand Total	**$628,752,178**	**$24,839,419**	**$653,591,597**

5-year Capital Outlook (in thousands)					
Category	2025	2026	2027	2028	2029
AOFP Budget*	$628,752	$697,046	$997,463	$985,384	$602,274
I-2 Forecast	$653,592	$986,610	$837,001	$714,504	$631,943
Variance	$24,839	$289,564	($160,462)	($270,880)	$29,670
5-year Total Variance					($87,269)

* Based on 2025 approval

3. *Invest funds in accordance with Bond Ordinance requirements and Utilities Investment Plan.*

All cash and investments are in U.S. Treasury Notes, U.S. Agency securities, repurchase agreements, Local Government Investment Pools, and secured bank accounts that comply with Bond Ordinance investment requirements and the Colorado Springs Utilities Investment Plan.

4. *Ensure controls are in place for receiving, processing, or disbursing funds and allow only bonded personnel access to material amounts of funds.*

   Colorado Springs Utilities maintains adequate controls that are reviewed annually by an external auditor. Appropriate personnel have access to material amounts of funds. In addition, the City of Colorado Springs' Risk Management team has expanded insurance coverage of high-risk employees through a shared Crime Insurance Policy, which affords a financial backstop for employee theft, forgery, money order tampering, counterfeit money, and other elements of potential fraud and misappropriation.

5. *Ensure receivables are resolved within a reasonable grace period.*

   Days Sales Outstanding (DSO) is the average number of days receivables remain outstanding before being collected. At the end of the fourth quarter of 2025, there were 26.50 of DSO. This is an improvement from fourth quarter of 2024 which was 30.48.

6. *Settle payroll and debts in a timely manner.*

   These conditions have been achieved as of this monitoring report.

7. *Ensure tax payments or other government ordered payments are timely and materially accurate.*

   These conditions have been achieved as of this monitoring report.

8. *Operate within the applicable sections of the Colorado State Procurement Code and Springs Utilities procurement policies and procedures assuring legal and fiscal compliance with competitive acquisition practices, conflict of interest, favoritism, and procurement from local vendors.*

   Colorado Springs Utilities maintains written purchasing regulations that assure legal and fiscal compliance with competitive acquisition practices, avoid conflicts of interest, avoid favoritism, and promote procurement from local vendors. Total spending associated with purchase orders and contracts with local area addresses at 22.8% for the fourth quarter, with a target of 30%.

9. *Inform the Utilities Board of significant financial impacts on the Municipal Government.*

   During the fourth quarter of 2025, there were no significant financial impacts on the Municipal Government.

   Surplus transfers for 2025 were $34.8 million, which is below the budget by $2.3 million or 6.3%.

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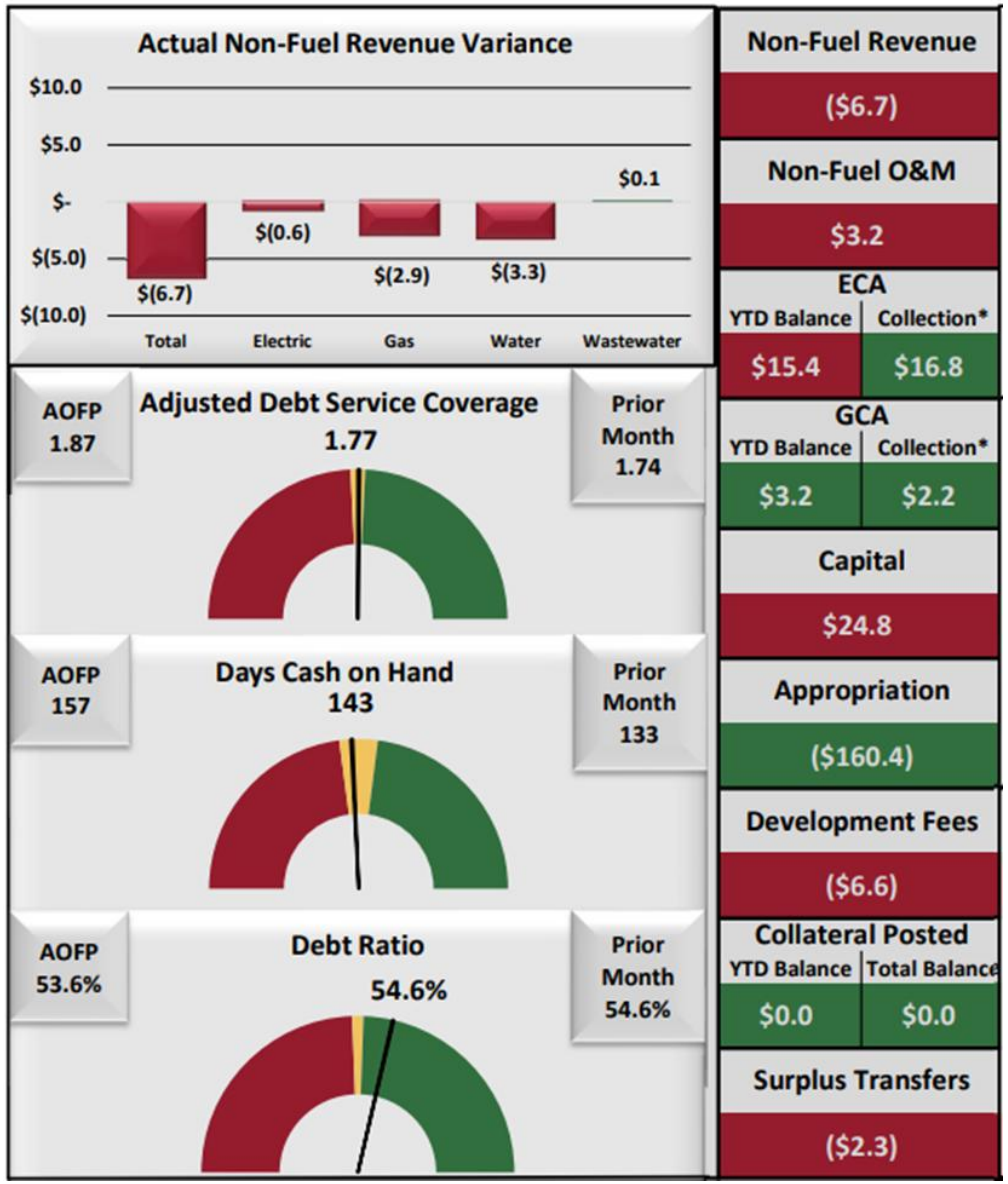
2025 Quarter 4 Financial Condition and Activities I-2 Report

John Hunter, Financial Planning and Risk Manager

Working Committee
May 18, 2026



1. Operate within the Budget Appropriation

- We operated within the total appropriation for fiscal year 2025

2. Capital Projects with changes greater than $1,000,000

- $24.8 million over the 2025 Budget for Capital

Largest Project Change List	$ Changes	Project Change Description
Horizon Power Plant	$118 million	Generator build milestones achieved early
SEP EIRP Generation	($42 million)	Project for future generation that became Horizon
Water Right Acquisition	($33 million)	Purchase process/negotiations not completed
Operational Fiber	$30 million	Increased spend to make up for slow early years
SEP EIRP Transmission	($25 million)	Project was canceled due to renewable PPA cost
Wastewater System Expansion	($14 million)	Contractor schedule started later than planned

Other I-2 Directives

3. Invest Funds in accordance with Bond Ordinance
    - **All cash was invested in compliance.**

4. Ensure controls are in place for material fund access
    - **We maintained adequate controls that were reviewed by an external auditor.**

5. Ensure receivables are resolved within grace period
    - **At the end of the fourth quarter there were 26.50 Days Sales Outstanding (DSO) which improved 4 days from 2024 Q4.**

6. Settle payroll and debts in a timely manner
    - **These conditions were achieved.**

7. Ensure tax and other government ordered payments are timely and accurate
    - **These conditions were achieved.**

8. Operate within applicable procurement codes and policies
    - **We maintained written purchasing regulations that assured legal and fiscal compliance.**

9. Inform of significant financial impacts on the Municipal Government
    - **Surplus Transfers finished below the budget by $2.3 million.**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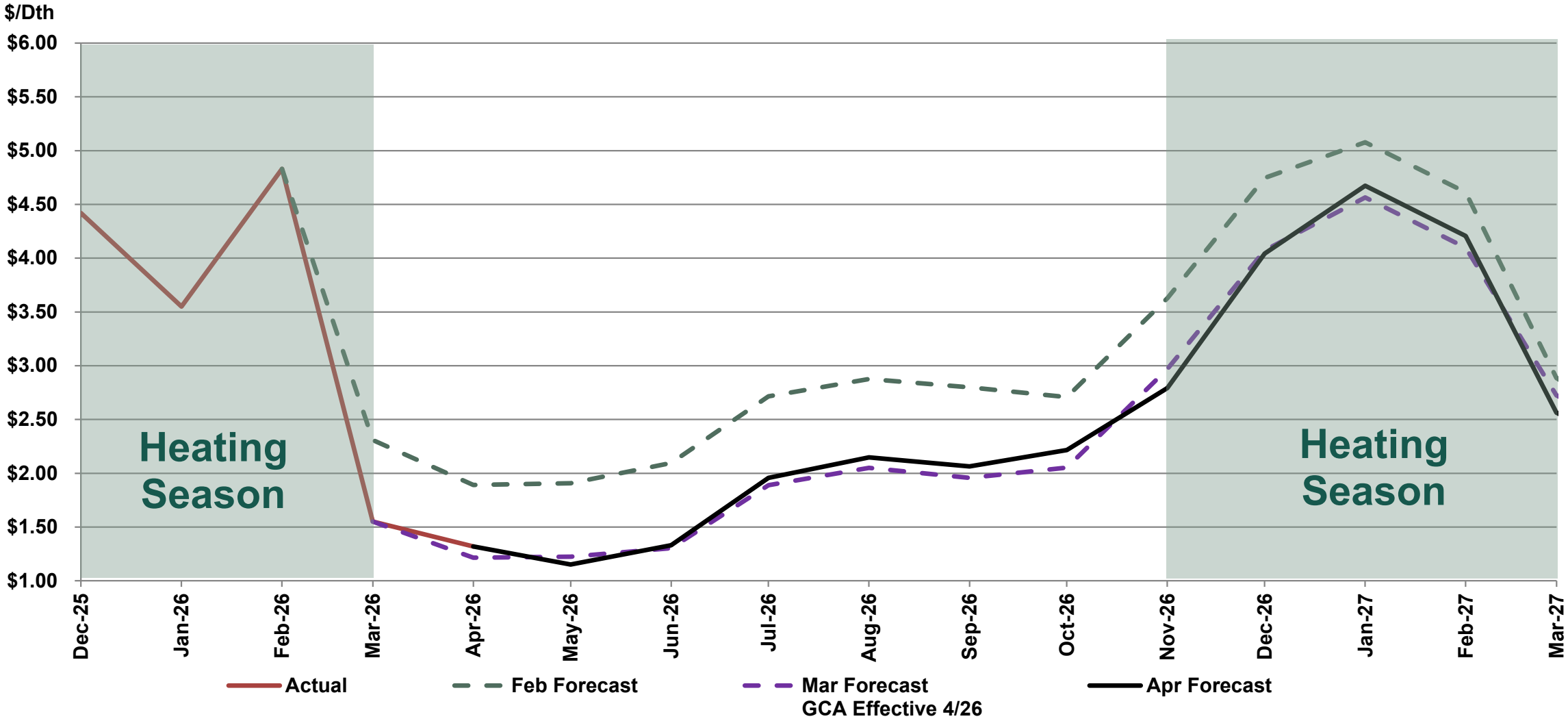
Electric Cost Adjustment
Gas Cost Adjustment

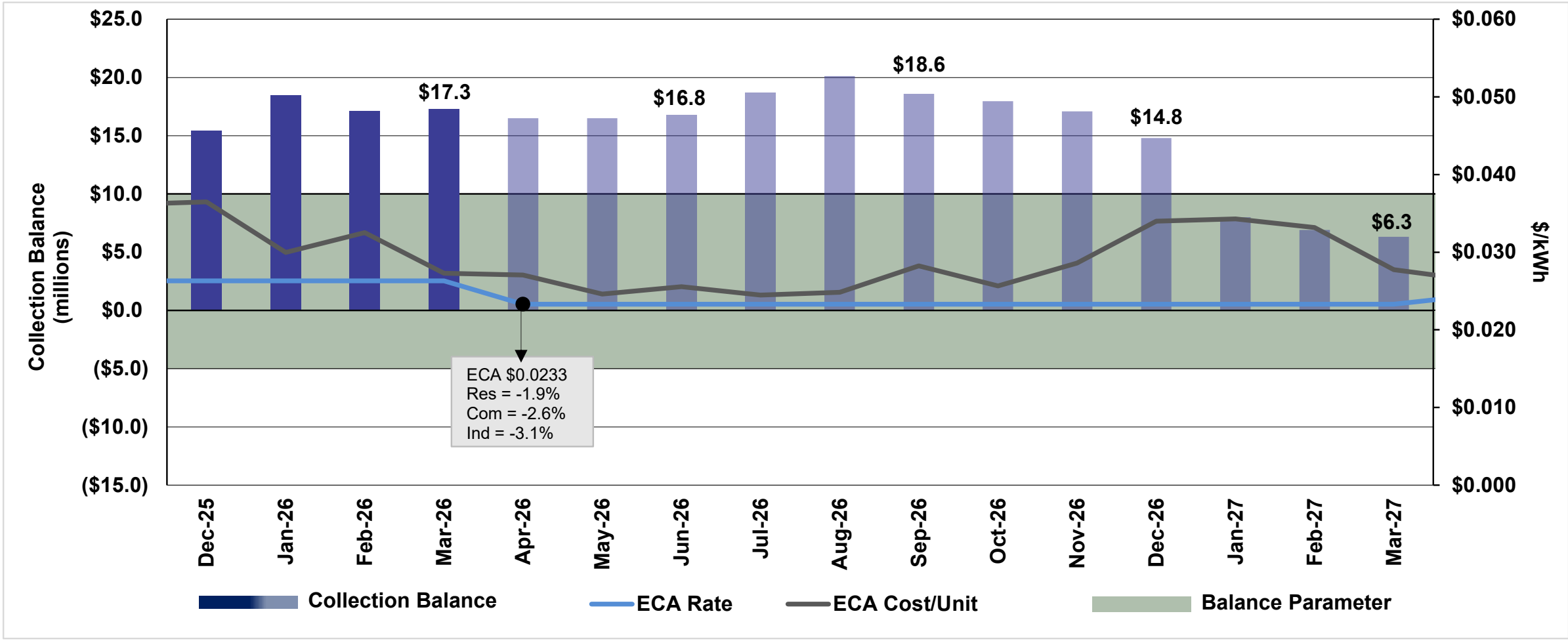
Tristan Gearhart, Chief Planning and Finance Officer

May 18, 2026

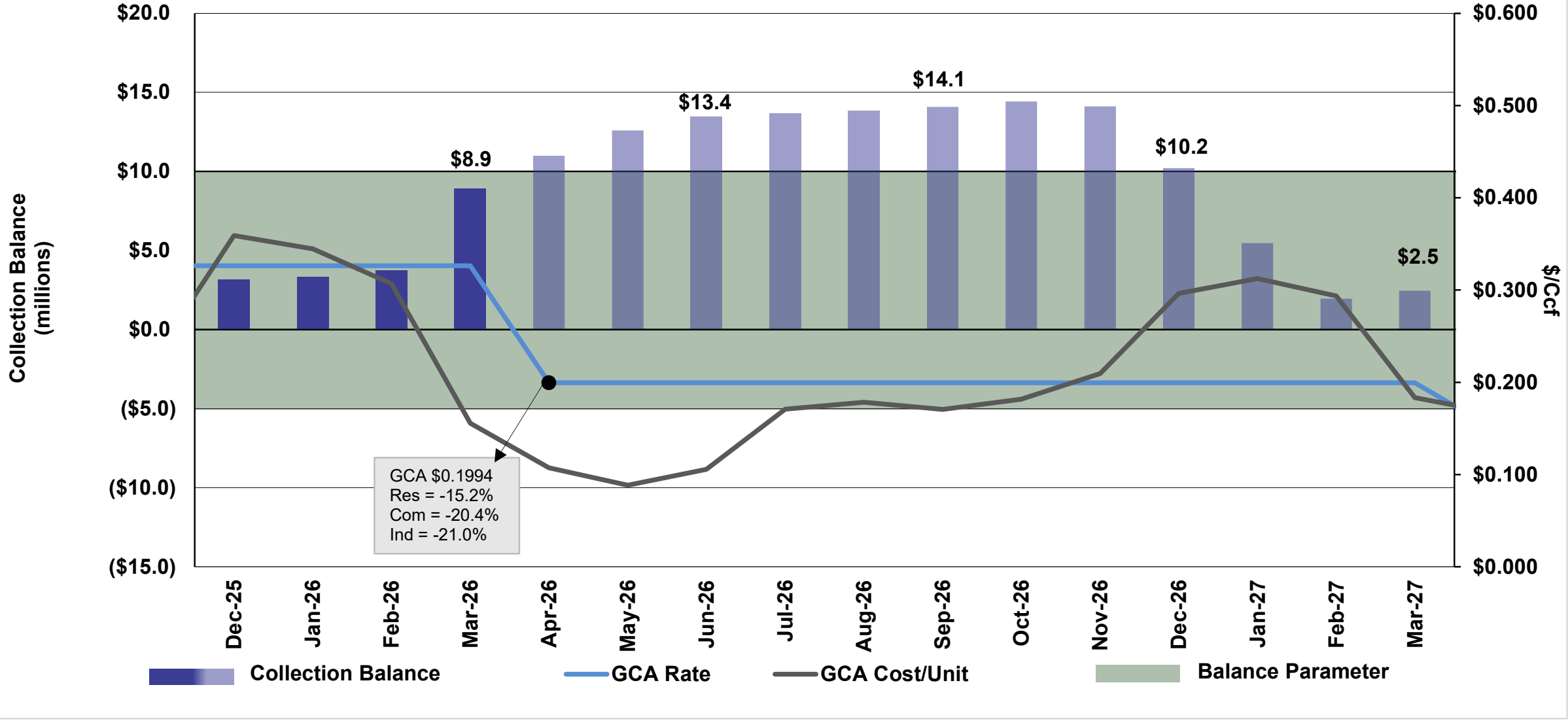
Natural Gas Prices as of April 1, 2026



ECA Projections April 2026



GCA Projections April 2026

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Integrated Resource Plan Status Reports

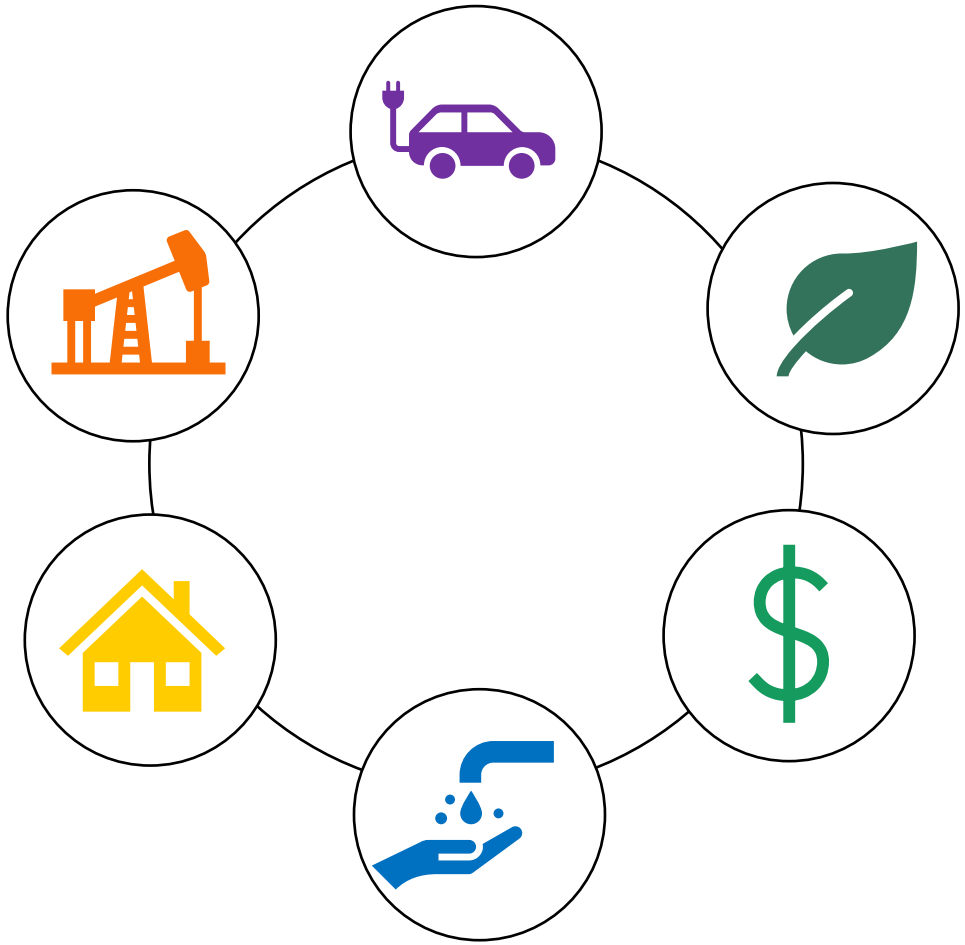
Strategic Initiatives Update

UB Working Committee

May 18, 2026

Resource Planning 4 Services

How do we responsibly plan for the future of our community in light of resource constraints?



Integrated Resource Plan Basis

Purpose of Resource Plans

- Long-term strategy
- Guidance and policy direction
- Addresses supply and demand
- Portfolio to develop/implement
- System reliability and performance

Integrated Resource Plan by Service Line

Water

- 50 year planning horizon
- 7-10 year full and comprehensive update – variable drivers.
- Water Efficiency Plan every 7 years per regulation

Wastewater

*(Facility Plan)

- 80% capacity requires planning new facilities
- The water resource plan informs portions of the wastewater planning hierarchy

Electric

- 20 – 30 year planning horizon
- Submit every 5 years
- Regulatory requirements
- Stakeholder process

Gas

- Complete with Electric
- No regulatory requirement

Common Planning and Policy Drivers

Regulation

Reliability

Growth

Cost

Resource Availability

Risk Tolerance

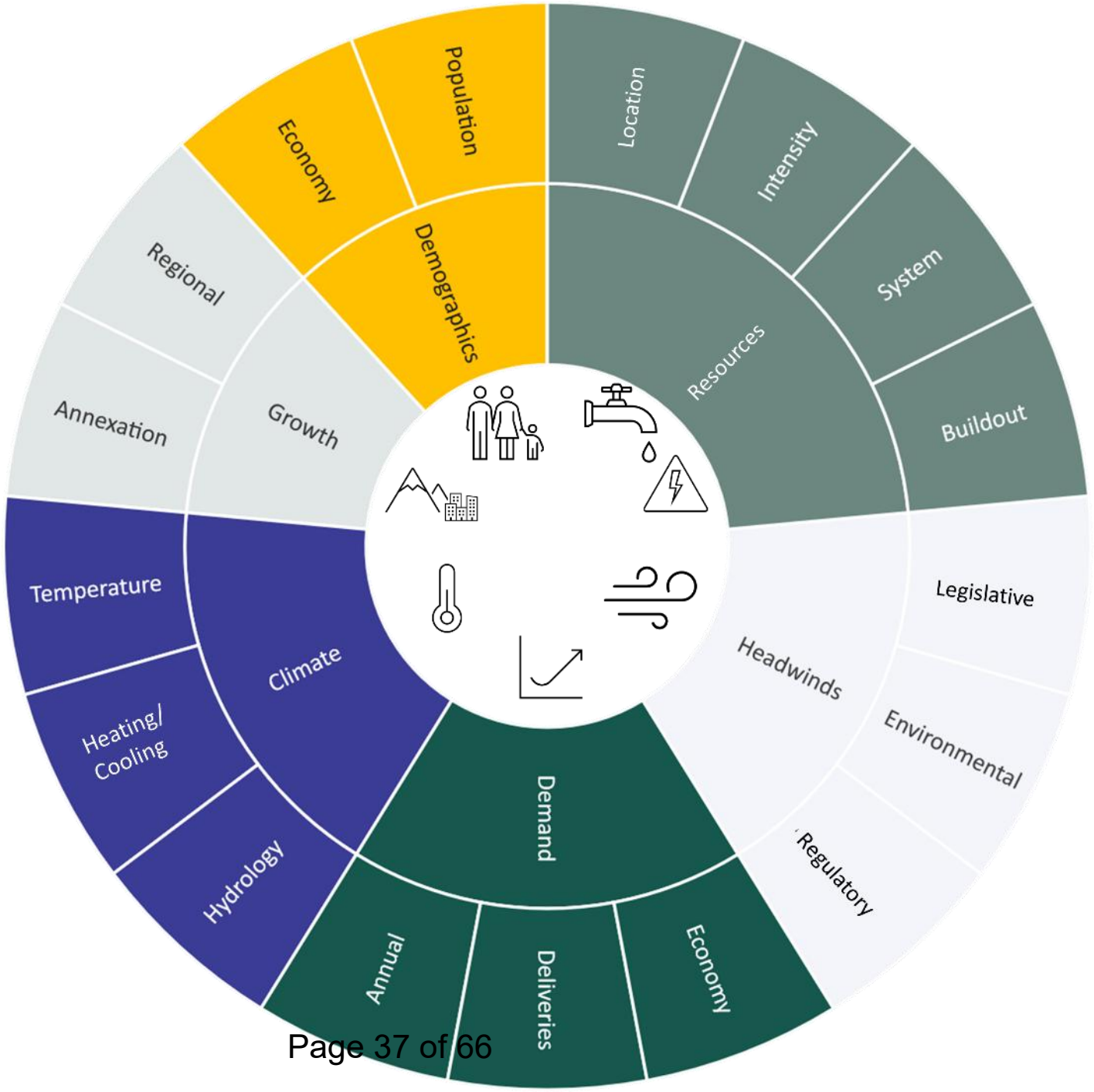
Environmental

Timing

Social/Political

Unknown unknowns

Signposts


Population
Economy
Demographics
Location
Intensity
System
Buildout
Resources
Regional
Annexation
Growth
Legislative
Environmental
Regulatory
Headwinds
Temperature
Heating/
Cooling
Hydrology
Climate
Demand
Annual
Deliveries
Economy

IRP 4-Service Common Signpost Indicators

Approval of 9 annexations in 2025 represents 1,549 AF/year of water demand and 1.3 – 2.5 MWs of load to the system.

Climate trends are consistent with climate and hydrology, at 1.1°F per decade for local weather trends from 1991-2022.

The past 10-year average annual population growth rates continue to track toward an average of 1.4%, however rates slowed to less than 1% in both 2024 and 2025. Forecasted population growth rate was updated to 1.09% in 2025, lower than the previously forecasted rate.

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Water Integrated Resource Plan Update

Justin Zeisler, Supervisor – Water Resource Planning

Water - Integrated Resource Plan

50 Year Planning Window

Why an integrated plan?

- Complex system
- Risk based planning
- Climate and hydrology uncertainty
- Buildout versus population growth

How do we adapt the plan?

- Diverse portfolio of options
- Less of one means more of another
- Developed a 5, 10 and 20 year Capital Improvement Plan and roadmap
- Annual status reports to adaptively manage changing conditions.

What is in the plan?

- Water sharing with agriculture
- Storage projects – different functional storage options
- Conservation and Water Efficiency
- Reuse – Indirect Potable Reuse for the Pikes Peak region

Planning Considerations (Signposts)

Conservation Potential Study	Achievable savings of 7,900 AF through 2070
	Significant demand hardening after 2040
	State regulation is on the rise for water loss control and turf prohibition
Colorado River Issues	Negotiations related to Lake Powell and Mead management
	Understanding implications from new operating scenarios
Annexations	City Council has approved 11 annexations in 2024/25
	Annexations are considered additive to the long-range buildout demand

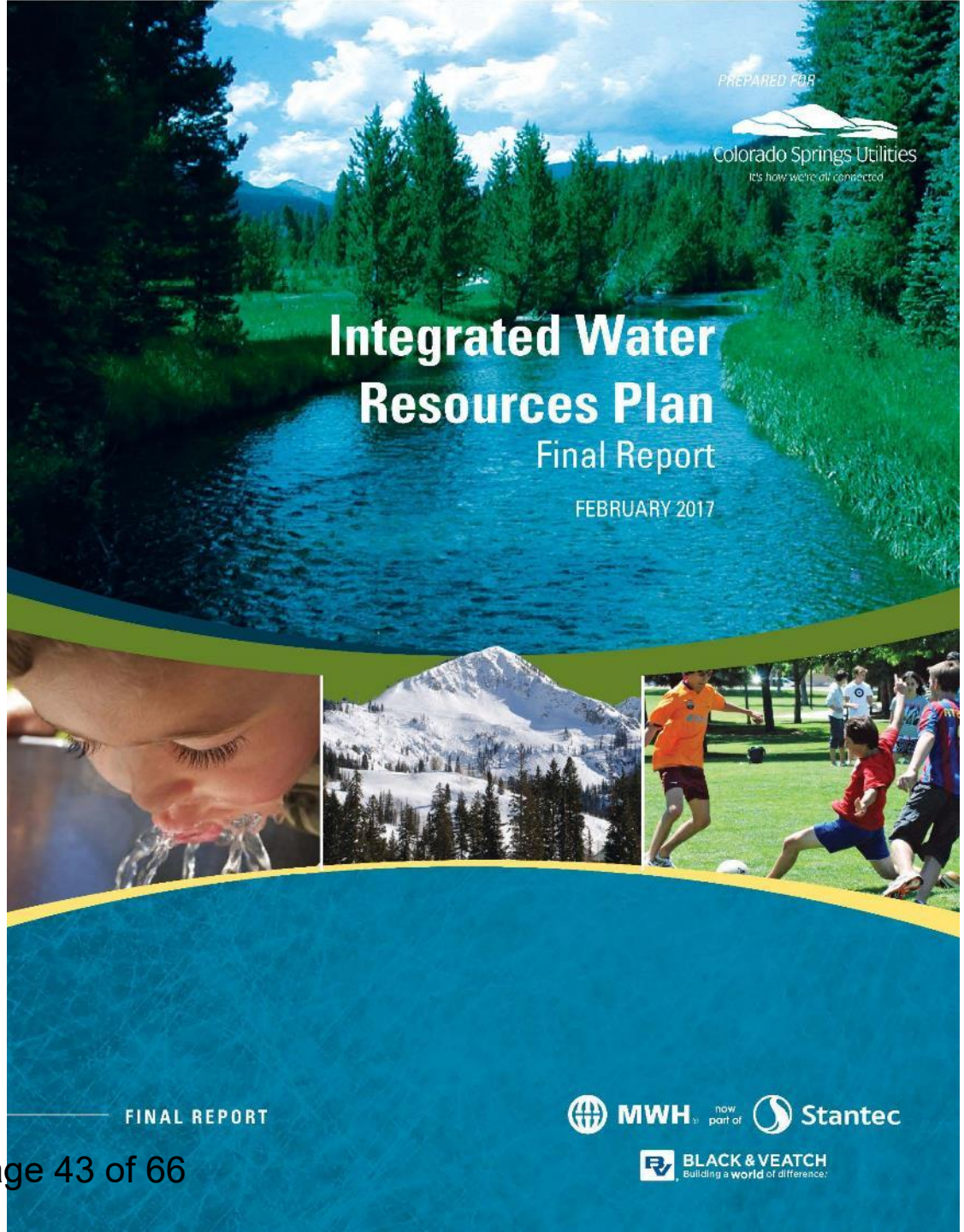
Water - Integrated Resource Plan

Implementation

Colorado River	Con-Hoosier Project, protection of existing supplies
Water Sharing	Developing 4,000 acre-feet of new supply
Conservation	Annual goal of 275 acre-feet of savings
Storage	Ongoing evaluation of multiple storage options
Reuse	In Direct Potable Reuse with Regional Partners

Water Integrated Resource Plan Update

2025 Project Scoping
2026 Baseline Modeling
2027 Risk Analysis
2028 Public Process



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Gas Integrated Resource Plan Update

David Longrie, Manager Energy Resource Planning and Innovation

Gas Integrated Resource Plan

20 Year Planning Window

Why an integrated plan?

- Gas supply supports the local distribution company and electric reliability during peak and extreme events
- Balance affordability, safety, and emissions reduction
- Align gas planning and Clean Heat Plan strategies

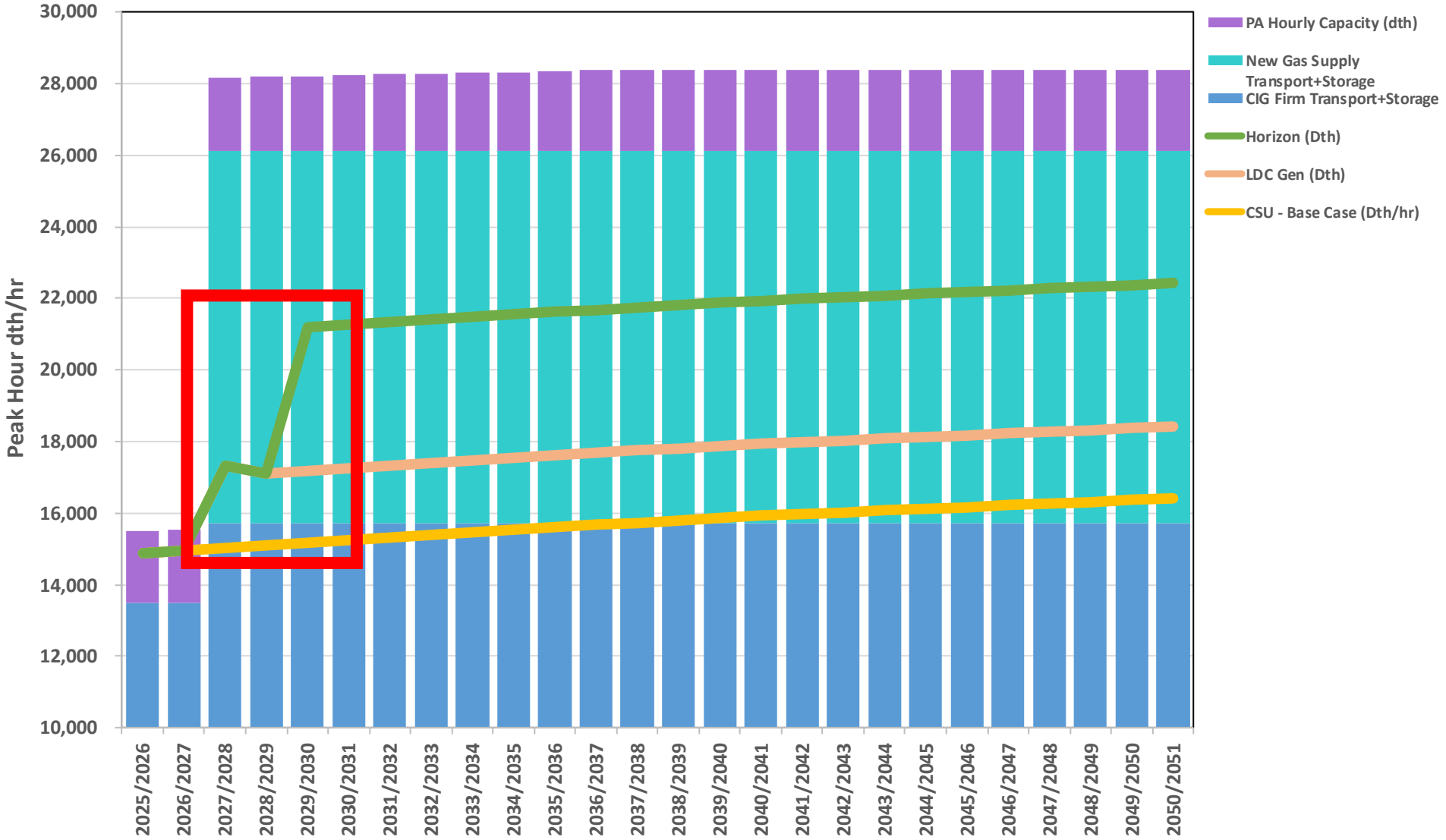
How do we adapt the plan?

- Risk-based planning for peak demand and cold weather events
- Phased infrastructure investments tied to actual demand trends
- Expanded efficiency and demand reduction programs
- Flexibility to adjust as technology, policy, and customer behavior change

What is in the plan?

- Gas supply and capacity resources
- System planning including safety, capacity and modernization
- Efficiency and Clean Heat Plan programs including demand and emissions reduction

Load Forecast



Tallgrass Rockies Express Pipeline (REX)

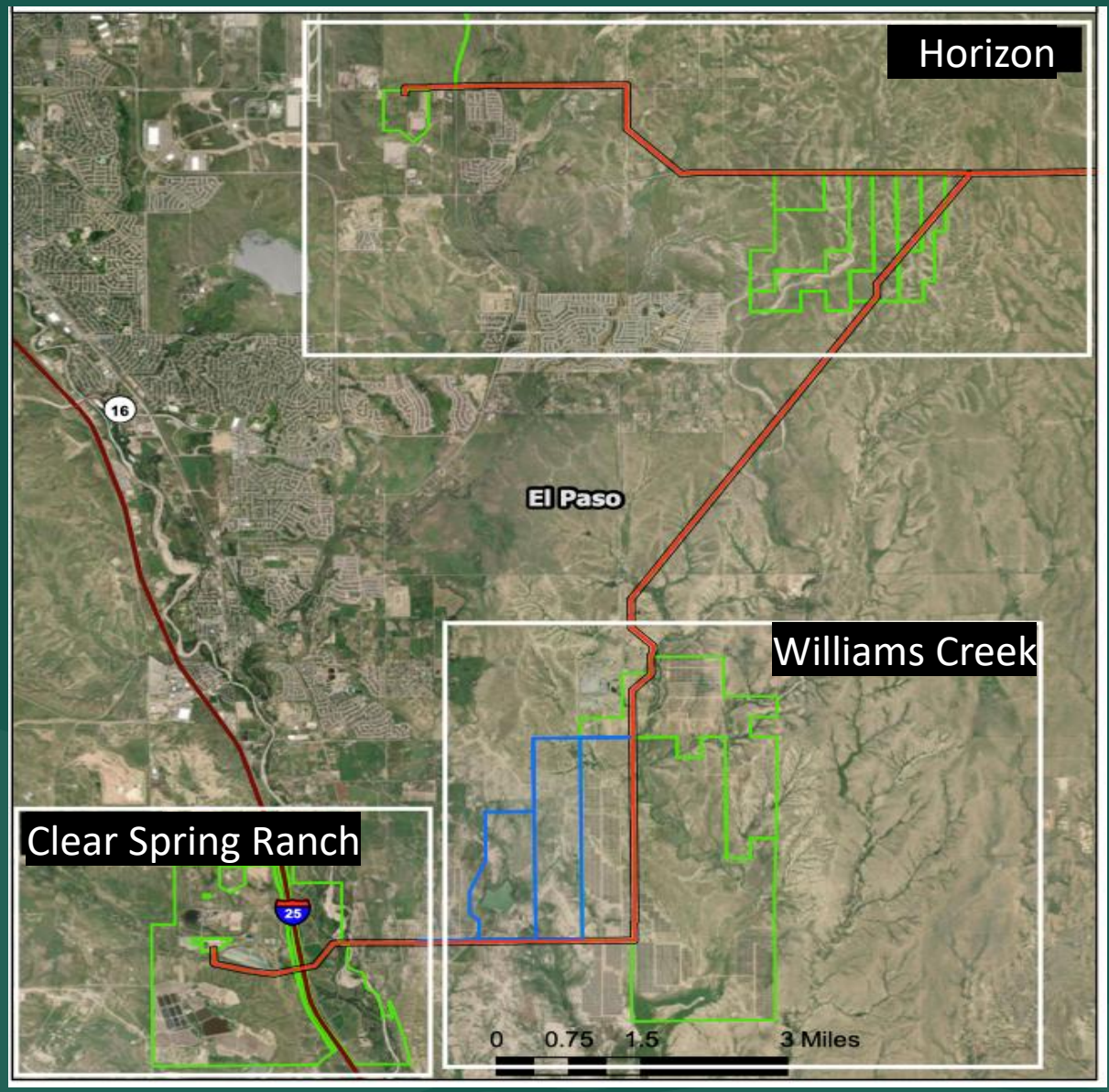
100,000 Dth/d firm natural gas transportation
50,000 Dth/d of no notice service

FERC Resubmission – May 2026
Pipeline Construction – May 2027 – Nov 2029

Horizon – Service for gas blending LDC
Low flow: 300 Dekatherm (Dth)
High flow w/future growth: 4,000 Dth

Williams Creek – Service for 10 gas generators
Low flow: 150 Dth
High flow: 4,500 Dth

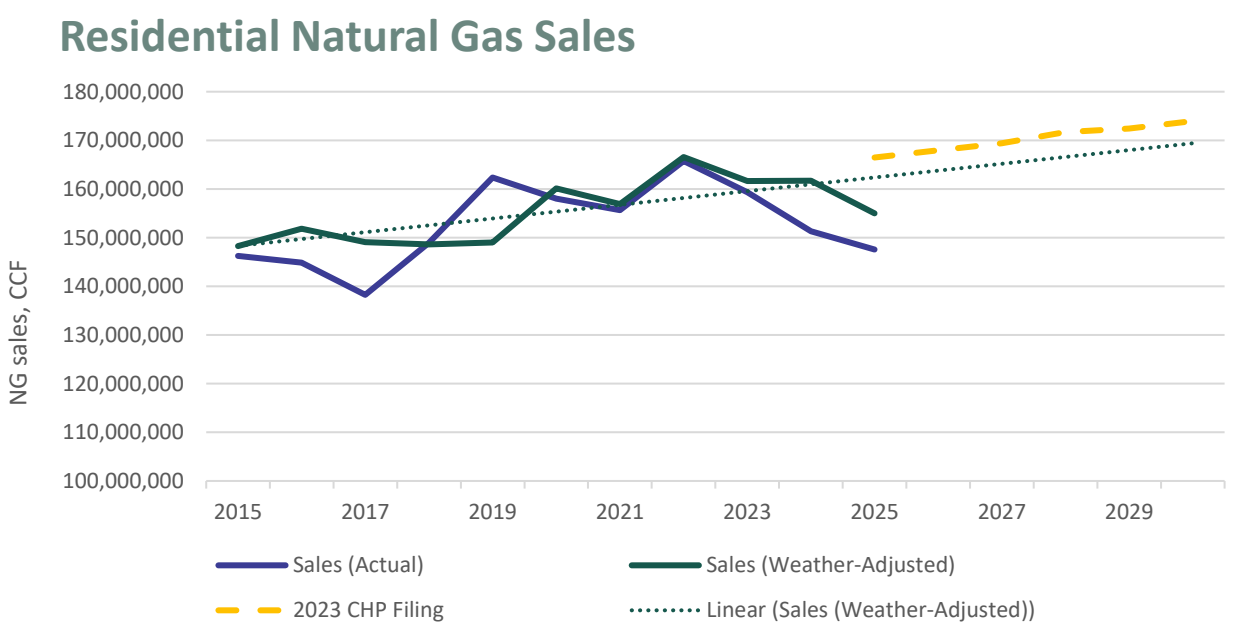
Clear Spring Ranch – Service for Front Range Power Plant
Low flow: 1.5 Dth
High flow: 4,500 Dth

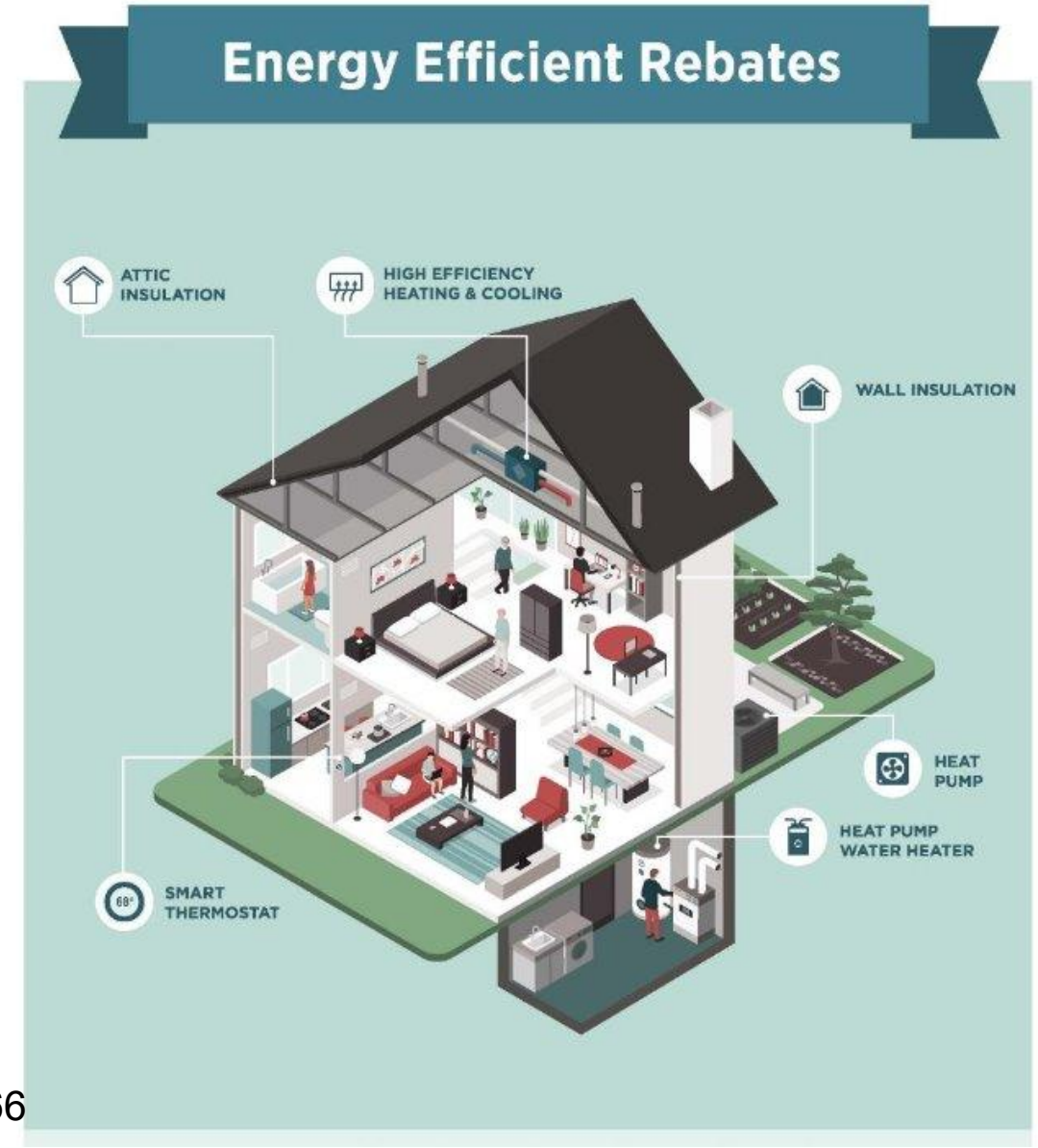


Distributed Energy Strategies

Reducing emissions and controlling cost

- **Outcomes & targets**
  - Emissions reduction (CHP targets)
  - 650,000 Dth lifetime natural gas savings (2026)





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Electric Integrated Resource Plan Update

David Longrie, Manager Energy Resource Planning and Innovation

Electric Integrated Resource Plan

20 Year Planning Window

Why an integrated plan?

- Reliability across peak demand, energy, and transmission constraints
- Balancing affordability, resilience, and sustainability
- Managing uncertainty with large load growth, electrification, and policy changes
- Coordinating utility-scale and customer-side resources

How do we adapt the plan?

- Scenario-based planning vs. single forecast
- Flexible resource options and phased investment timing
- Market participation to manage short and long-term risk
- Adjusting portfolio mix as technology, cost and schedule evolve

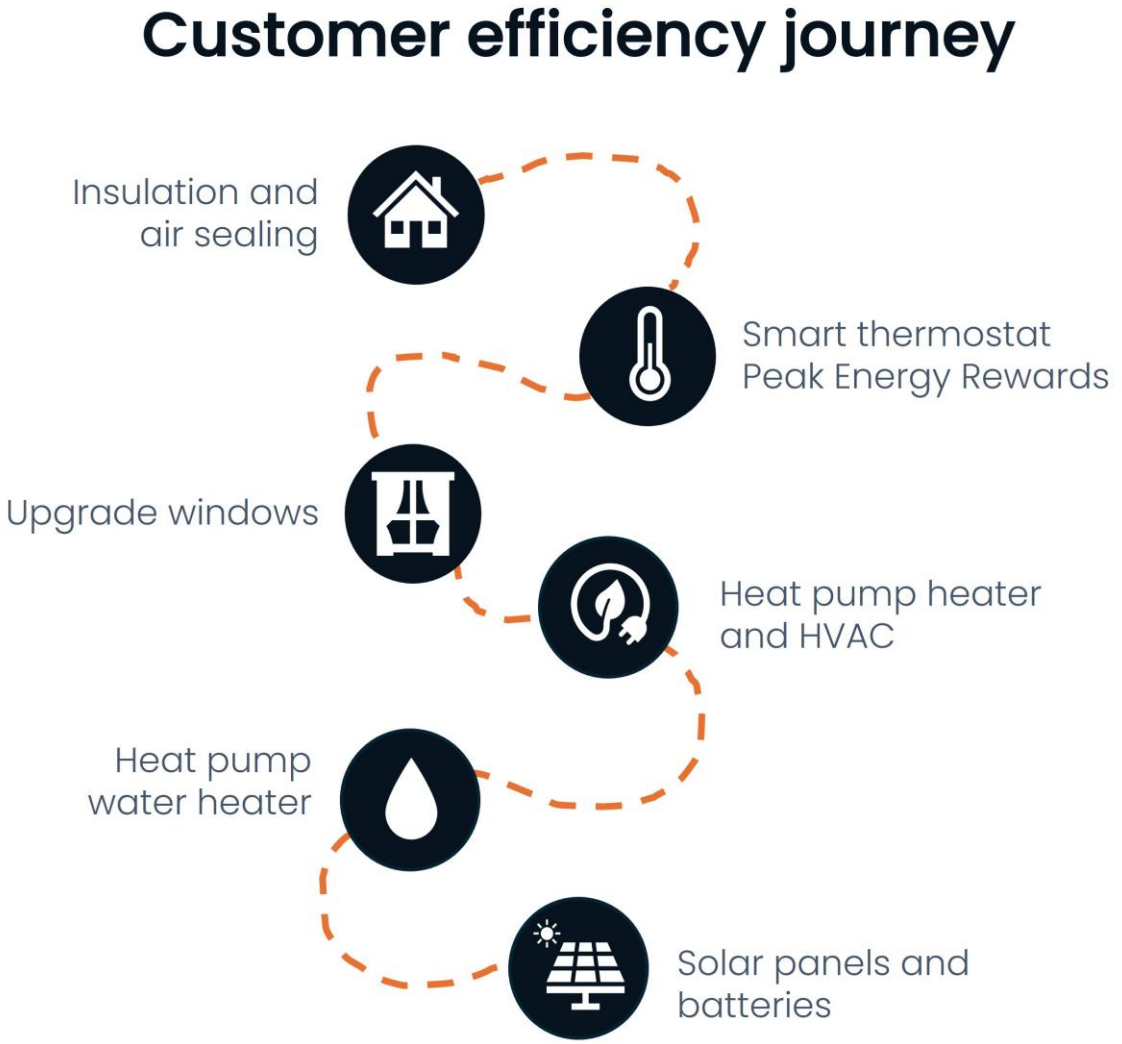
What is in the plan?

- Electric supply portfolio including owned generation, Power Purchase Agreements and market purchases
- Transmission planning including regional integration
- Distributed Energy Strategies including efficiency, peak reduction, customer resources
- Reliability and resilience analysis including extreme weather

Distributed Energy Strategies

Managing peak and load growth

- **Customer efficiency journey**
- **Outcomes & targets**
  - ~14 MW of peak demand reduction
  - 160,000 MWh lifetime electricity savings
  - Aligns with Front Range utility benchmarks for portfolios of comparable size



Additional Information Covered in EIRP Update

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Questions?


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Electric Integrated Resource Plan (EIRP) May Update

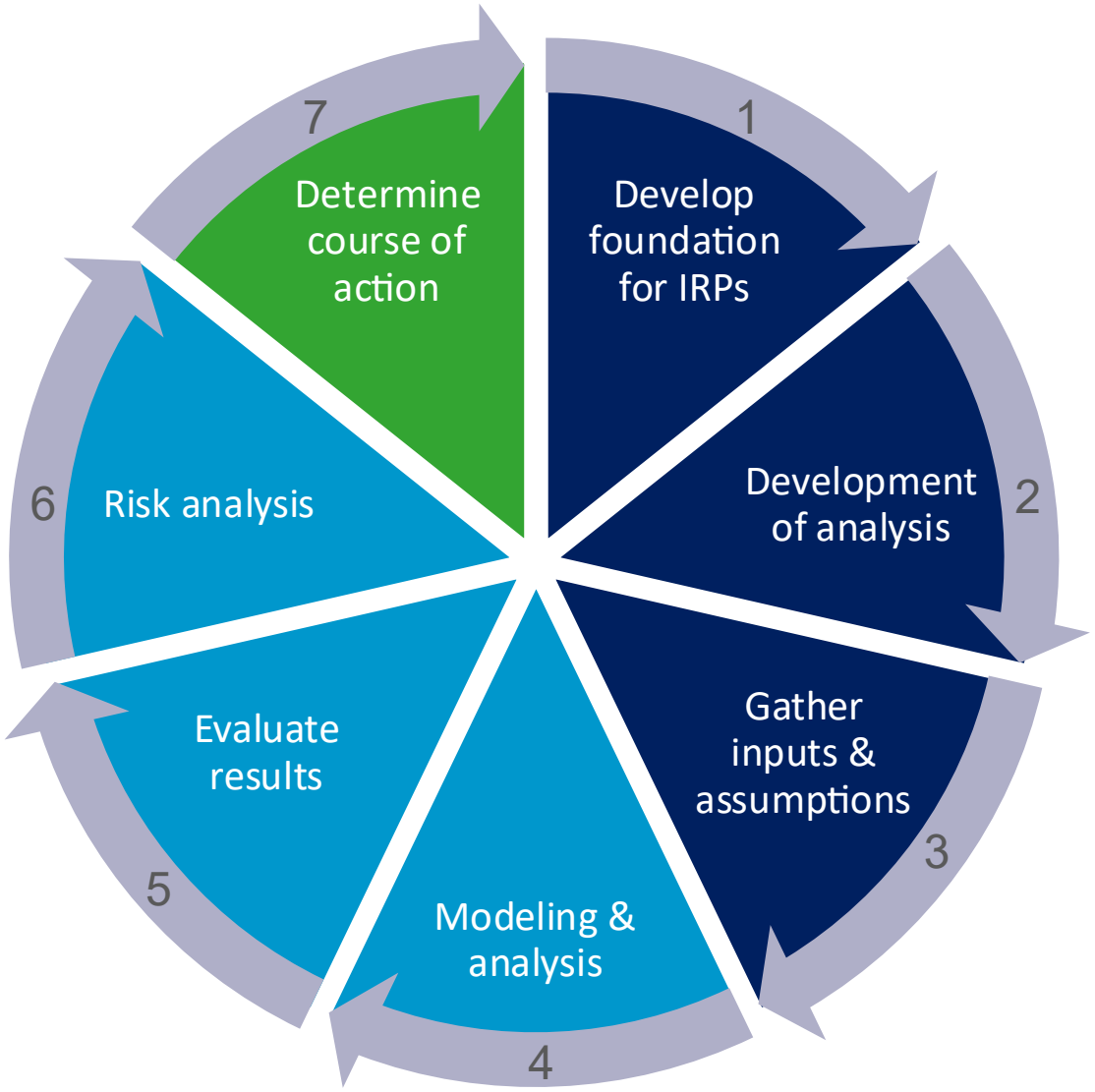
David Longrie – Manager Energy Resource Planning and Innovation

Troy Bass – Supervisor Energy Resource Planning

IRP Process

An electric integrated resource plan ("EIRP", "IRP") is a long-term strategic plan for providing cost effective and reliable energy resources to meet the energy needs of our customers

1. Develop Foundation
2. Analyze
3. Recommend



Risk Analysis: Key Considerations

Implementation Timeline

Regulatory Shifts

Load Change

Review Updated Portfolios

Draft Portfolios

- All runs through 2045
- New gas generation built by 2030
- 80% emissions reduction achieved by 2033 in all but reference plan

Portfolio	Nixon Retirement Date	Planned Resources	Total Planned Emission Reductions below 2005 levels	2045 NPV Change from Current Plan ($1000)	2045 Year NPV Change from Current Plan (%)
Reference Plan	2038	275 MW Solar 800 MW Nuclear 50 MW Geothermal	2030 - 29% 2032 - 25% 2040 - 80% 2045 - 91%	4,356,495	-
80x33, 90x40, 95x45	2032	750 MW Solar 400 MW Wind 477 MW Nuclear 50 MW Geothermal	2030 - 29% 2033 - 80% 2040 - 90% 2045 - 95%	198,467	4.6%
80x33, 95x40, 95x45	2032	775 MW Solar 375 MW Wind 477 MW Nuclear 50 MW Geothermal	2030 - 29% 2033 - 80% 2040 - 95% 2045 - 95%	215,473	4.9%
80x33, 100x40	2032	625 MW Solar 300 MW Wind 677 MW Nuclear 50 MW Geothermal 75 MW Battery (4hr)	2030 - 29% 2033 - 80% 2040 - 100% 2045 - 100%	314,658	7.2%
Nuclear Delayed 2042	2032	975 MW Solar 425 MW Wind 400 MW Nuclear 50 MW Geothermal 100 MW Battery (4hr) 75 MW Battery (10hr)	2030 - 29% 2033 - 80% 2040 - 80% 2045 - 91%	294,766	6.8%
No Nuclear	2032	1150 MW Solar 675 MW Wind 50 MW Geothermal 175 MW Battery (4hr) 100 MW Battery (10hr)	2030 - 29% 2033 - 80% 2040 - 80% 2045 - 81%	345,165	7.9%

Draft Resource Addition Plan by Portfolio

Portfolio	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Reference Case					275 MW Solar		50 MW Geothermal		Nixon retire 400 MW SMR					400 MW SMR		
80x33, 90x40, 95x45			Nixon retire	425 MW Wind 675 MW Solar		50 MW Geothermal	75 MW Solar		277 MW SMR							200 MW SMR
80x33, 95x40, 95x45			Nixon retire	375 MW Wind 625 MW Solar		50 MW Geothermal	150 MW Solar		277 MW SMR							200 MW SMR
80x33, 100x40			Nixon retire	300 MW Wind 625 MW Solar	25 MW Battery (4hr)	50 MW Geothermal	50 MW Battery (4hr)		200 MW SMR		477 MW SMR					
Nuclear Delayed 2042	25 MW Battery (4hr)		Nixon retire	400 MW Wind 525 MW Solar		25 MW Wind 250 MW Solar	25 MW Geothermal 25 MW Battery (4hr)		50 MW Battery (4hr)	200 MW Solar 25 MW Battery (10hr)	25 MW Geothermal	50 MW Battery (10hr)	200 MW SMR			200 MW SMR
No Nuclear	25 MW Battery (4hr)		Nixon retire	525 MW Wind 500 MW Solar		150 MW Solar 75 MW Battery (4hr)	50 MW Wind		25 MW Wind 150 MW Solar 75 MW Battery (4hr)		225 MW Solar 100 MW Battery (10hr)	75 MW Wind		175 MW Solar 25 MW Geothermal		25 MW Geothermal

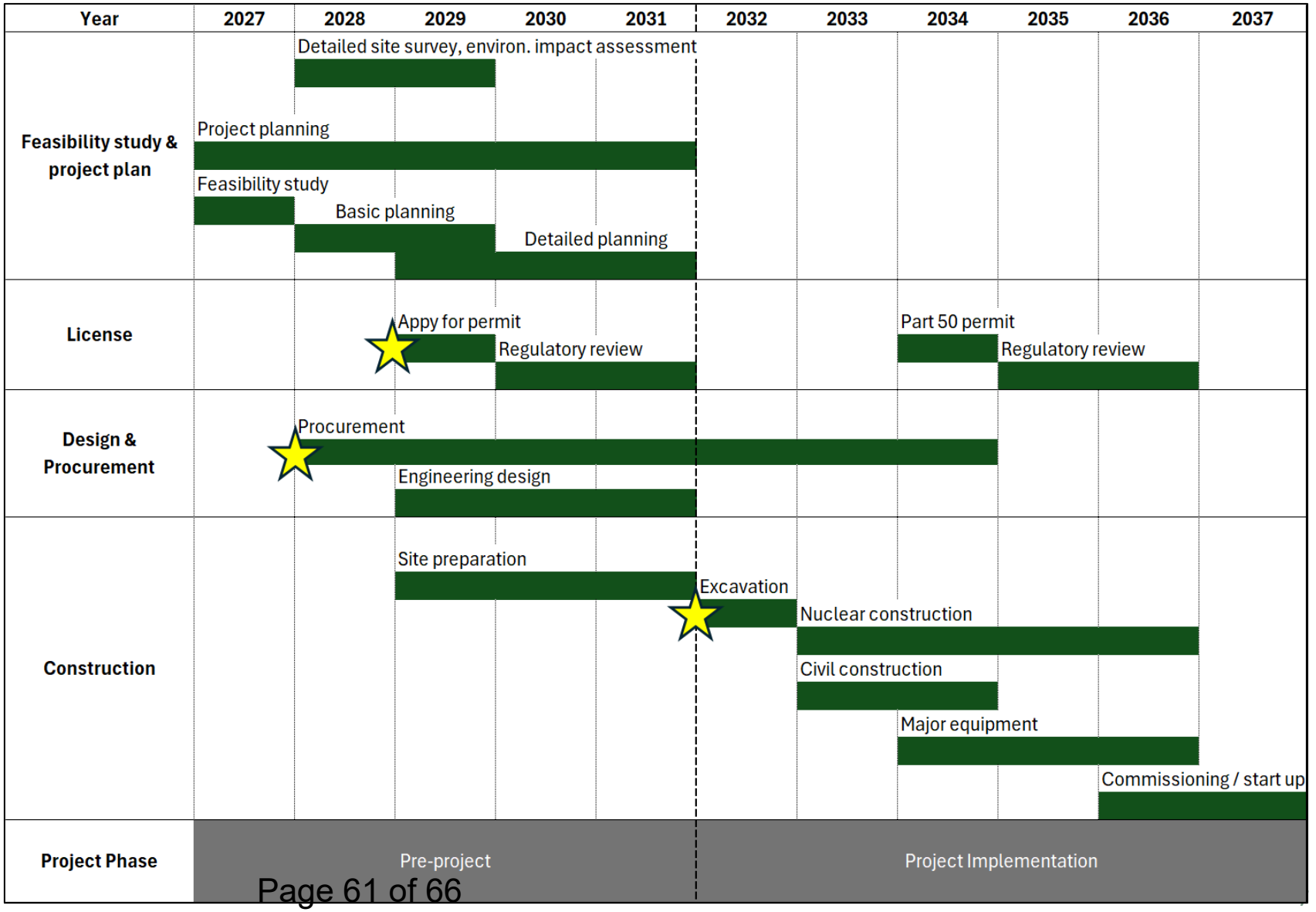
CONCEPTUAL PLANS HAVE NOT BEEN APPROVED BY UTILITIES BOARD

Actual resource addition plan may change

Illustrative Nuclear Implementation Timeline

Key Decision Points

- 2027
  - Engineering and permitting
- 2028
  - Permit application and begin site prep
- 2031
  - Begin full construction



Actions

April 27	Near-term resource acquisition
June 17	Present final plan to Utilities Board
Future	Long-term resource acquisition

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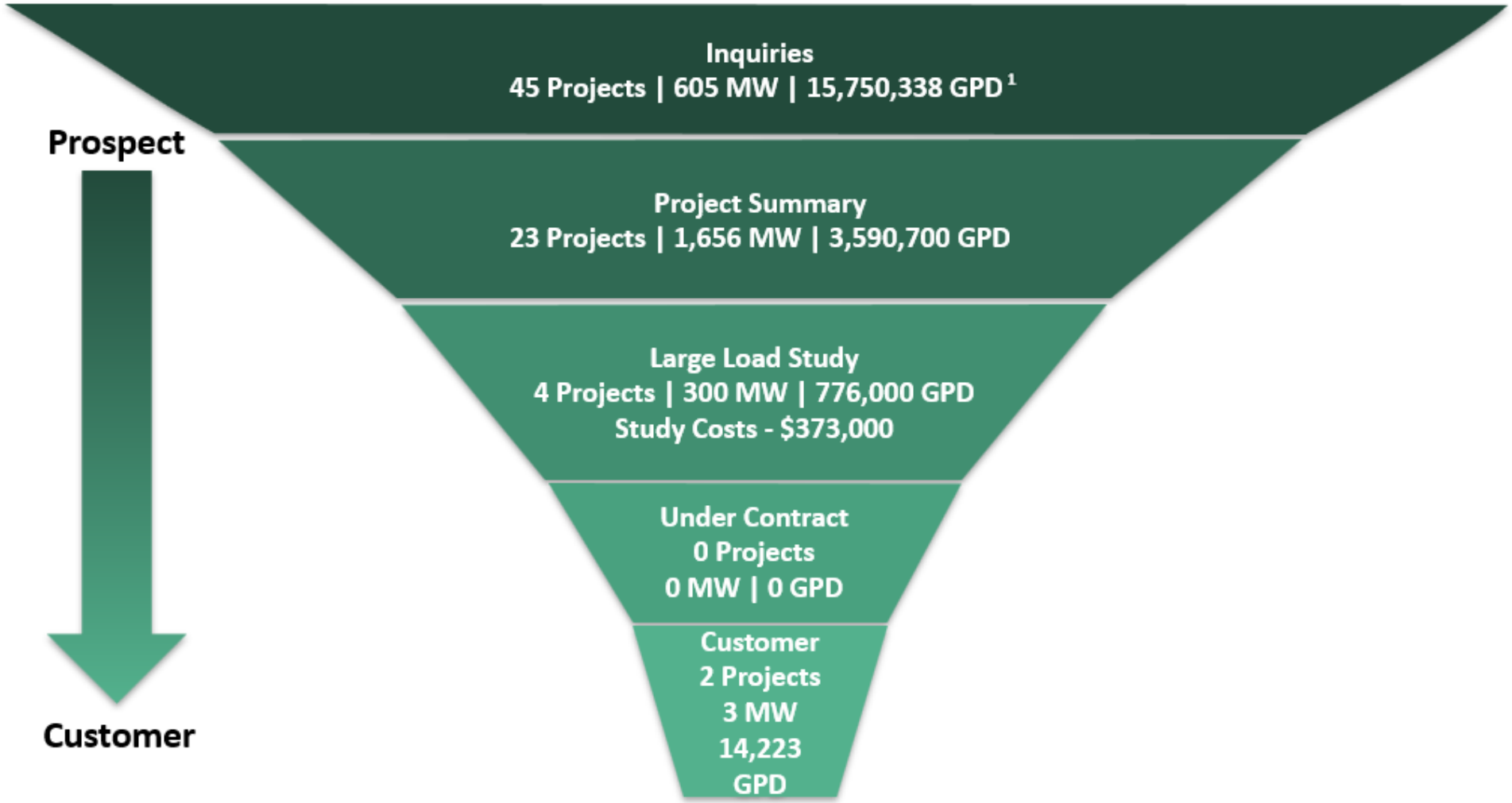
Economic Development Engagement Update

Mike Francolino, Chief Customer and Enterprise Services Officer

May 18, 2026

Economic Development Engagements

Inbound Requests and Utility System Review Stages
Engagements since January 1, 2025 – April 30, 2026



Total 74 Projects | 2,564 MW |20,131,261 GPD

[1] Project Cloud/Coaster accounts for [illegible] in projected capital investment (CAPEX), 500 MW of electrical demand, 15.4 million gallons per day (GPD) of water demand, and 11.9 million GPD of wastewater demand, resulting in a significant increase across all four metrics.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1. **Data used to determine whether an incentive is offered (pre-contract)**

   Before any incentive is considered, all prospective economic development customers are evaluated using forecasted, forward-looking data provided by the customer and evaluated by CSU. This includes, but is not limited to:

   - Forecasted utility usage (electric, water, gas, wastewater).
   - Anticipated load profile and operational characteristics.
   - Capital investment and broader economic development impact.
   - Job creation, salary.

Jobs Creation			
# of new jobs	Input value	Salary	Input value
<25	1	<$35,000	1
25-50	2	$35,000-$75,000	2
50-100	3	$75,000-$150,000	3
>100	4	<$150,000	4

This information is applied to CSU's economic development attraction matrix, which converts these inputs into a single attraction score.

- The attraction score provides an objective, data-driven assessment of how attractive a project is to our community and utility system.
- Higher scores indicate greater overall value to Colorado Springs and CSU customers.
- This score is used solely as a decision-making tool to assess whether offering an incentive provides economic value to the community.

Importantly, this evaluation data is not contractual at this stage. Forecasts and projections inform the decision to offer an incentive, but they are not performance guarantees.

2. **Customer accountability and enforceable commitments under economic development incentive contracts**

Once an incentive is approved, a contract is created on a performance-based rate discount and additional requirements explicitly defined in the contract. Customer requirements are typically written around factors such as:

- Performance-based incentives are typically in the form of a rate discount per utility unit used. For example, $0.01 discount per unit is $10 for 1,000 units and $100 for 10,000 units.
- Maintaining operations within CSU's service territory for the full contract term.
- Remaining an active CSU customer under approved service rates.
- Complying with CSU tariffs, rules, and regulations.
- Meeting agreed-upon administrative and billing requirements, usually AutoPay billing.