

AGENDA

January 20, 2026

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9:00 a.m.	Call to Order	Board Chair Donelson
	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.	
9:05 a.m.	Acceptance of Minutes	Committee
	• Nov. 17, 2025, Working Committee Minutes	
9:10 a.m.	Safety Moment: winter weather safety	Somer Mese, Chief Operations Officer
9:15 a.m.	Governance update	Travas Deal, Chief Executive Officer
9:25 a.m.	Compliance Reports:	Joseph Rasumussen, Manager of Engineering
	• I-6 Infrastructure	David Longrie, Manager of Engineering
	• E-2 CEO/Board Partnership Responsibilities – CEO Responsibilities	Scott Shirola, Pricing and Rates Manager
	○ ECA/GCA update	
9:45 a.m.	I-2 Financial Condition and Activities revisions	Tristan Gearhart, Chief Planning Financial Officer
9:55 a.m.	I-4 Risk Management revisions	Tristan Gearhart, Chief Planning Financial Officer
10:10 a.m.	Electric Large Load Rate Schedule	Scott Shirola, Pricing and Rates Manager
10:25 a.m.	Public Authority for Colorado Energy "PACE" Board of Directors Nomination	Adam Hegstrom, Treasury and Finance Manager

10:35 a.m.	Fiber update	Thane LaBarre, General Manager of Operations
		John Hunter, Financial Planning and Risk Manager
10:55 a.m.	Distribution Integrity Management Program (DIMP) bill rider update	Nate De Kock, Supervisor Gas Operations Engineering Group
		Scott Shirola, Pricing and Rates Manager
		Will Cherry, Gas Compliance Program Manager
11:20 a.m.	North Monument Creek Interceptor project IGA addendum	Andy Muser, Project Manager IV
11:35 a.m.	2026 Legislative Session Preview	Daniel Hodges, General Manager of Government Affairs
11:50 a.m.	Discussion on the next Utilities Policy Advisory Committee (UPAC) assignment	Board Chair Donelson
12:00 p.m.	Adjournment	Board Chair Donelson

MINUTES
November 17, 2025
Rosemont Conference Room or by 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 9:00 a.m.

Present – Board Chair Dave Donelson, Board Member Tom Bailey, Board Member Lynette Crow-Iverson, Board Member Kimberly Gold, Board Member Nancy Henjum, Board Member David Leinweber and Board Member Roland Rainey

Vice Chair Brandy Williams attended the meeting virtually.

Board Member Brian Risley was excused.

Board Chair Donelson reminded meeting participants that this meeting is recorded and posted to www.csu.org.

Acceptance of Oct. 20, 2025, Working Committee Minutes

Board Member Crow-Iverson made a motion to approve the October meeting minutes and Board Member Bailey seconded the motion. The motion passed unanimously.

Safety Moment: Holiday Safety

Mr. Mike Francolino, Chief Customer & Enterprise Services Officer, advised that November is Holiday Safety month and provided information on holiday safety tips.

Compliance Reports

I-1 Pricing of Services G-5, G-6 Annual

Mr. Tristan Gearhart, Chief Planning and Financial Officer, reviewed the I-2 Pricing of Services G-5, G-6 Annual report.

There were no questions.

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

Mr. Gearhart provided a brief overview of the I-2 Financial Condition and Activities G-7 quarterly report July – Sept.

Board Member Henjum asked whether the \$42 million associated with cancelled or delayed projects had been included as a placeholder. Mr. Gearhart stated that the amount had originally been designated for the Horizon Plant at the end of 2024 and had since been updated to \$66 million. When asked about the \$22 million increase, Mr. Trivas Deal, Chief Executive Officer, explained that it reflected balanced budgeting adjustments.

Mr. Gearhart noted that \$20 million pertained to the operational fiber budget, which was expected as the fiber

contract ramps up with installations. He also reported that the full buildout exceeds 200,000 customers, with current revenue generated from approximately 43,000 customers.

Board Member Henjum inquired about the financial condition of the parent company. Mr. Gearhart stated that its cash position is improving and that on-time payments continue. Mr. Adam Hegstrom, Treasury and Finance Manager, added that there has been discussion regarding their long-term business model. In response to a question about potential impacts should issues arise with the parent company, Mr. Hegstrom confirmed that the organization has a payment guarantee in place.

E-2.3 Organizational Oversight – Compliance Frequency and Method

Ms. Natalie Watts, Strategic Planning and Governance Manager, reviewed the E-2.3 Organizational Oversight – Compliance Frequency and Method compliance report.

There were no questions.

P-1.2 2026 Annual Planning Calendar

Ms. Watts provided an overview of the P-1.2 2026 Annual Planning Calendar.

Board Member Rainey asked when the City audits these reports. Ms. Natalie Lovell, City Auditor, said that audit reports are completed within the month of the compliance report being finalized.

P-5.4 2026 CEO Performance Plan

Ms. Renee Adams, Chief Human Resources Officer, reviewed the P-5.4 2026 CEO Performance Plan

There were no questions.

P-5.4 2026 BER Scorecard

Ms. Watts reviewed the P-5.4 2026 BER Scorecard.

Board Member Leinweber said that the scorecard model is excellent, and would appreciate any support that can be given in helping City Leadership as they develop their own scorecards.

E-2 CEO/Board Partnership Responsibilities – CEO Responsibilities

- **ECA/GCA update**

Mr. Scott Shirola, Pricing and Rates Manager, reviewed the ECA/GCA update.

Mr. Deal reported that with Tallgrass coming online, the additional storage capacity will support increased usage. Board Member Henjum inquired about current coal prices, and Mr. Deal noted that they remain low. Board Member Henjum also commented that the governor is considering extending the timeline for coal plant closures at the state level.

Mr. Deal further stated that the balance parameter has been widened to allow for operational fluctuations while minimizing customer impacts.

Supply Chain Update

Mr. Rich Norton, Supply Chain Management General Manager, shared a Supply Chain Update.

Board Member Rainey asked if the Southwest Power Pool will be impacted by supply chain issues. Mr. Deal said that shared projects could still have an impact on the organization.

Board Chair Donelson asked if Mr. Norton was following the supreme court case on imposing tariffs. Mr. Deal said that the organization is following these developments.

2026 Strategic Plan Overview

Ms. Watts gave an overview of the 2026 Strategic Plan.

Mr. Deal noted that government agencies often utilize all available resources based on historical budget levels. He explained that the updated financial accountability strategic initiative will reflect shifts in business needs and organizational focus. In response to Board Member Henjum's question regarding implementation across the organization, Mr. Deal stated that tools have been developed and additional tools will be created to support employees in adopting these changes, with the overarching goal of operating more like a business.

Mr. Deal emphasized that division-level plans will be critical to the success of the initiative.

Board Member Henjum commented that the revisions represent an improvement to the overall strategic plan and asked how the rollout would be supported from the bottom up. Mr. Deal stated that teams will be encouraged to identify how their work groups can contribute to the enterprise strategies.

Ms. Watts reported that her team has been meeting with each division to develop standardized strategic plans. Board Member Henjum noted the importance of clear language to engage divisions and departments. Ms. Adams added that representatives from across the organization participated in a strategic-planning session and that multiple communication tools will be provided to help employees understand their role within the strategy map.

Rate Case Process

Ms. Renee Congdon, Utilities Division City Attorney, led a discussion on the rate case process.

Board Vice Chair Williams said that this is beneficial for the Board and the public for transparency.

Board Member Leinweber said that ex parte communication did not allow the Board Members to respond when constituent questions were asked. Mr. Gearhart said that the proposal is if items are rate case related, they should be presented to at least two Utilities Board Working Committee meetings.

Board Member Henjum said that supplemental filings would be affected by ex parte communication. Ms. Congdon suggested a change be made to the requirements for ex parte communications. Board Members would need to disclose ex parte communications at the City Council meeting.

Board Members said they are open to changes, but had additional questions on disclosure. Board Member Bailey said that as long as information is shared in a timely manner, it should be allowed.

Ms. Congdon will draft a process and present it at a future Working Committee meeting based on feedback received. She recommends that this does not go on the consent agenda.

Board Member Bailey said that having two Working Committee meetings beforehand will help in this process as a recommendation.

Board Vice Chair Williams asked when the recommendation will be made. Ms. Congdon said that the recommendation can be made at the Working Committee.

Net Metering Update

Mr. Gearhart provided an update on net metering.

Mr. Deal noted that solar customers elect to be energy producers, whereas non-solar customers do not, underscoring the need for balanced rate considerations.

Board Vice Chair Williams requested that all presentations be fully vetted. Board Member Bailey supported holding a listening session, and Board Member Henjum highlighted the Utilities Policy Advisory Committee (UPAC) as a resource for considering impacts across the full rate base. Mr. Deal clarified that UPAC addresses policy matters, while net metering pertains to rates.

The Board discussed the timeline for presenting the net metering update to City Council and whether UPAC could support the effort. Chair Donelson noted that UPAC's current assignment extends into early 2026, making it more practical for staff to develop the timeline.

Board Member Henjum expressed interest in UPAC's involvement due to its prior work on geothermal and nuclear topics. Chair Donelson reiterated that the rate case is highly specific, while Board Member Henjum stressed the importance of solar policy for the broader community.

Board Member Bailey stated that improved customer education is needed and that clear messaging to ratepayers will be beneficial. Board Member Leinweber emphasized the importance of long-term planning, particularly regarding peak-hour energy generation.

Board Vice Chair Williams offered to work with Mr. Gearhart on a proposed timeline, with follow-up communication to occur via email in December.

Mr. Deal expressed support for UPAC evaluating additional energy sources and noted the importance of managing cost transitions for net-energy producers while ensuring cost-effective service for all customers.

Board Vice Chair Williams asked whether the planned phase-out of battery rebates by the end of 2026 could be communicated to customers. Mr. Deal confirmed that this can be done.

Financial Impact of Government Shutdown

Mr. Adam Hegstrom, Treasury and Finance Manager, and Mr. John Hunter, Financial Planning and Risk Manager, explained the financial impact of the government shutdown. Mr. Hegstrom said that this presentation was created prior to the end of the government shutdown, but this information is still beneficial.

Board Member Leinweber said that the government could go back into shutdown in January 2026.

Mr. Gearhart said that Project COPE has been fast-tracked during the government shutdown and approximately 30 customers have taken advantage of that.

Board Member Bailey asked if there has been a decrease in payments over the last government shutdown. Mr. Hunter said that this could be tracked through the Customer Services Division.



UTILITIES BOARD WORKING COMMITTEE

Rosemont Conference Room

121 S. Tejon St., South Tower, 5th Floor

Colorado Springs, CO 80903

Graywater Ordinance

Ms. Jenny Bishop, Engineer IV, and Ms. Lauren Swenson, Manager of Environmental Services explained the proposed Graywater Ordinance.

Board Member Gold asked about the cost of completing the work 'after the fact.' Ms. Bishop responded that the cost would likely be double, as it would require installation of an entire plumbing system.

Adjournment

Chair Donelson adjourned the meeting at 12:03 p.m.

Date: January 2, 2026

To: Utilities Board

From: Trivas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Infrastructure (I-6)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2025 – December 31, 2025
Policy Title (Number):	Infrastructure (I-6)		
Monitoring Type:	Internal		
Monitoring Frequency:	Annual		
Guidelines:	N/A		

The Chief Executive Officer shall direct that annual, five-year and 20-year infrastructure plans are developed for each utility service. Accordingly, the CEO shall:

- 1. Use a reasonable planning period to meet obligation to serve requirements for current and future customers.*

Colorado Springs Utilities (Utilities) uses planning horizons of 20 years and longer to ensure that resources and infrastructure meet the service requirements for both current and future customers. In addition to the Integrated Resource (IRPs) and long-term system plans, planning documents also include shorter term (e.g. 5-yr) scenarios to inform important immediate needs. Utilities updates planning documents routinely as described in this Infrastructure (I-6) report to adapt to changing growth, regulation, and aging infrastructure signals.

- 2. Base plans on operational and regulatory requirements to provide safety, system reliability, and security.*

Colorado Springs Utilities manages all resource and infrastructure planning based on accepted professional and industry standard practices, regulatory requirements, and prudent planning processes by developing a system plan for each service line. Each system

plan's holistic evaluation includes findings and recommendations from IRPs, facility plans, and program plans. These documents are evaluated regularly based upon dynamic conditions such as actual asset service life, changes in operational conditions, failure analysis, regulatory drivers, opportunities for safety improvements, growth, and maintenance data to ensure systems are meeting reliability and level of service metrics.

While the models that inform the system plans are updated as often as daily, full revisions to the system plans are made at a minimum of every five (5) years for each service line to reflect changes in the planning landscape. System plans, facility plans, program plans, and risk modeling are utilized to identify capital project needs which are then prioritized and incorporated into the Capital Improvement Plan (CIP). Currently, the organization is focused on managing a 10-year CIP with a focus on reliability, regulatory compliance, and growth.

- 3. Maintain an organization-wide long-range infrastructure plan that considers the annual impact to the typical customer bill, maintains strong financial metrics, and sequences infrastructure projects to the extent operationally and financially practical.*

Long-range plans have a minimum of 20 years for a planning horizon and address organizational, operational, and financial requirements to maintain a competitive position in each of the Board's strategic focus areas of rates, reliability, and relationships. Projects are sequenced to minimize the impact on the total four-service bill and maintain infrastructure reliability and regulatory compliance across all four services.

To continue the efforts that were established in 2023, management level teams met monthly to review schedules and budgets, and to prioritize projects based on factors such as growth, reliability, and regulatory compliance within each service line. As project schedules and budgets changed throughout the year, the prioritized projects were shifted in time based on the most current information to ensure that the highest priority work would still be completed within the approved five-year rate case budget.

Rigorous processes continue to be utilized so that as new project priorities arise and schedules or budgets are shifted, executive level leadership is involved in the approval process of the portfolio changes being proposed by the management team. In addition to this ongoing rigor of project and budget tracking for the five-year planning horizon, planning teams have started expanding this level of scrutiny to the 10-year horizon as well as to prepare for future rate cases.

- 4. Plan for replacement of aging infrastructure, information and operational technology upgrades, utility relocations for public works and road projects, life extension of existing systems and services to approved contract customers.*

The Annual Operating Financial Plan (AOFP) funds programs and projects for the renewal and replacement of aging infrastructure and the life extension of systems and services. These programs and projects are based upon risk models that evaluate both probability and consequence of failure for project prioritization. Taking into consideration the results of risk models, system reliability and resiliency, growth, and regulatory requirements, infrastructure and resource projects are prioritized into Capital Improvement Plans (CIPs) with focus on 5-yr, 10-yr, and 20-yr timeframes. These CIPs are updated regularly based on inputs from condition assessments, system plans, facility plans, and stakeholder workshops. Projects are designed and constructed in coordination with key stakeholders such as the

City of Colorado Springs, and Public Improvement Project funds are specifically planned and accounted for to address utility relocations for public works and road projects. Information (IT) and operation (OT) technology upgrades are also addressed in the AOFP and these IT/OT projects are prioritized into 1-yr, 3-yr, and 5-yr plans within the 10-year CIP.

5. *Coordinate infrastructure planning with the City of Colorado Springs' (City) Strategic Plan, Comprehensive Plan (PlanCOS), Annexation Plan (AnnexCOS), and other governmental agency plans.*

Utilities coordinates planning efforts in conjunction with the City's Strategic Plan, Comprehensive Plan (PlanCOS), Annexation Plan (AnnexCOS), and other governmental agency plans.

Additionally, Utilities representatives participate throughout the City's land development review processes to ensure coordination of activities, compliance with regulations, and pursuit of opportunities to improve four-service utility delivery.

Staff actively support the City's Annexation Steering Committee, the Land Development Technical Committee, Annexation Technical Committee, Rapid Response Team, and other committees related to utility infrastructure standards. Staff coordinates and supports community development activities to provide expedited response levels to stakeholders and economic development prospects.

In addition to coordinating with the City, staff also works with the Housing and Building Association of Colorado Springs (HBA), Affiliated Commercial Construction Association (ACCA), the Pikes Peak Regional Building Department (PPRBD), and other development community stakeholders to identify and implement improvements to the land development review process and Line Extension and Service Standards (LESS). Gas, Electric, Water, and Wastewater LESS revisions will be adopted in 2026.

Utilities is currently working with the City to update the City's Annexation Plan (AnnexCOS). The plan includes suitability for utility considerations (e.g. financial impacts, resource availability, infrastructure requirements, property rights, etc.) when evaluating annexation requests. Utilities and the City have completed a land use planning model to assist Utilities in resource and utility planning. This model, along with additional suitability and financial modeling and stakeholder/public input, will be integrated to finalize suitability areas across the Area of Planning Interest (AOPI) which includes the natural three-mile boundary around the city along with additional, outlying areas.



I-6 Infrastructure

January 20, 2026

Joseph Rasmussen, P.E., PMP

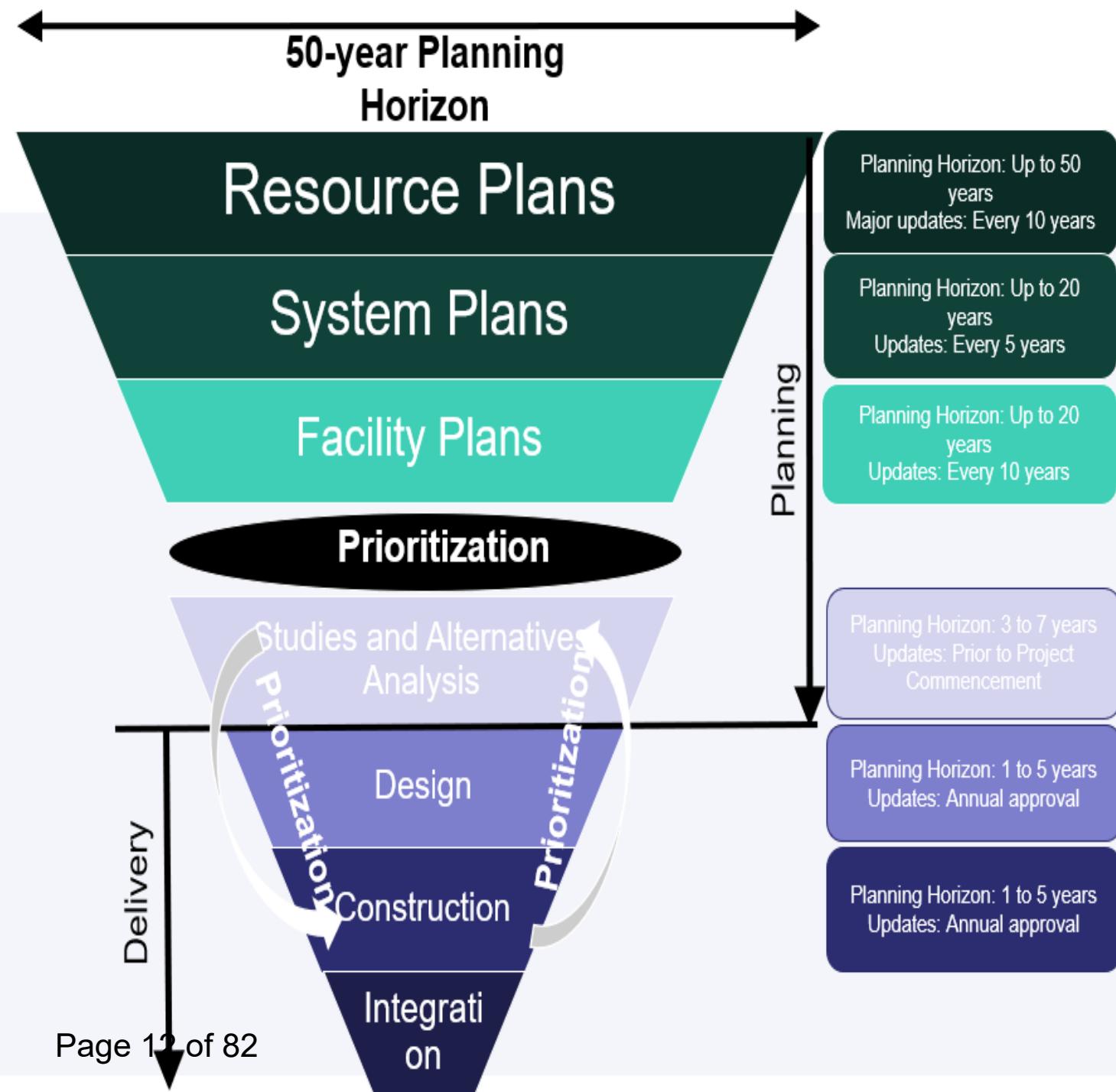
David Longrie, P.E., PMP

Infrastructure and Resource Planning

Infrastructure Documents and Planning Horizon

- Integrated Resource Plans
 - Not addressed in I-6
 - ~50 year planning horizon
- System Plans
 - Every 5 years
 - 20 year planning horizon
- Facility Plans
 - Every 10 years
 - 20 year planning horizon
- Studies and Alternative Analyses – As Needed

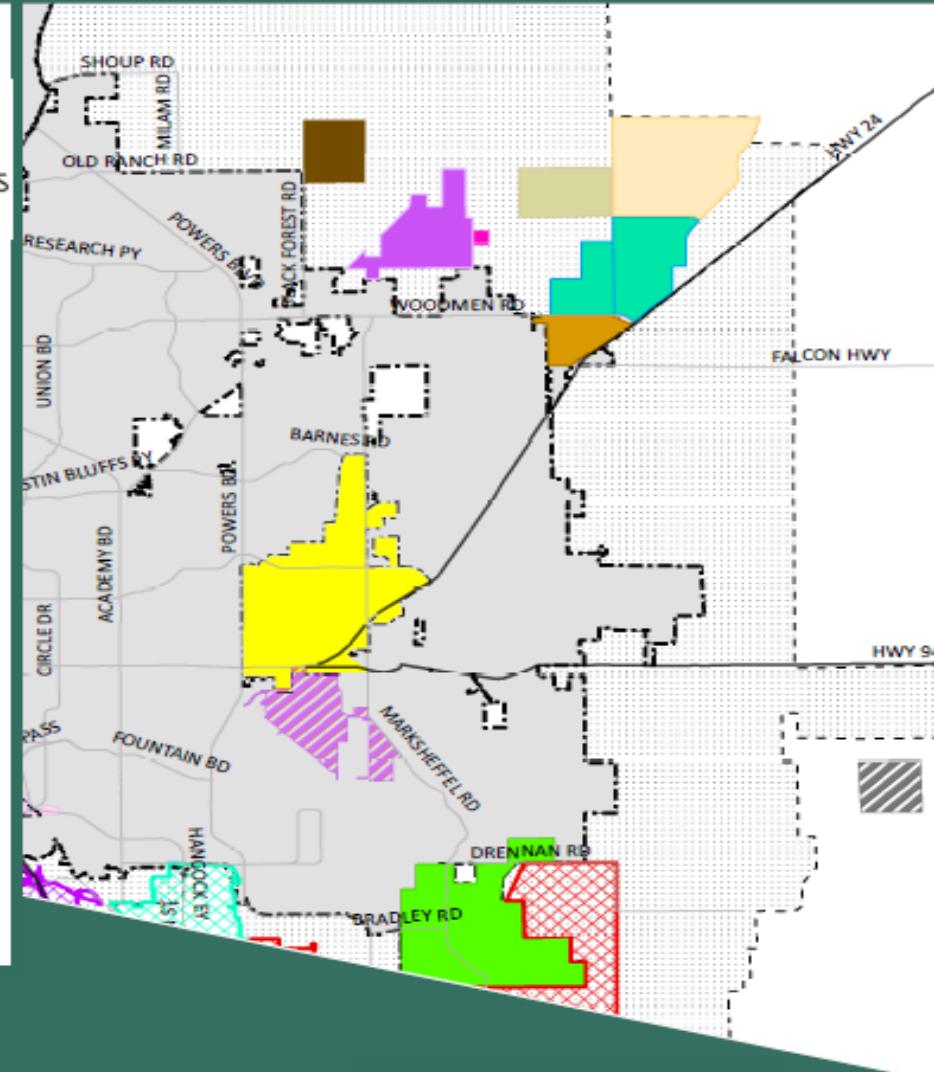
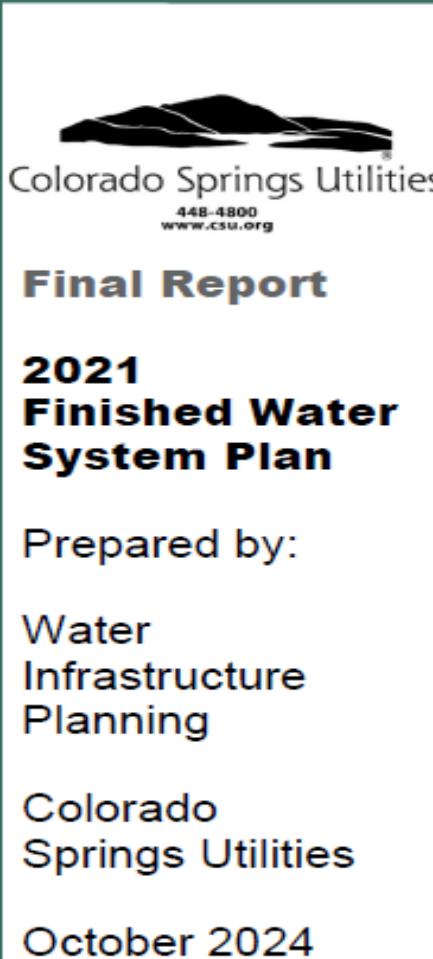
Colorado Springs Utilities



System Plans

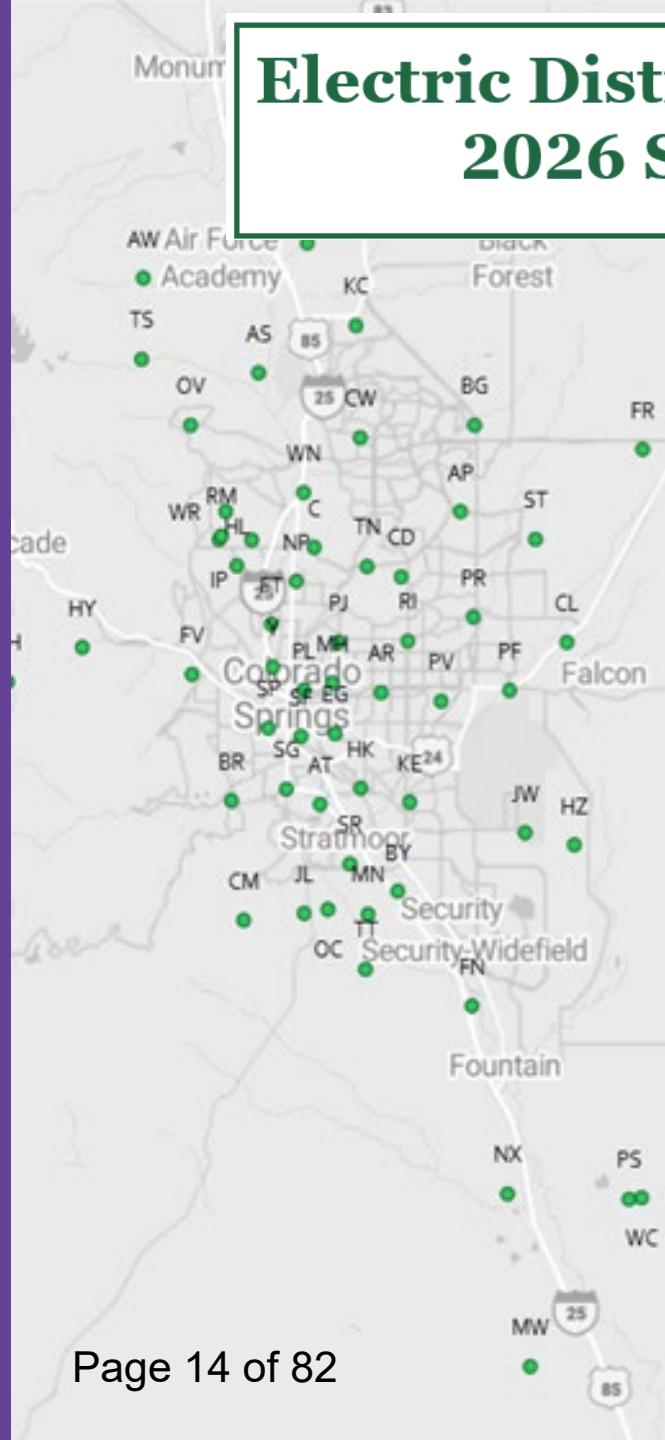
- Incorporates information from:
 - IRPs
 - Facility Plans
 - Models
 - Program Plans & Risk Modeling
- Dynamic conditions
 - Growth in Demand
 - Asset Service Life
 - Change in Operational Conditions
 - Failure Analyses
 - Regulatory Drivers
 - Safety Improvements
 - Maintenance Data
- Feeds Capital Improvement Plan

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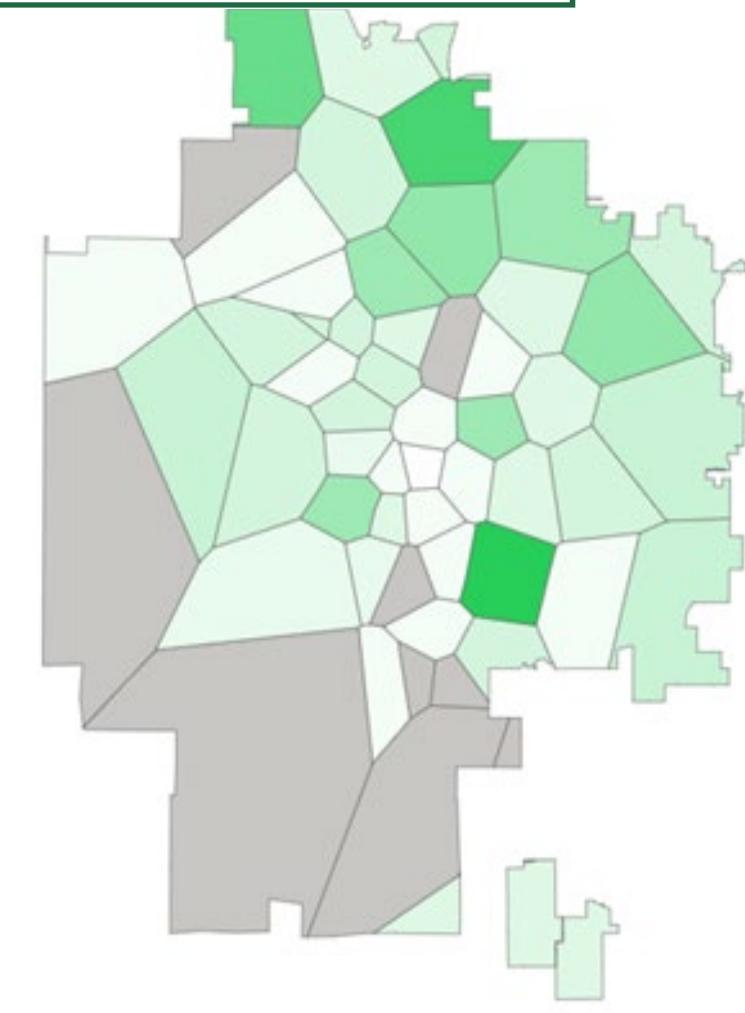


Capital Improvement Plans (CIP)

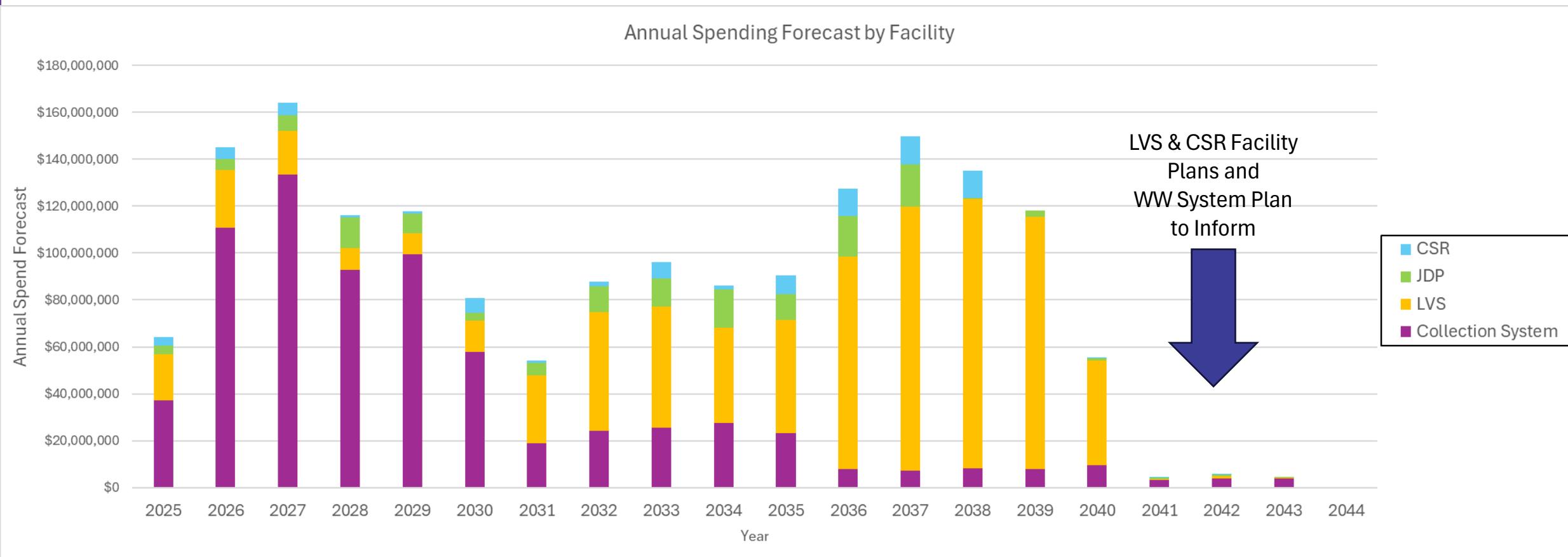
- Prioritize new system, plant, and station projects and required upgrades
- Prioritizes projects:
 - To balance bill impacts and system needs
 - Based on growth, reliability, and regulatory compliance
- 5-yr delivery emphasis
- 10-yr budget and rate case emphasis
- 20-year Planning Horizon
- IT/OT (1-yr, 3-yr, and 5-yr)



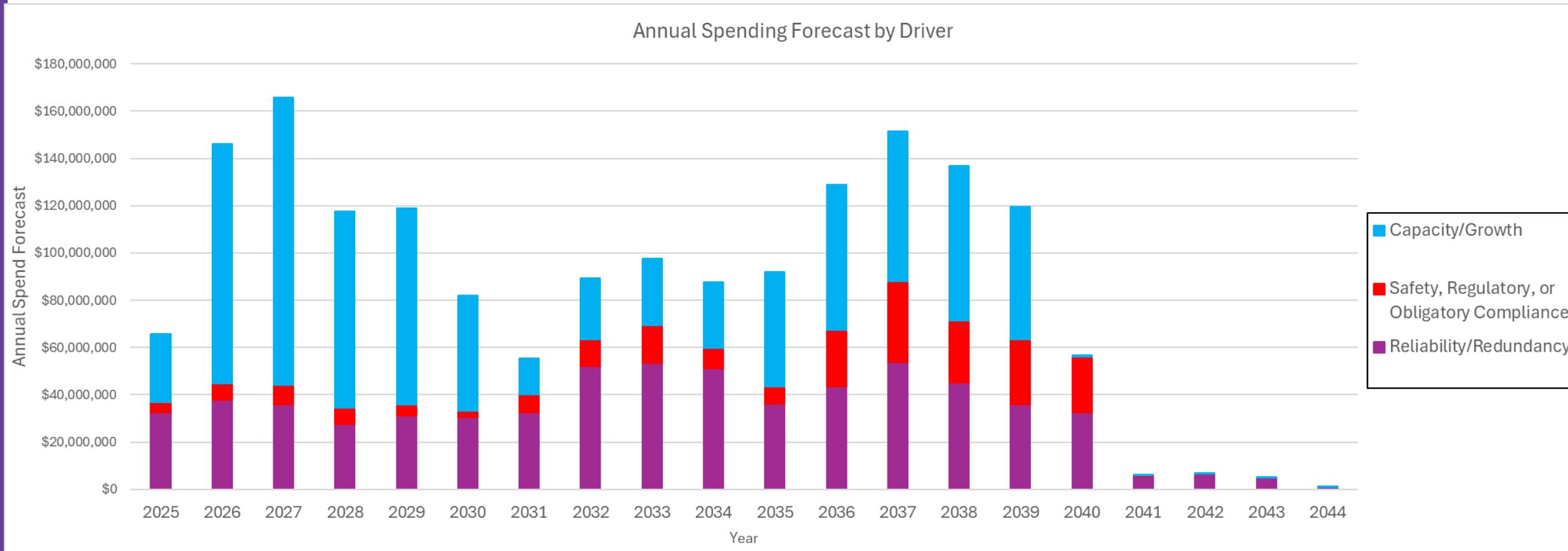
Electric Distribution Planning 2026 System Plan



Overview of 20-Year WW Spend by Facility

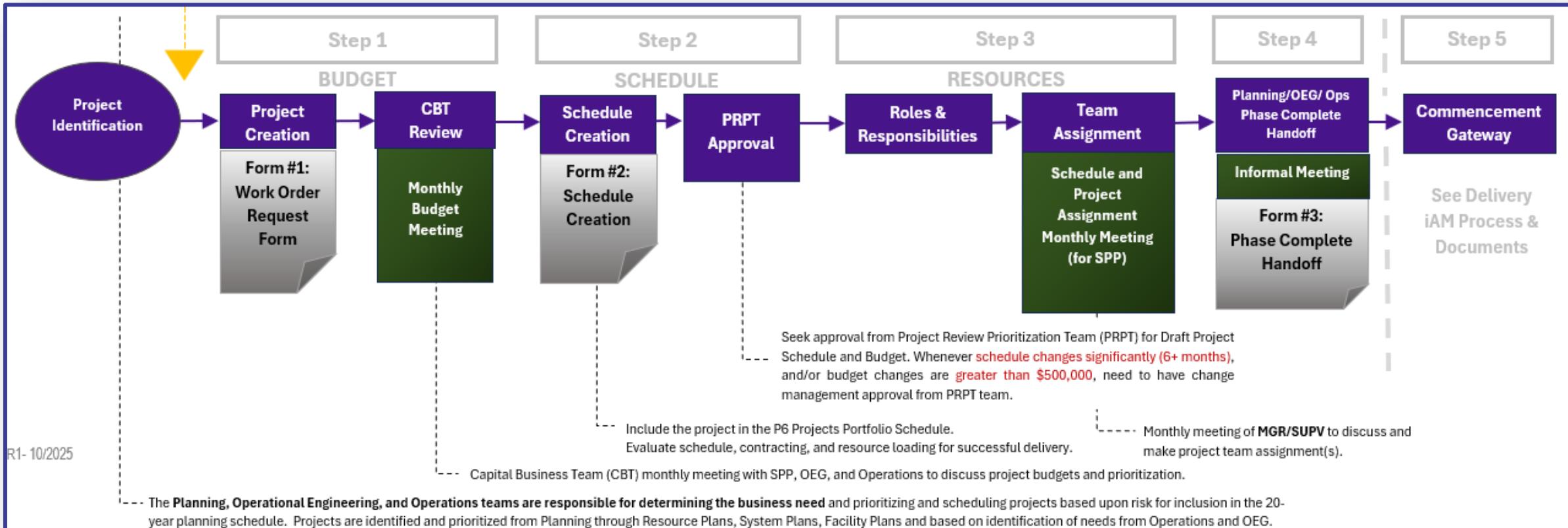


Overview of 20-Year WW Spend by Driver



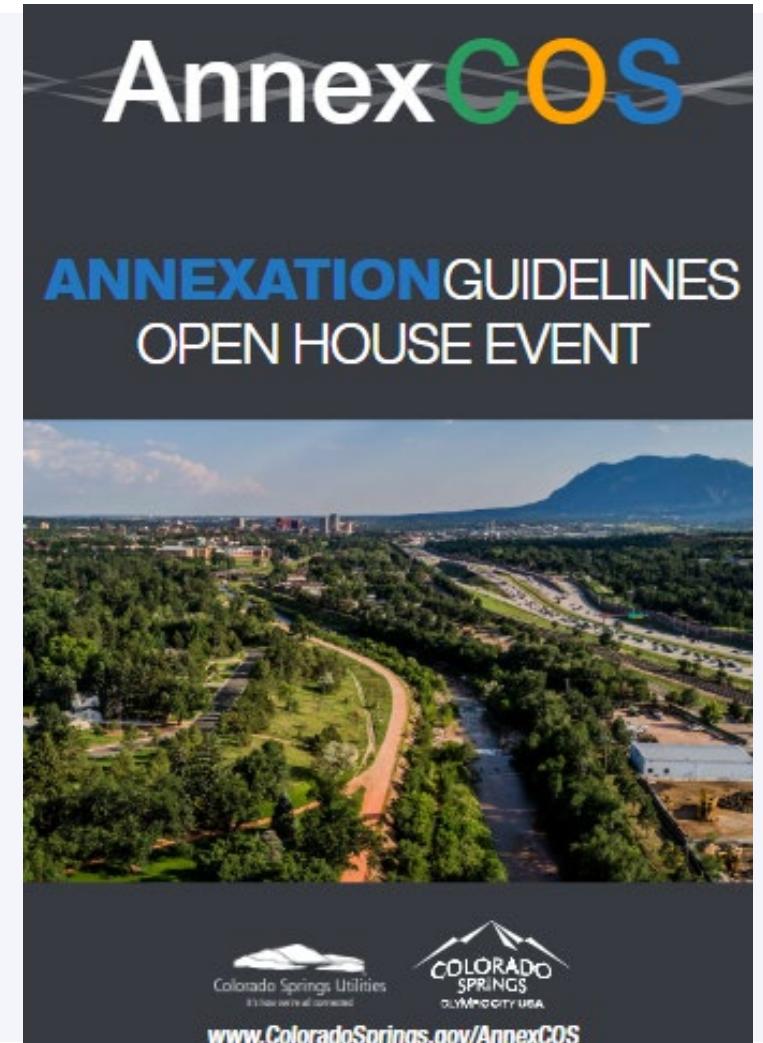
Capital Improvement Plans (CIP)

- Process Driven
 - Project Creation Process
 - Capital Budget Teams
 - Project Review Prioritization Team (PRPT)



Coordinated Planning

- Short to mid-term coordination
 - City Strategic Plan
 - PlanCOS
 - AnnexCOS
- Coordinate with other projects within the City
 - Public Improvement Projects
- Support City wide objectives and planning including growth, annexations and economic development
- Incorporate other agency plans to meet future utility needs
- Implement improvements to review processes and Line Extension and Service Standards (LESS)



Questions?





Colorado Springs Utilities

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Supplemental Slides

Wastewater – 2025 Planning Documents

Wastewater Plans		
Document	Status	Schedule
Wastewater System Plan	In-Progress	Q4 2026 Completion
LVS Facility Plan	In-Progress	March/April 2026
CSR Facility Plan	In-Progress	Q4 2027 Completion

Wastewater Studies		
Document	Status	Schedule
Sand Creek Lift Station SAA	In-Progress	Q1 2027 Completion
Temperature Regulation SAA	In-Progress	March/April 2026
JDP BNR SAA	In-Progress	February 2026
CSR Boiler SAA	Completed	December 2025
Chapel Hills Lift Station SAA	In-Progress	April 2026

Water – 2025 Planning Documents

Water Plans		
Document	Status	Schedule
Finished Water System Plan	In-Progress	Q4 2026 Completion
Pine Valley / McCullough Facility Plan	In-Progress	Q4 2027 Completion
Water Studies		
Document	Status	Schedule
Tollefson WTP Upgrades	In-Progress	Q2 2026 Completion
Homestake Discharge Pipeline Condition Assessment and CIP	In-Progress	Q2 2026 Completion
Category 2 Pipeline SAA	In-Progress	Q4 2026 SAA Completion
FVA Pipeline Condition Assessment	In-Progress	Q2 2027 Completion
RD Nixon GWUDI	In-Progress	Q3 2026 Completion

Gas – 2025 Planning Documents

Gas Plans		
Document	Status	Schedule
Gas System Plan	In-Progress	Q4 2026 Completion
Heating Season Report	Complete	Q3 2025 Completion

Electric – 2025 Planning Documents

Electric Plans		
Document	Status	Schedule
Electric Distribution System Plan	In-Progress	Q1 2026 Completion
Electric Transmission System Plan	In-Progress	Q4 2026 Completion
Electric Integrated Resource Plan	In-Progress	Q2 2026 Completion

Electric Studies		
Document	Status	Schedule
Airport Peak Innovation Park	Complete	
Southern CO Rail Park	In-Progress	Q1 2026 Completion
Multiple Large Load Studies	In-Progress	Continual

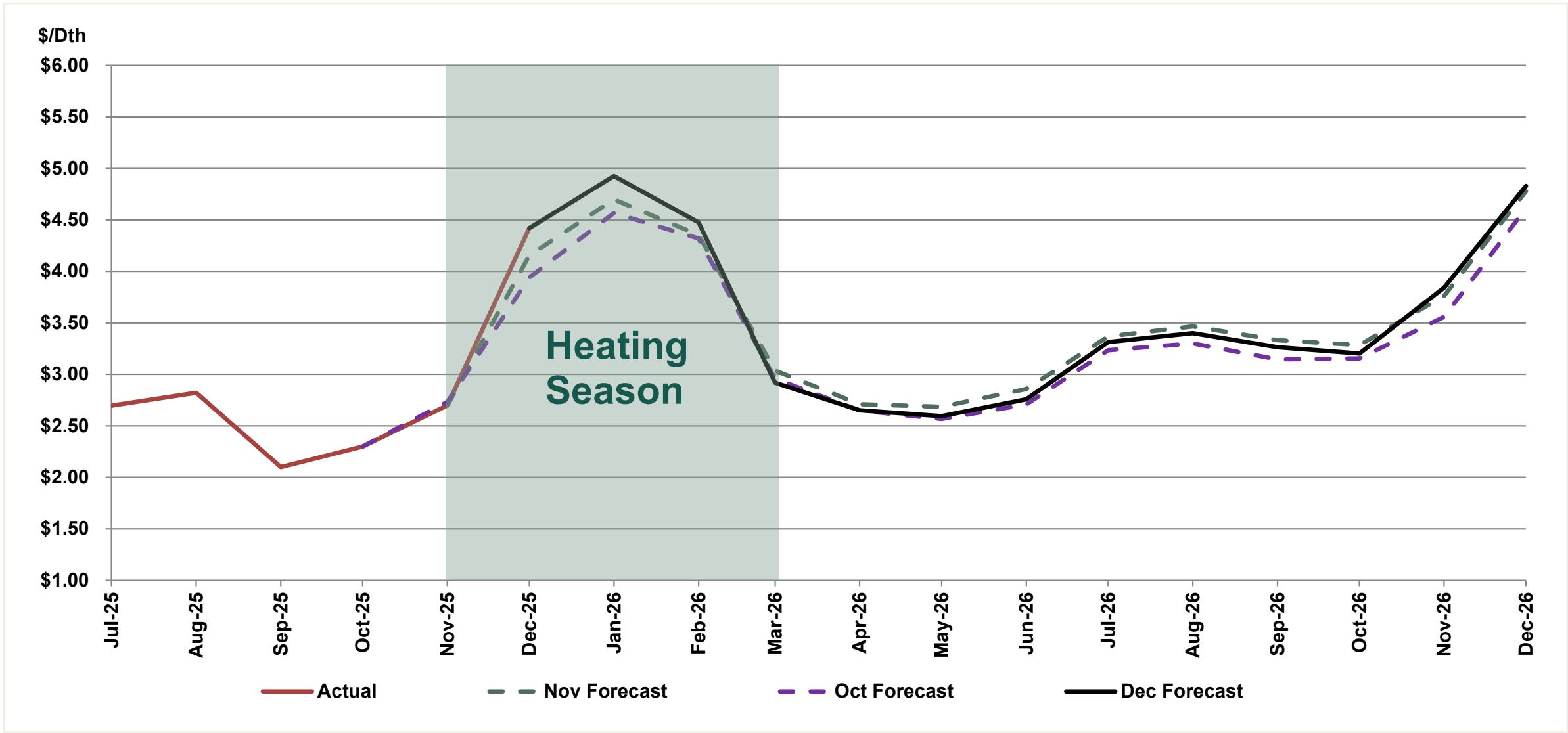


Electric Cost Adjustment Gas Cost Adjustment

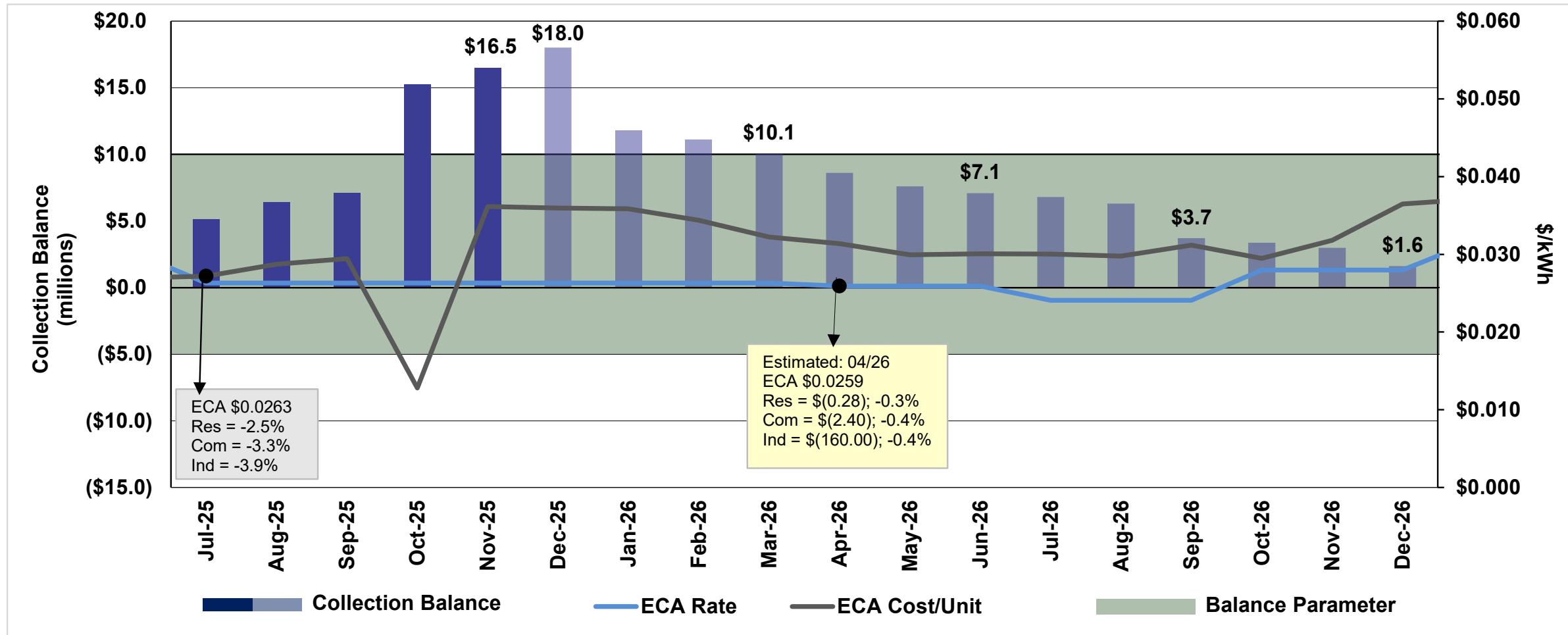
Scott Shirola, Pricing and Rates Manager

January 20, 2026

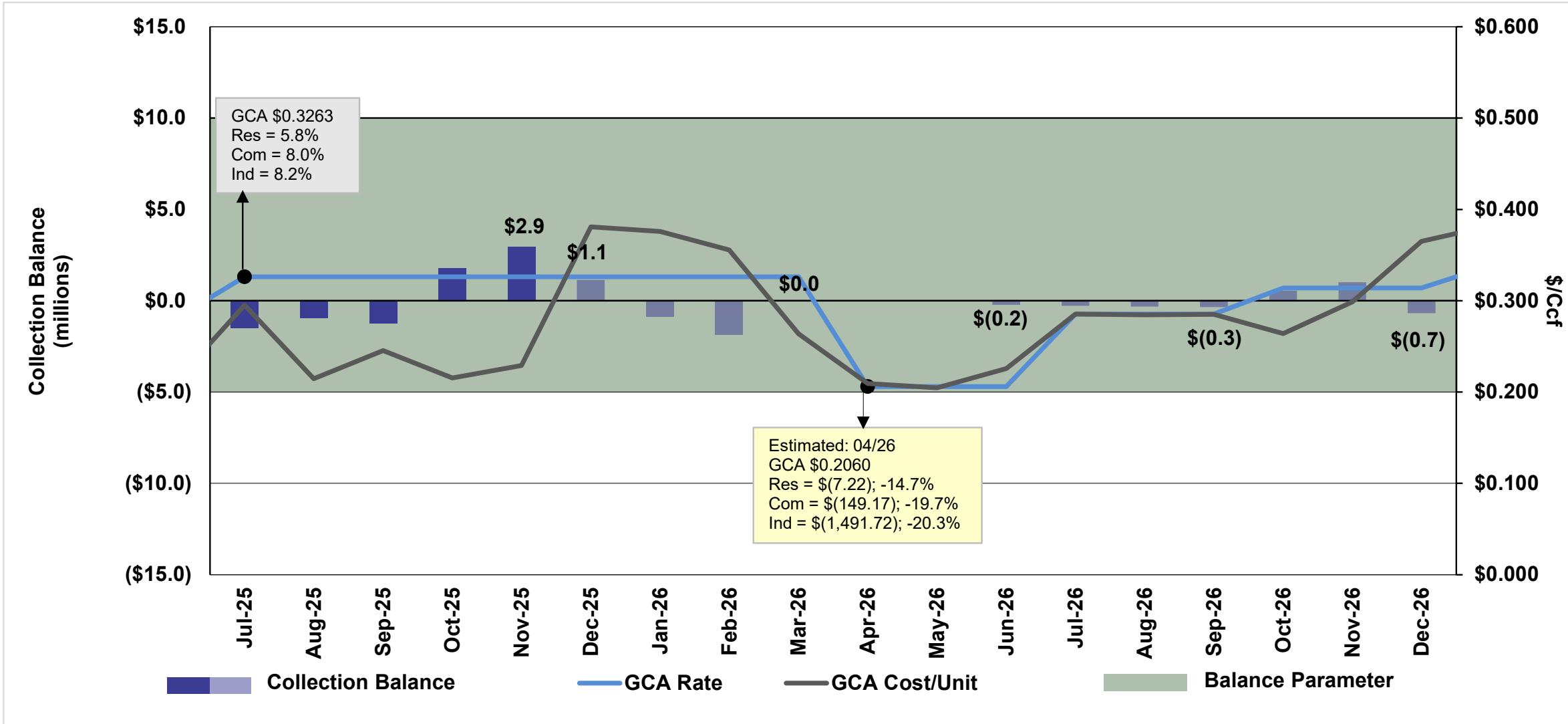
Natural Gas Prices as of December 1, 2025



ECA Projections December 2025



GCA Projections December 2025





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INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Financial Condition and Activities (I-2)	Revision Date:	February 18, 2026
Monitoring Type:	Internal; City Auditor	Revision Number:	4
Monitoring Frequency:	Quarterly, Annual		
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.
 - B. Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater and common.
2. Budget transfers and canceled major capital projects over \$1,000,000 in the approved budget or new major capital projects not funded in the approved budget that are over \$1,000,000.
3. Invest funds in accordance with Bond Ordinance requirements and Springs Utilities Investment Plan.
4. Ensure controls are in place for receiving, processing or disbursing funds and allow only bonded or insured personnel access to material amounts of funds.
5. Ensure receivables are resolved within a reasonable grace period.
6. Settle payroll and debts in a timely manner.
7. Ensure tax payments or other government ordered payments are timely and materially accurate.
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.

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

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Risk Management (I-4)	Revision Date:	February 18, 2026
Monitoring Type:	Internal; City Auditor	Revision Number:	1
Monitoring Frequency:	Semi-Annual, Annual		

The Chief Executive Officer shall direct that the enterprise maintain enterprise risk management activities that identify, assess and prudently manage a variety of risks including strategic, financial, operational, legal and hazard. Accordingly, the CEO shall:

1. Maintain a Risk Management Committee to identify, measure, monitor, manage and report risk on an enterprise-wide basis.
2. Operate under and maintain a written Enterprise Risk Management (ERM) Plan which includes the required plans listed below that each include management level approval, detailed procedures, internal controls and reporting requirements and external audits.
 - A. Energy Risk Management Plan - establishes procedures for limiting organizational exposure to price volatility and supports the acquisition or sale of energy that does not unreasonably jeopardize the ability to meet customer needs.
 - B. Investment Plan - establishes investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, risk tolerance and safekeeping and custodial procedures for the investment of all funds.
 - C. Financial Risk Management Plan - establishes objectives and procedures for minimizing risk to support responsible compliance.



Electric Large Load (ELL) Rate Schedule

January 20, 2026

ELL Rate Schedule Background

- ELL Rate Schedule effective January 1, 2026
 - Approved on October 28, 2025, as part of the 2026 Rate Case
- Applicable to customers with loads equal to or greater than 10MW
- Rate Schedule designed to:
 - Support economic development and rate competitiveness as directed in Board Instruction 5 (Economic Development, I-5)
 - Ensure resource and infrastructure adequacy
 - Minimize cost shift to existing customers
 - Mitigate risk of stranded assets
 - Protect Utilities' financial health
 - Support consistency with RTO provisions

Economic Development Special Contracts

- Utilities may execute special contracts with selected customers pursuant to Utilities Rules and Regulations
 - If executed, the special contract contains specific provisions related to rates, terms, and conditions of service, which may differ from the applicable tariff provisions
- Propose addition to ELL Rate Schedule to clarify that Utilities may execute special contracts with ELL customers

AVAILABILITY

Available by contract in Utilities' electric service territory for any Customer whose Maximum Demand equals or exceeds 10,000 kW in any of the last 12 billing periods, or whose Maximum Demand is reasonably expected to equal or exceed 10,000 kW in any billing period in the next 120 billing periods. If aggregation of loads is permitted by Utilities pursuant to the terms provided in this rate schedule, the Maximum Demand used for the purpose of determining availability under this rate schedule will be based on the aggregated Maximum Demand. Customers with common owner(s) or parent companies operating within a contiguous site will have loads aggregated for determining the Maximum Demand for the purposes of determining availability under this rate schedule. Nothing in this rate schedule limits the potential applicability of Economic Development Special Contracts, as established in Utilities Rules and Regulations.

Next Steps

- ✓ • January 20 Working Committee Initial Presentation
- February 17 Working Committee Final Presentation
- February 18 Utilities Board Presentation
- February 24 City Council
 - Resolution revising ELL Rate Schedule
- March 1 Change Effective



Colorado Springs Utilities

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PACE Board of Directors Nomination

Adam S. Hegstrom

Treasury and Finance Manager, Colorado Springs Utilities
Secretary-Treasurer, Public Authority for Colorado Energy

January 20, 2026

Public Authority for Colorado Energy

- Public Authority for Colorado Energy (“PACE”) is a separate legal entity governed and operated solely by Colorado Springs Utilities
- Created in 2008 to transact and execute a natural gas prepay transaction
 - Issued \$653 million in bonds to pre-purchase natural gas at substantial discounts for ratepayers
 - 30 years in duration
 - Contracted volumes of ~20% of forecasted natural gas supply needs
 - Results in just under \$1.00/MMBtu discount for said volumes
 - Cumulative savings 2008-2025: ~\$82 million

Board of Directors

- PACE bylaws require three members sit on its Board
 - Current President – Somer Mese (Chief Operations Officer)
 - Current Vice President – { *Vacant* }
 - Current Secretary/Treasurer – Adam Hegstrom (Treasury and Finance Manager)
- The PACE Board of Directors nominates the following candidate for PACE Board appointment
 - Vice President – Nick Peters (Chief Systems Planning and Projects Officer)



Colorado Springs Utilities

It's how we're all connected

RESOLUTION NO. 26-01

A RESOLUTION OF COLORADO SPRINGS UTILITIES BOARD
APPOINTING NICHOLAS PETERS TO THE PUBLIC
AUTHORITY FOR COLORADO ENERGY BOARD OF
DIRECTORS

WHEREAS, the City Council of the City of Colorado Springs, Colorado ("City Council") previously authorized the establishment of the Public Authority for Colorado Energy ("PACE") as part of City Ordinance No. 07-165; and

WHEREAS, pursuant to the Amended and Restated Bylaws of PACE (the "PACE Bylaws"), all members of the PACE Board of Directors ("PACE Board") are to be appointed by the Utilities Board of Directors ("Utilities Board") through an affirmative vote of at least five (5) members of the Utilities Board; and

WHEREAS, Lisa Barbato, former Chief System Planning and Projects Officer of Colorado Springs Utilities, was elected to the Board by Utilities Board by Resolution dated January 17, 2024; and

WHEREAS, Lisa Barbato retired from service at Colorado Springs Utilities, effective August 22, 2025; and

WHEREAS, the Amended and Restated Bylaws of PACE, dated November 13, 2024, provide that all Directors of PACE must be an official or employee of the City of Colorado Springs and in the event a Director shall cease to be an official or employee of the City of Colorado Springs, the term of that Director shall terminate and a vacancy shall exist in the Board; and

WHEREAS, Lisa Barbato's retirement ceased her employment with Utilities, an enterprise of the City of Colorado Springs, and terminated her term as a Director of PACE; and

WHEREAS, the Amended and Restated Bylaws of PACE provide that all members of the Board must be elected by the affirmative vote of at least five (5) members of the Utilities Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLORADO SPRINGS UTILITIES:

Section 1. The Colorado Springs Utilities Board of Directors hereby elects Nicholas Peters, Chief System Planning and Projects Officer of Colorado Springs Utilities, to serve as a Director on the PACE Board of Directors.

Section 2. This Resolution has been approved by at least five (5) members of the Utilities Board and shall take effect immediately.

DATED at Colorado Springs, Colorado, this 21st day of January, 2026.

Dave Donelson, Chair

ATTEST:

Travas Deal, Secretary



Fiber Project Update

Thane LaBarre, General Manager of Utility Construction & Maintenance

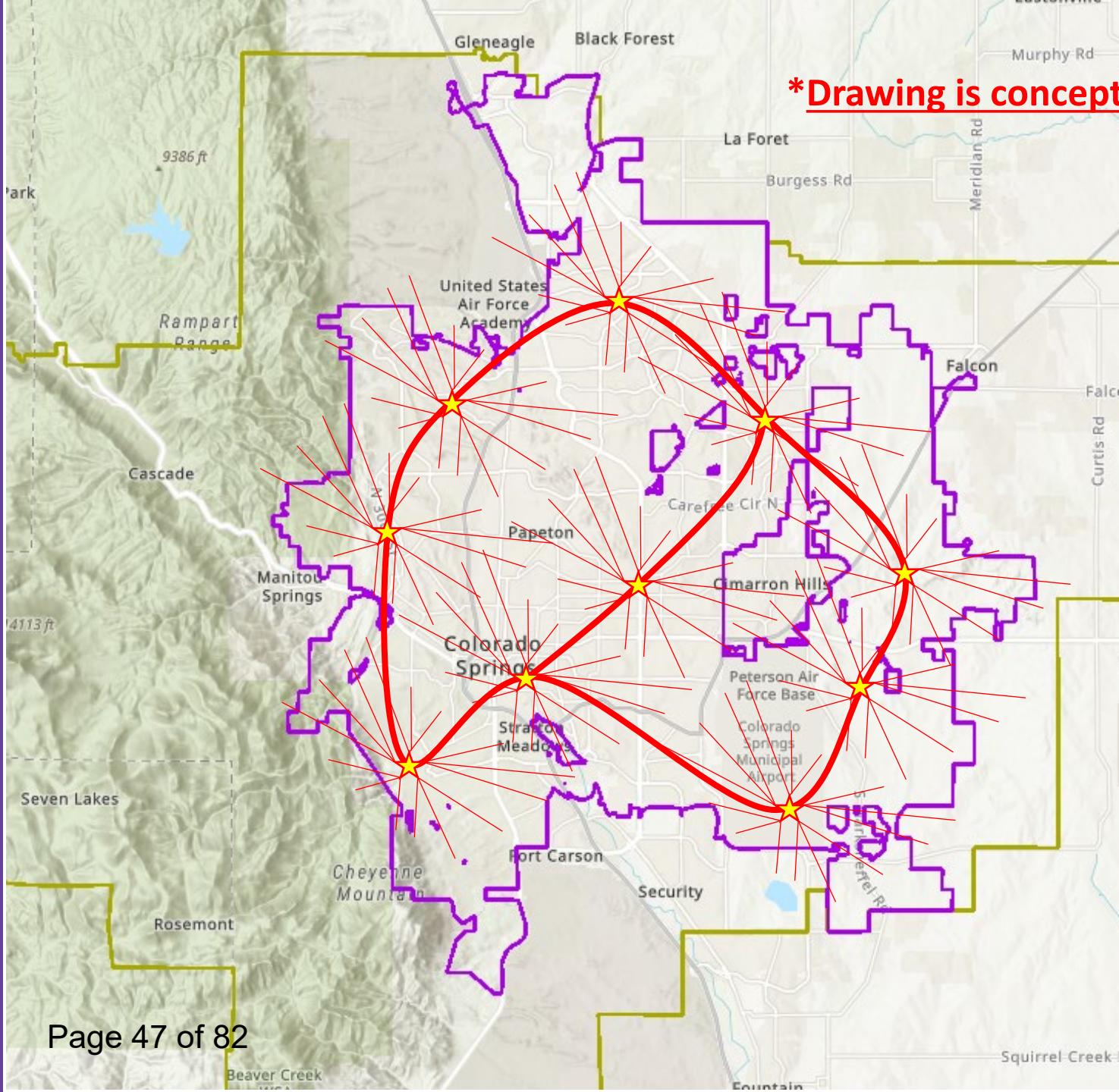
John Hunter, Manager of Financial Planning & Risk

January 20, 2026

Fiber Project Update

Hut Structure Schedule

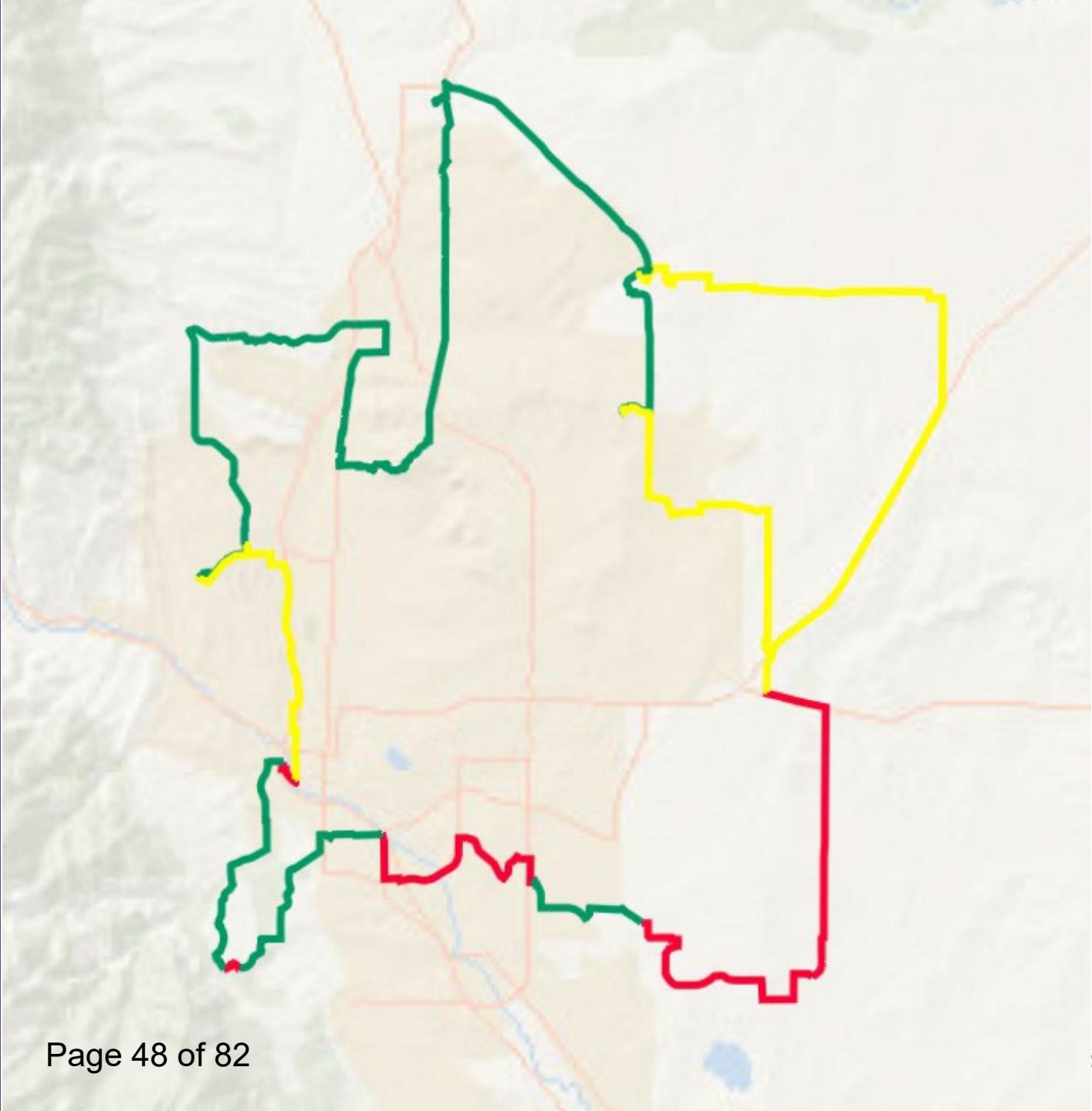
Building	Substantial Completion	Status
Kettle Creek	6/13/2024	Complete
JPSC	9/20/2024	Complete
Mesa	9/26/2024	Complete
Drake	10/03/2024	Complete
Cragmoor	10/10/2024	Complete
Allegheny	4/11/2025	Complete
T-Gap	5/02/2025	Complete
Fuller	5/02/2025	Complete
Horizon	5/02/2025	Complete
Kelker	5/02/2025	Complete
Broadmoor	2/1/2026	In Construction
Baily	2/1/2026	In Construction



Backbone Build Schedule / Status

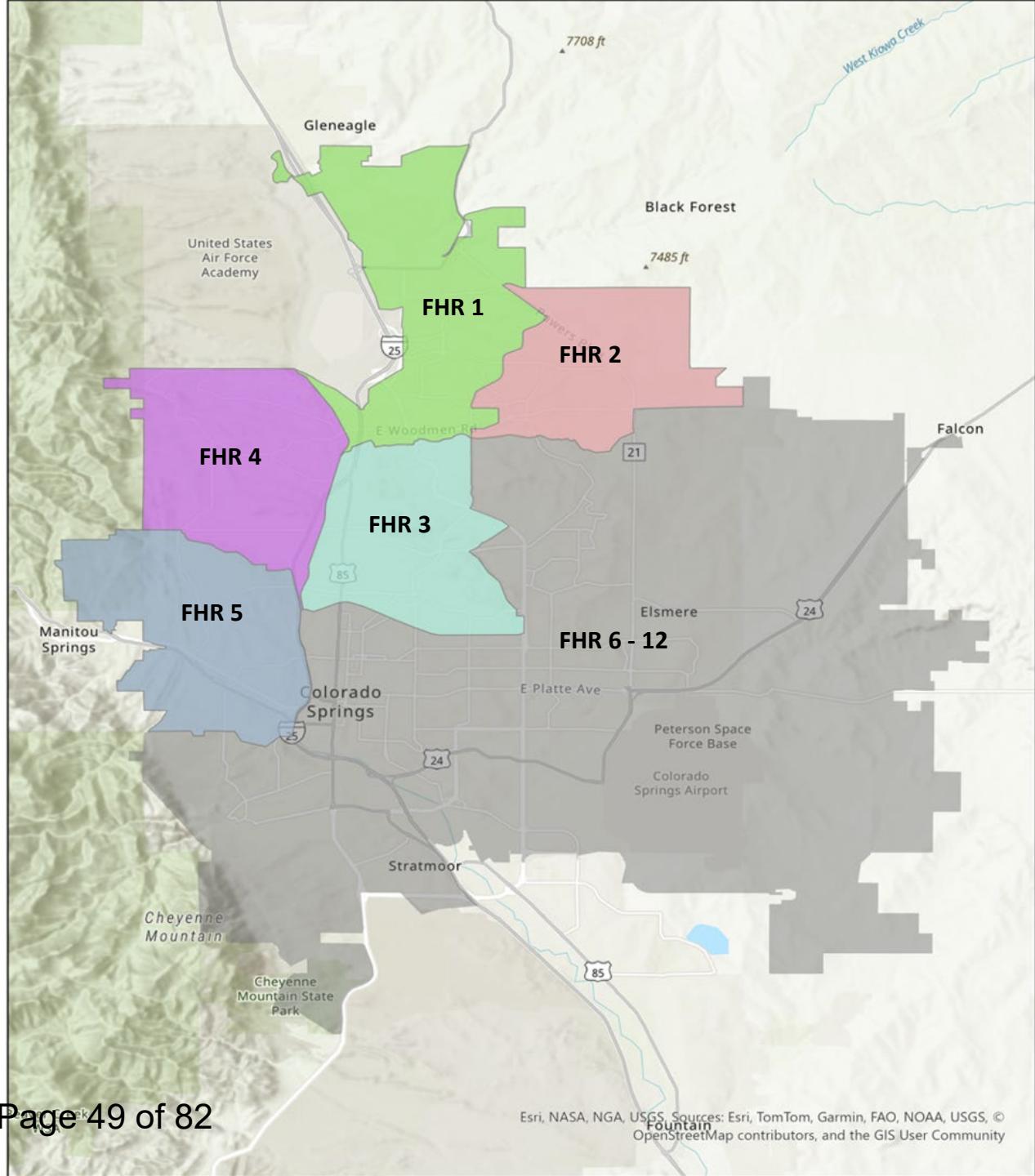
Color Code	Construction Status	Timeframe
<u>GREEN</u>	Construction completed Hut to Hut connected	100% Complete
<u>YELLOW</u>	Minor repairs needed	Planned completion by 02/28/2026
<u>RED</u>	In Design / Major construction needed	Planned completion by 05/31/2026

Backbone fiber to be interconnected to all hut buildings by middle of 3rd QTR. 2026



Network Section Build Schedule

Region	Construction dates (MM/YY)	Status
FHR 1	10/22 – 04/24	On Hold / 70% complete
FHR 2	02/24 – 12/25	Complete
FHR 3	11/24 – 02/26	In Construction
FHR 4	12/24 – 07/26	In Construction
FHR 5	09/25 – 08/26	In Construction
FHR 6 - 12	02/26 – 03/29	Design / Planning



Project Highlights

Target = **150,000** addresses delivered by May 2028

Delivered to date (12/1/25) = **47,774**

***31.8%** of contract obligation*

2024 conduit footage installed = **924,651'**

2025 conduit footage installed = **1,846,254'**

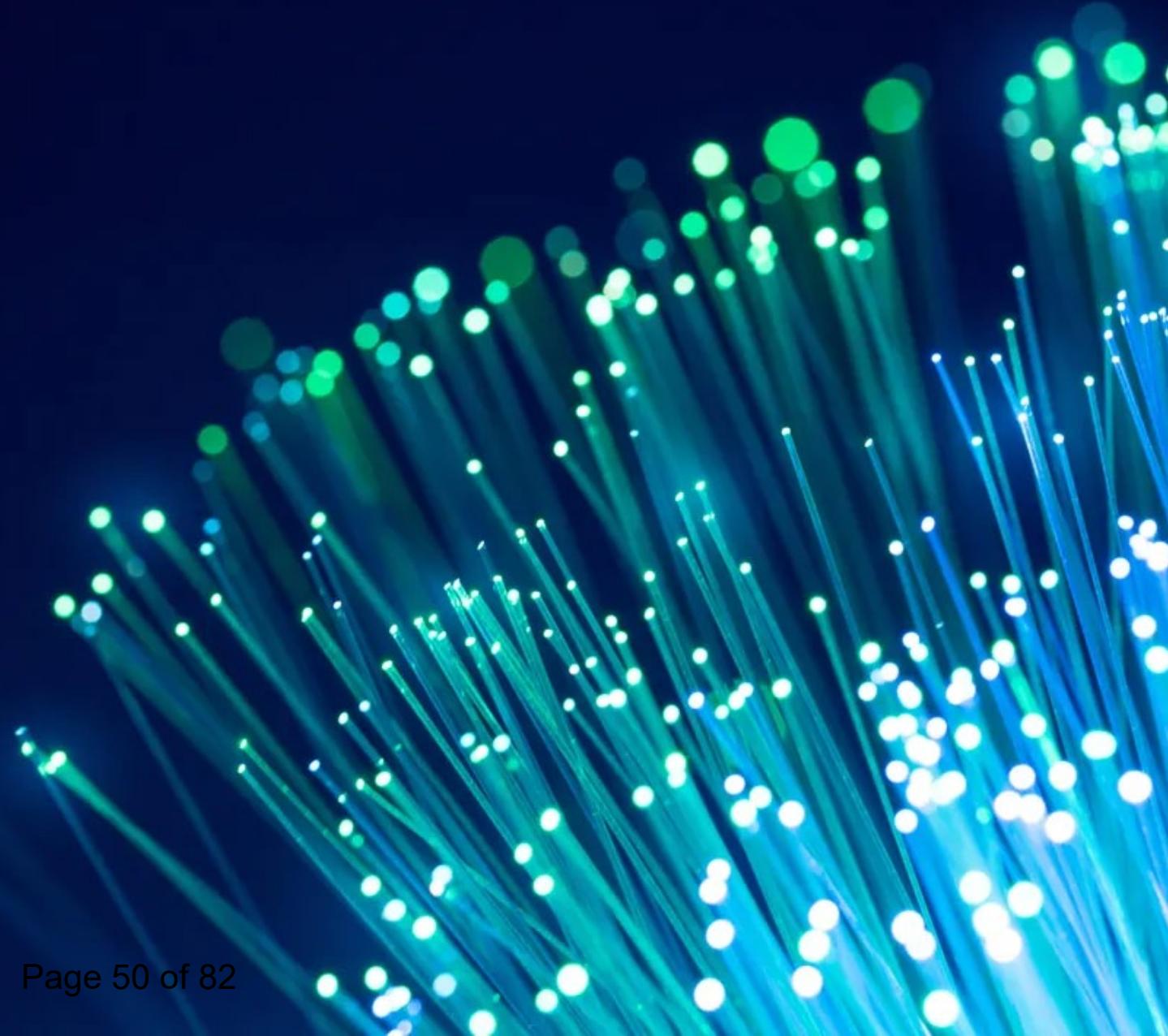
2024 Customer issues received = **828**

2025 Customer issues received = **1070**

Non-Colorado Springs Utilities issues received = **328**

Outstanding = **19**

2C3 - Continued coordination to be ahead of paving
as best as possible



Questions

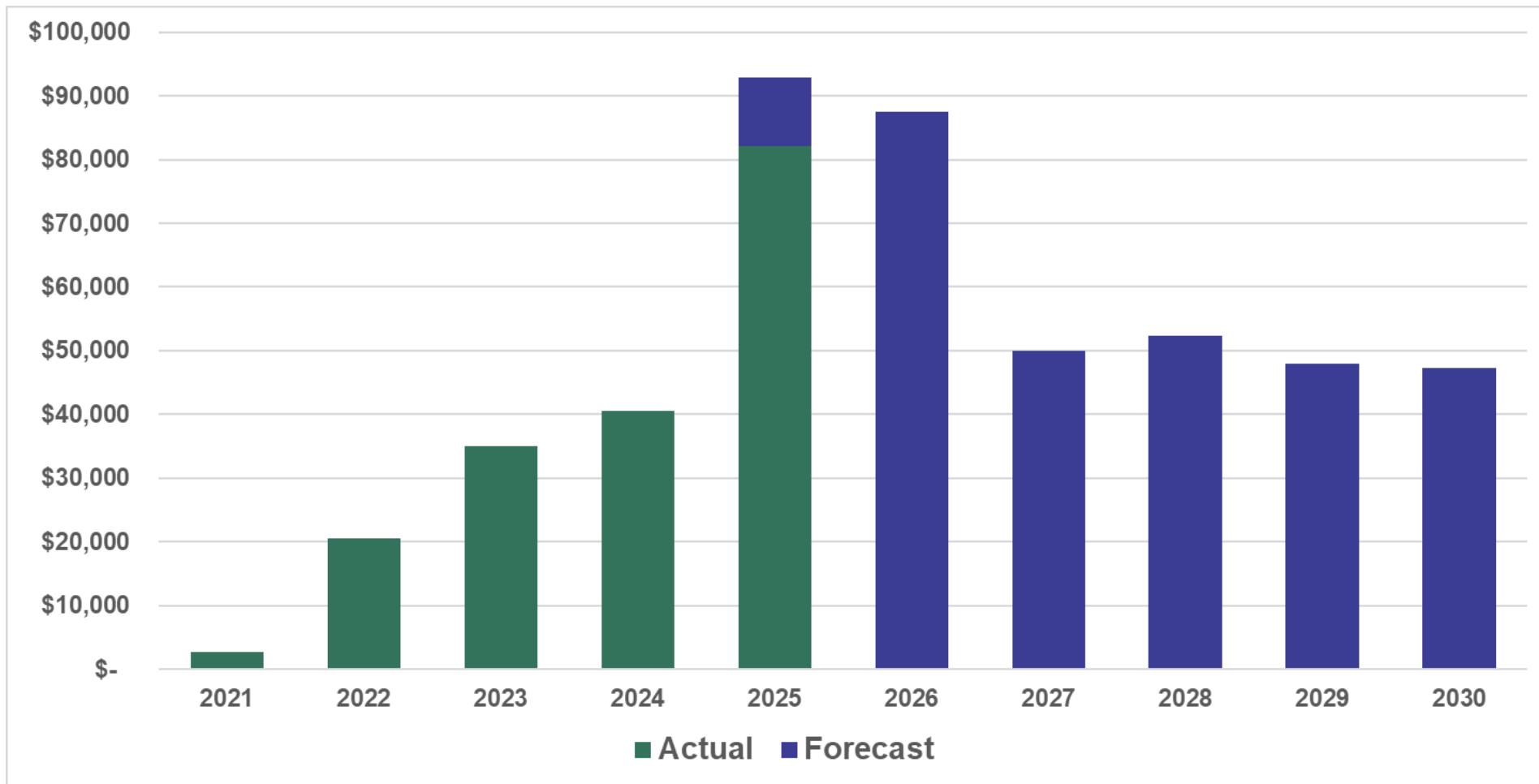
Fiber Financial Update

Fiber Project Historical Cost Breakdown



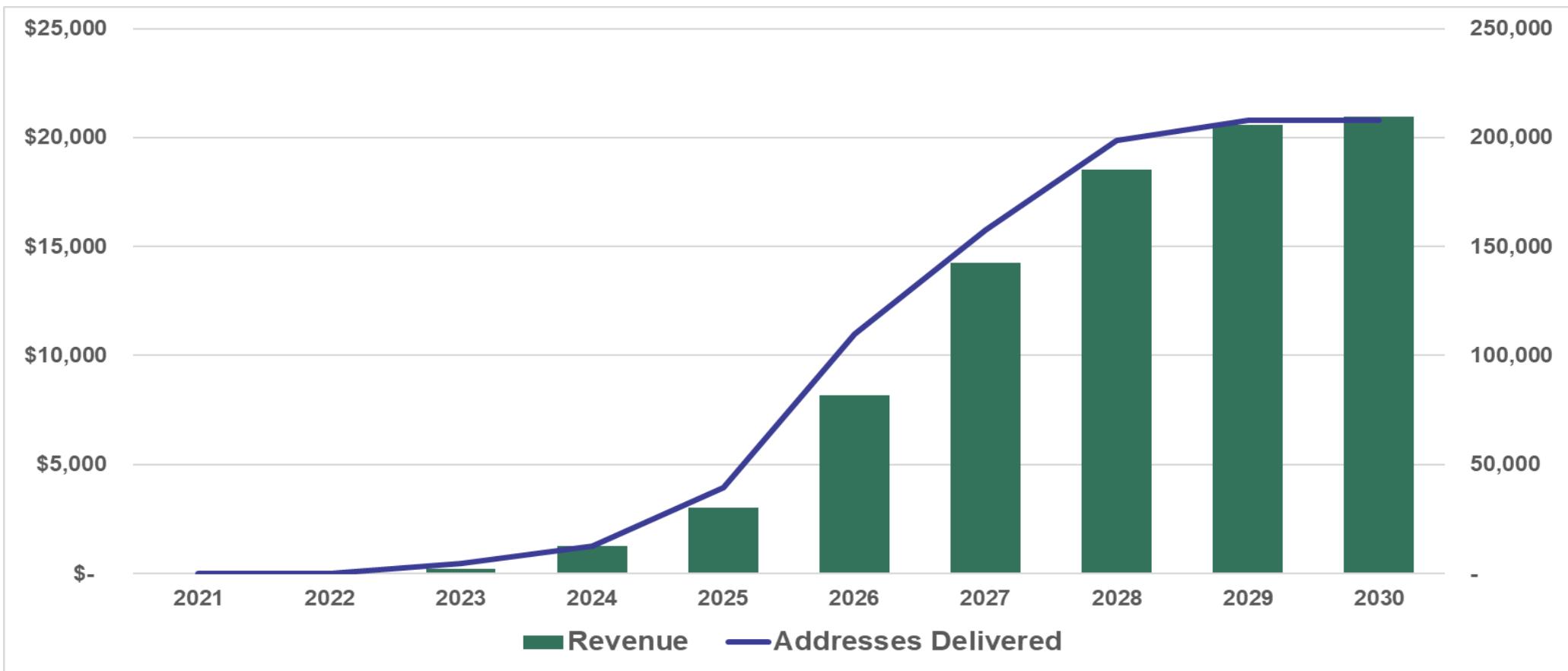
- **Fiber project cost for utilities needs approx. \$300 million**
- **Additional cost for fiber strands to lease approx. \$175 million**
- **30-year revenue offsets project by approx. \$500 million**

Fiber Project Cost (000's)



- **\$181 Million in capital expense through November of 2025**
- **Total project capital cost of approx. \$475 million through 2030**

Fiber Project Revenue (000's)



- **\$4 Million in fiber revenue through November of 2025**
- **\$87 Million in fiber revenue through 2030**
- **\$21 million a year in perpetuity after 2030 with current capital expense (\$477)**
- **Fiber revenue pays for the tenant portion of the project in early 2035**

Questions



It's how we're all connected



DIMP Acceleration Plan & PHMSA NOPSO Response

January 20, 2026

Nate De Kock, Supervisor Gas Operations Engineering Group

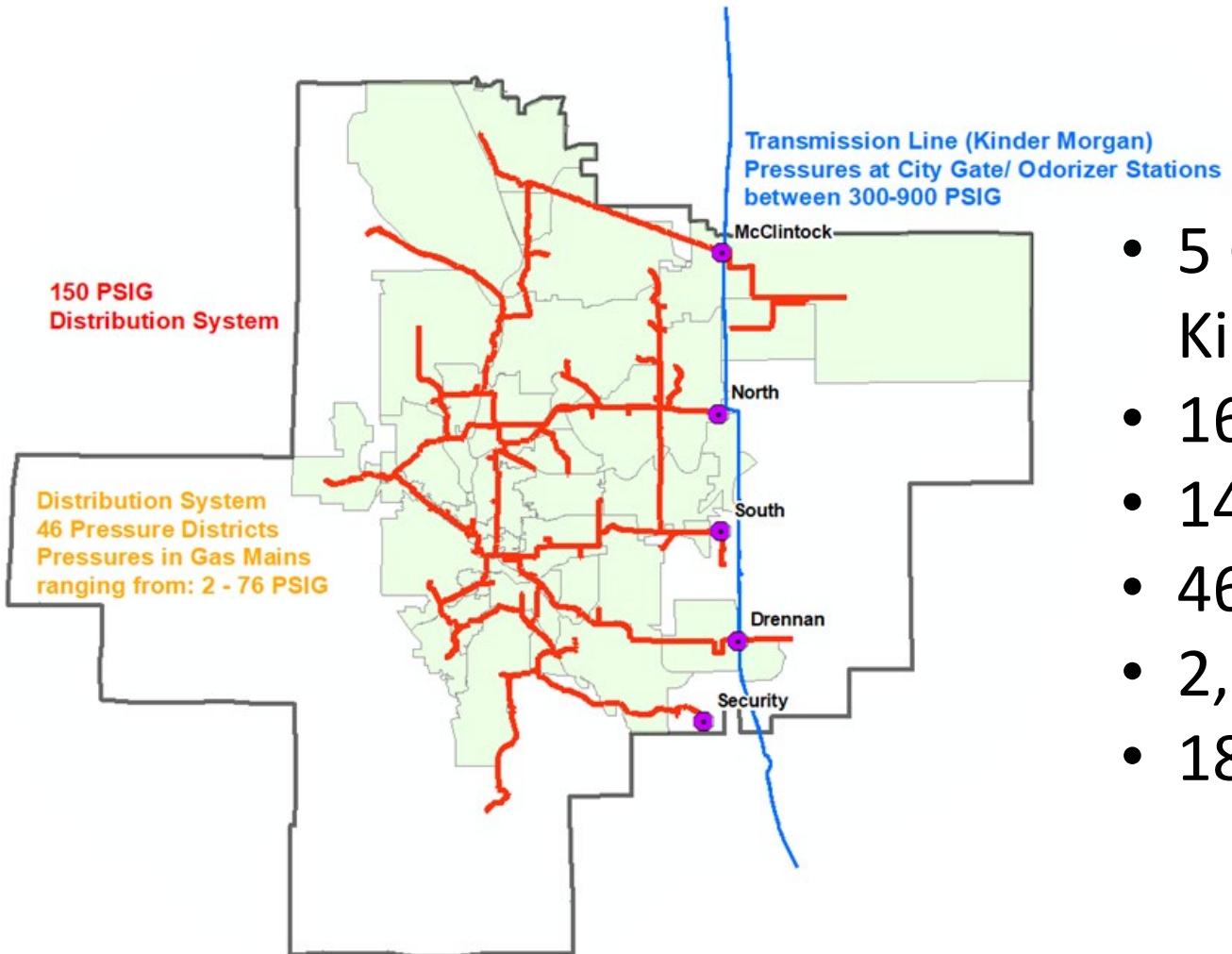
Scott Shirola, Pricing and Rates Manager

Will Cherry, Gas Compliance Program Manager

Agenda

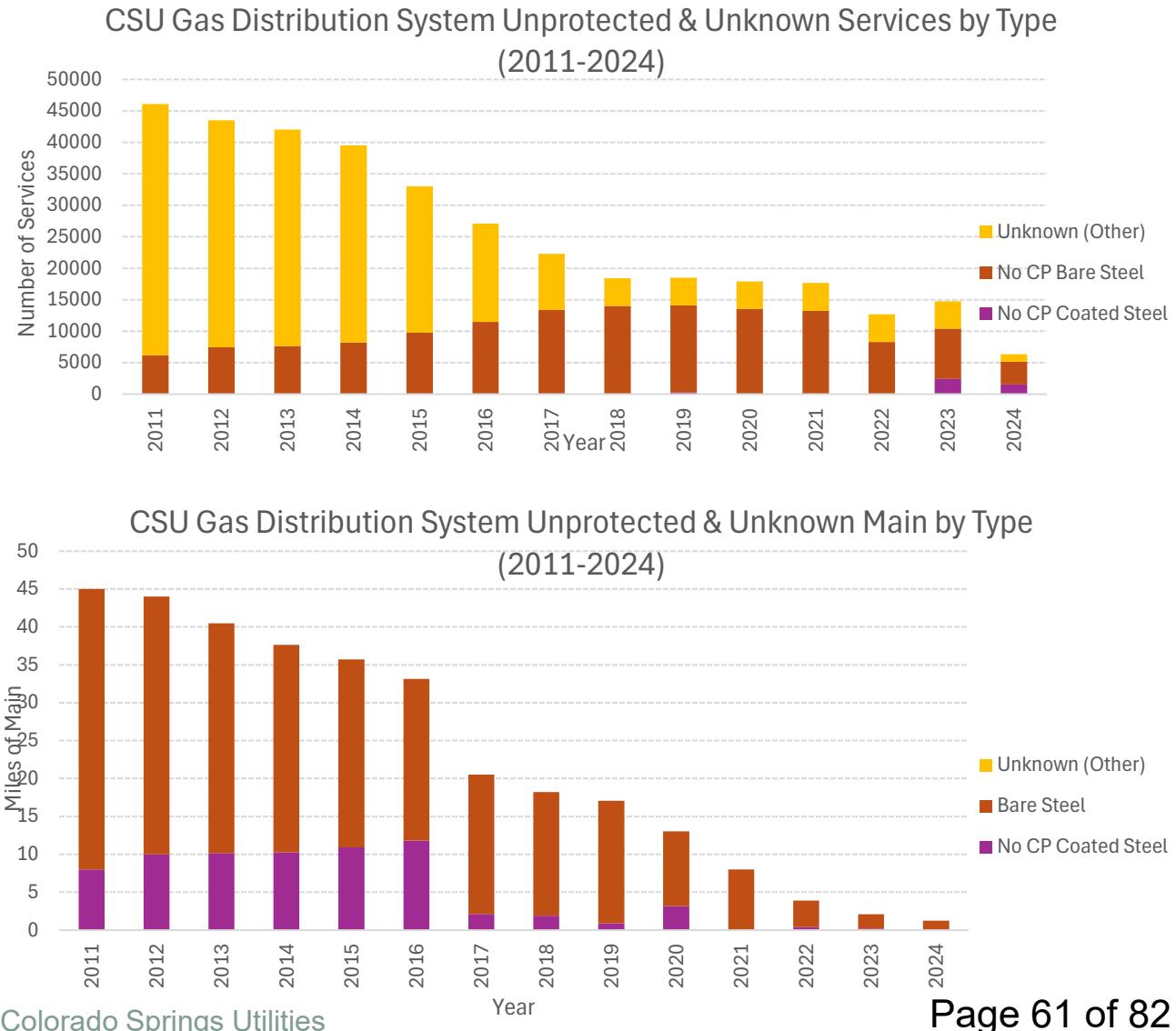
1. Gas System Overview
2. Gas System Progress and Current Status
3. DIMP Acceleration Plan
4. PHMSA Notice of Proposed Safety Order (NOPSO)
5. Consent Agreement Obligations
6. Execution Approach
7. Cost Recovery
8. Proposed Rate Filing Schedule

Gas System Overview



- 5 Gate Stations Receiving Gas from Kinder Morgan
- 162 Miles of 150 PSIG Backbone
- 141 District Regulator Stations
- 46 Pressure Districts
- 2,781 Miles of Main Piping
- 188,199 Service Lines

Gas System Progress and Current Status



- Significant progress made in improving system knowledge
- Conversions from database systems have improved visibility to our system
- Updated reporting for unknown assets
- Significant progress made in 2025

Gas System Progress and Current Status

- Targeted assets for proactive replacement
 - Bare & cathodically unprotected steel
 - Inside meters and services under structure
 - Vintage Plastics
 - Aging protected steel
- Investigate and address unknown assets
- Table below from Utilities' 2024 Gas Distribution Annual Report

PART B - SYSTEM DESCRIPTION																		
1. GENERAL																		
	STEEL				PLASTIC	CAST/WROUGHT IRON	DUCTILE IRON	COPPER	OTHER	RECONDITIONED CAST IRON	SYSTEM TOTAL							
	UNPROTECTED		CATHODICALLY PROTECTED															
	BARE	COATED	BARE	COATED														
MILES OF MAIN	1.24	0.004	0	806.262	1973.907	0	0	0	0	0	2781.413							
NO. OF SERVICES	3624	1520	7456	16226	158166	0	0	0	1207	0	188199							

DIMP Acceleration Plan

- Current Pace
 - 5.4 miles of main and 550 services per year
 - ~80-year timeframe to complete backlog
- Acceleration Plan
 - 60+ additional miles of main & 11,600 service lines over 9 years
 - Requires approximately 10 contracted crews
 - Requires an additional 20 internal positions to scope & schedule work, oversee contractors, conduct QC, and ensure systems of record are updated
- Beyond 10-Year Completion
 - Ongoing regulatory compliance obligations
 - DIMP continues indefinitely

PHMSA Notice of Proposed Safety Order (NOPSO)

- PHMSA Issued Formal NOPSO to Utilities CEO on October 21, 2024
- Concerns of active corrosion on Bare Steel Assets
- Concerned with Utilities 80-Year replacement timeframe to remove all bare steel from its system
- Risk Mitigation – Leak survey every quarter on all affected pipe
- Repair all leaks found on affected assets within 6 months
- Required Utilities to develop an Action Plan and submit to PHMSA by January 31, 2025. Negotiations occurred and resulted in a signed Consent Agreement between PHMSA and Utilities

Signed Consent Agreement Obligations

- Consent Agreement between PHMSA and Utilities was signed with an effective date of 9/30/2025
- Replacement of Affected Assets within a 10-year timeframe, 2025 through 2034
- 1 Year leak survey for affected assets
- Repair non-hazardous leaks within 12-15 month timeframe (matches existing Utilities standards)
- Utilities will provide Quarterly Updates on progress to PHMSA until all Affected Pipe has been replaced or otherwise remediated
- Q3 of 2025 report submitted and reviewed by PHMSA with the next required report due Jan. 31, 2026

Execution Approach

- Utilities plans to use external design, construction, and QC contracts to ramp up to approximately 10 external construction crews replacing DIMP targeted infrastructure over the next decade
- Utilities will ramp up from approximately 5 crews in 2026 to approximately 10 full crews by the end of 2028
- All affected steel pipe referenced in NOPSO will be replaced in addition to vintage plastics and other aging infrastructure when new projects are targeted
- Affected pipe will be targeted in the next 5 years before tapering off into other material replacements

DIMP Acceleration Plan - Cost Recovery

- DIMP Acceleration Plan is not in the five-year plan
- Proposing a Natural Gas Integrity Federal Compliance Charge
- Bill riders are:
 - Temporary
 - Efficient
 - Specific
 - Defined end times

Natural Gas Safety Compliance Charge

- Annual reporting to Utilities Board
- Estimated annual revenue \$14.5 million to \$28.2 million (2026-2029)
- Flat daily fee at two levels:
 - Residential/Small Commercial
 - Large Commercial/Industrial/Contract Service

Estimated DIMP Acceleration Plan Charge Monthly Bill Impact			
Sample Bill	\$ Impact	Natural Gas Bill \$ Impact	Total Bill % Impact
Residential	\$7.00 - \$10.00	14.0% - 20.0%	2.4% - 3.4%
Commercial	\$14.00 - \$20.00	1.8% - 2.6%	0.7% - 1.1%

Proposed Rate Filing Schedule

- ✓ July 14, 2025: - Working Committee initial presentation
- ✓ January 20, 2026: - Working Committee follow-up presentation
- February 17, 2026: - Working Committee final presentation
- February 18, 2026: - Utilities Board presentation
- March 10, 2026: - Rate Filing at City Council (Beginning of Ex Parte)
- April 14, 2026: - Rate Hearing at City Council (End of Ex Parte)
- April 27, 2026: - Draft Decision and Order at City Council
- April 28, 2026: - Decision and Order at City Council
- July 1, 2026: - Rates effective

Questions?





Northern Monument Creek Interceptor (NMCI)

Andy Muser, Project Manager

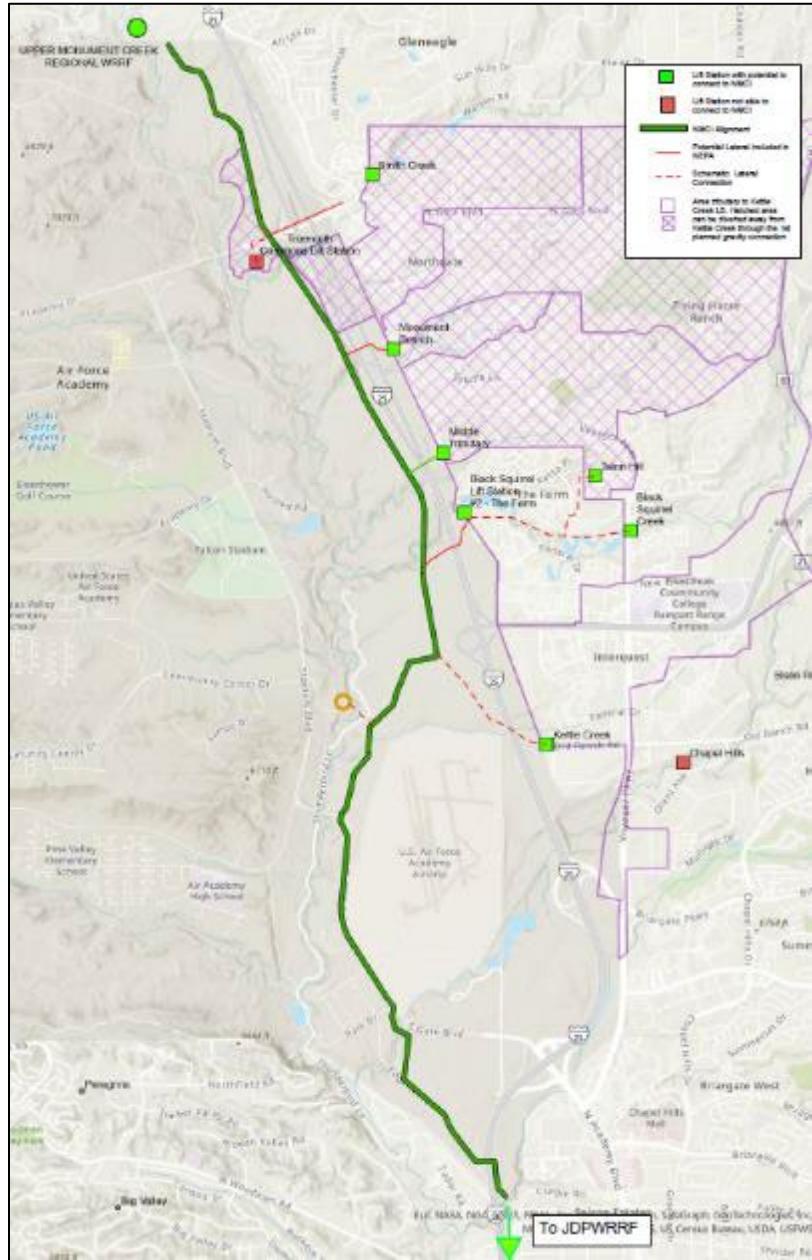
January 20, 2026

Agenda

1. Project description and background
2. Project benefits
3. Status & next steps
4. Intergovernmental Agreement Addendum
5. Wastewater Service Agreement

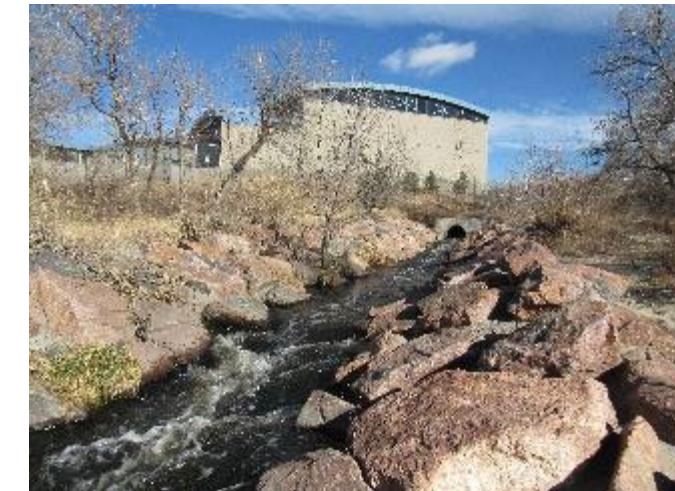
Northern Monument Creek Interceptor (NMCI)

- **What is NMCI?**
 - 8.6 mile, 30-inch wastewater (WW) interceptor
 - Southern edge of USAFA to Upper Monument Creek WW Treatment Plant
- **Why NMCI?**
 - Capacity relief for existing Utilities' wastewater collection system
 - Regional Partnerships
- **NMCI Partners**
 - Triview Metropolitan District: Capital contributor; future treatment customer
 - Forest Lakes Metropolitan District: Capital contributor; future treatment customer
 - USAFA: NEPA sponsor; access to interceptor corridor



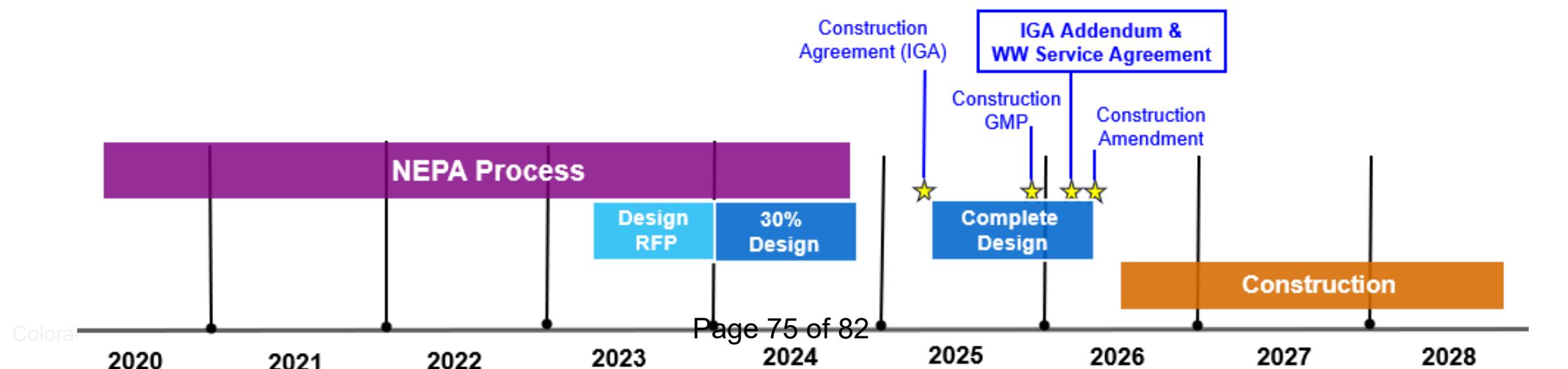
Benefits of Project

- **Regional Partnerships**
 - Consolidate wastewater treatment from three or more regional entities
 - Increased efficiency for regional wastewater return flow operations
 - Meet upcoming State Water Quality regulatory requirements
- **Alleviate capacity concerns in key Utilities' wastewater lift stations**
 - Immediately connect and retire Middle Tributary lift station
 - Improve future capacity issues in Kettle Creek lift station
 - Ability to connect/close additional lift stations in the future
- **Gravity pipeline reduces maintenance and risks**
- **More efficient use of J.D. Phillips Water Resource Reclamation Facility**



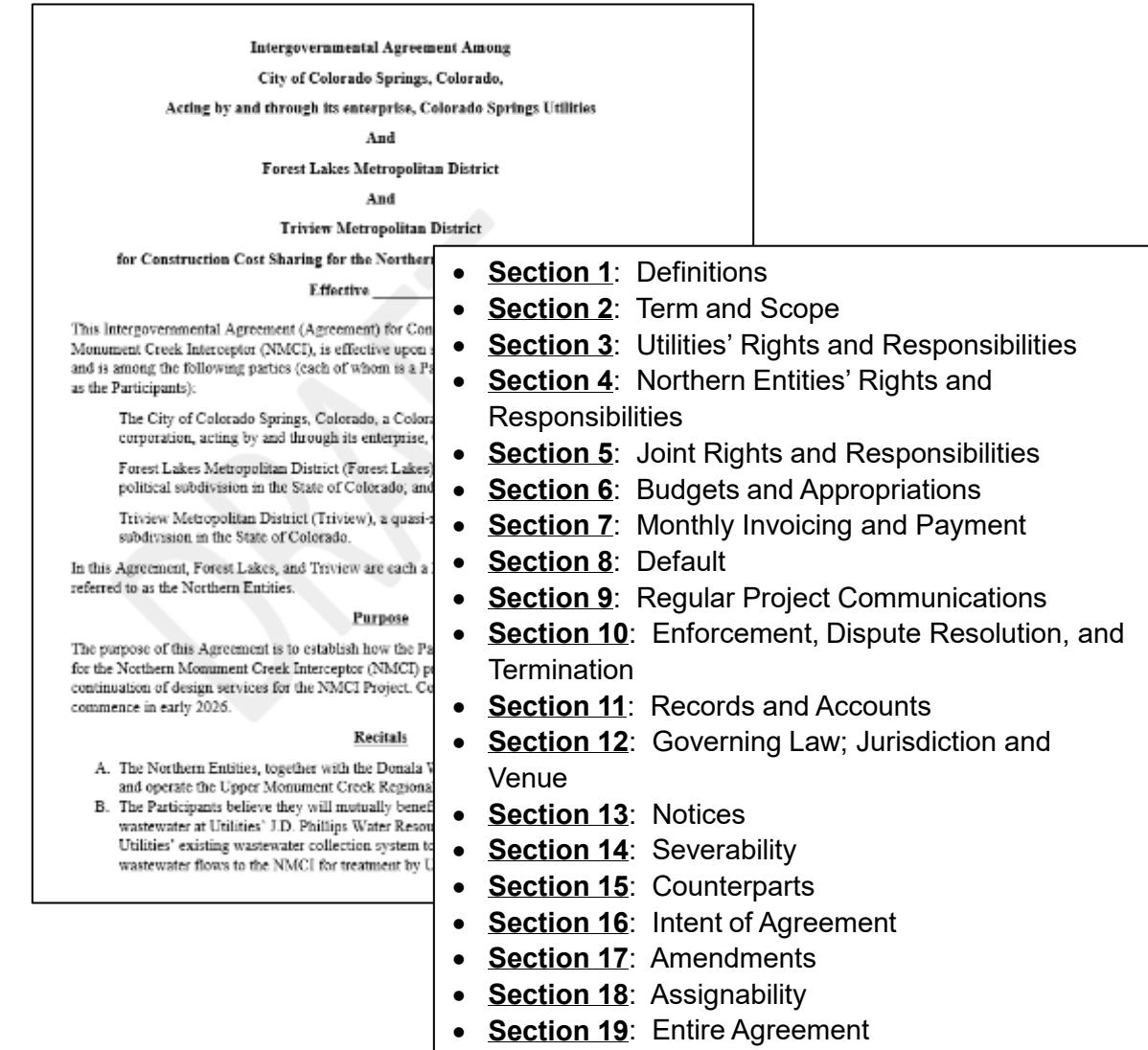
Project Status & Next Steps

- **Completed Milestones**
 - Routing Study, 2019
 - NEPA – Initiated in 2019; complete in 2024
 - Participant Agreements
 - NEPA Agreement, March 2020
 - Design Agreement, October 2022
 - IGA, February 2025
 - 90% Design Complete, Nov 2025
 - Guaranteed Maximum Price (GMP) Received, Dec 2025
- **Next Steps**
 - Wastewater Service Agreement (Feb 2026)
 - Addendum to Construction Intergovernmental Agreement (Feb 2026)
 - Complete design to 100% (Mar 2026)
 - Award construction amendment based on negotiated GMP (Feb 2026)



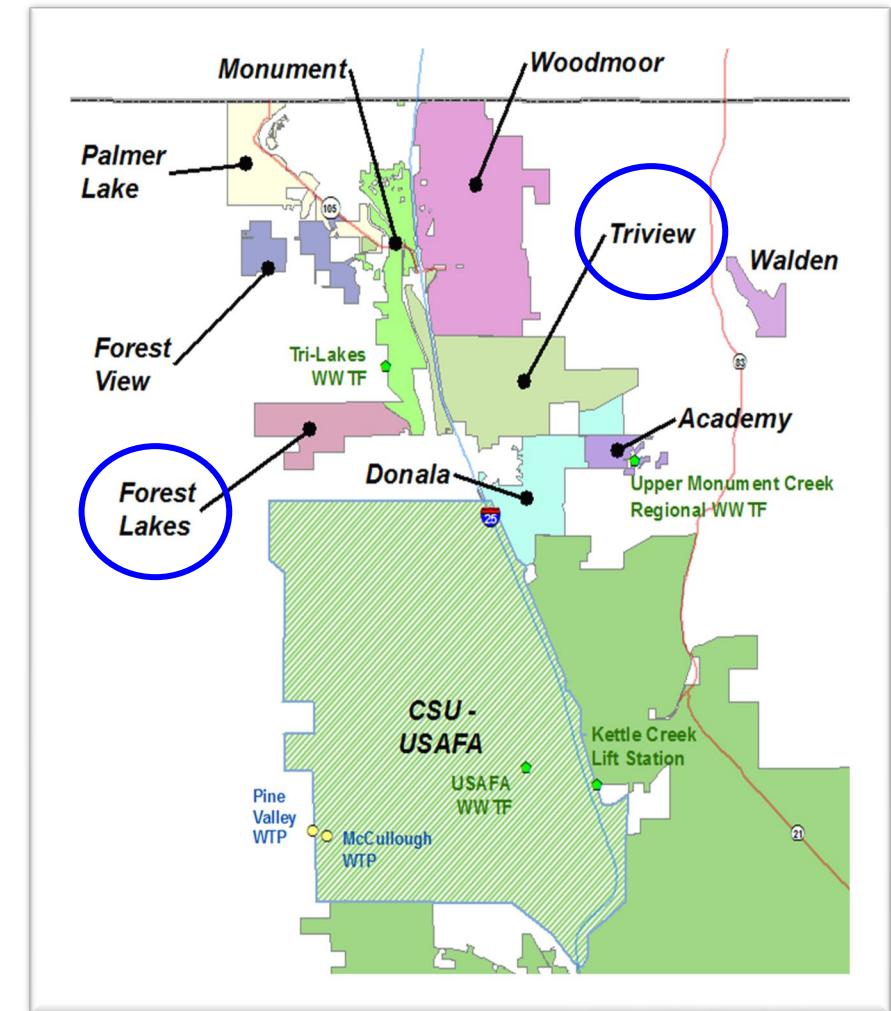
Intergovernmental Agreement Addendum Approval

- IGA Established Participant cost share
 - Based on pro-rata build out capacity in each section of the pipeline
- IGA Addendum establishes cost proposal as reasonable and establishes agreement to move forward with the project
 - Utilities to execute contract amendment for construction
 - Separate Wastewater Service Agreement will be executed before construction is complete
- Cost based on GMP and Engineering Oversight:
 - Current construction estimate: \$88.2M
 - Costs are consistent with budget projections
 - Cost share as agreed on in IGA
 - Colo Springs Utilities: 64.1% (\$56.5M)
 - Triview: 28.4% (\$25.1M)
 - Forest Lakes: 7.5% (\$6.6M)



Wastewater Service Agreement Approval

- Agreements establish parameters for Utilities to provide wastewater treatment through NMCI
- Separate Agreements with Triview and Forest Lakes Metropolitan Districts
- Agreements in accordance with Board Policy I-7 & City Code 12.5.304.C
- Terms and Conditions
 - Pursuing 99-year term
 - Maximum Allowable Flow: 1.3MGD (combined)
 - Pay applicable Wastewater Regional System Availability Fee
- Rate and Revenue
 - Consistent with Regional Tariffs and URRs
 - Contract Service – Regional (S9C) 2028 Rate: \$0.0471 per cubic foot
 - Approximately \$1,000,000 in revenue each year



Next Engagements

- Intergovernmental Agreement Addendum on Utilities Board Consent Agenda for approval: February 18
- Wastewater Service Agreement Presentation to Utilities Board: February 18
- Both Agreements to City Council Consent Agenda for approval: February 24





**Addendum to Intergovernmental Agreement for Construction Cost Sharing
for the Northern Monument Creek Interceptor**

This Addendum to the Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor (Addendum) is entered into as of the date of the last signature below, by and between the following parties (each of whom is a Participant and are collectively referred to as the Participants): the City of Colorado Springs, Colorado, a Colorado home rule city and municipal corporation, acting by and through its enterprise, Colorado Springs Utilities (Utilities); Forest Lakes Metropolitan District (Forest Lakes), a quasi-municipal corporation and political subdivision in the State of Colorado; and Triview Metropolitan District (Triview), a quasi-municipal corporation and political subdivision in the State of Colorado. Forest Lakes and Triview are each a Northern Entity and are collectively referred to as the Northern Parties.

Recitals

- A. The Participants entered into the Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor (IGA) on _____.
- B. After the IGA became effective, Utilities executed an amendment to its Professional Services Agreement with HDR Engineering, Inc., as further defined in Section 1(p) of the IGA, to provide for continuation of the NMCI Design Services Project, as defined in Section 1(l) of the IGA, to 100% design.
- C. When the NMCI Design Services Project reached 90% design, Utilities issued a request to Garney Companies, Inc., the CM/GC for the NMCI Construction Project, as defined in Section 1(k) of the IGA, for a guaranteed maximum price (GMP); provided each Northern Entity with a proposed Wastewater Services Agreement for the Northern Entity's review and comment; and provided the Northern Entities with notice of the GMP.
- D. The Participants desire to memorialize their agreement that the GMP is reasonable and that they agree to move forward with the NMCI Construction Project.

Agreement

NOW, THEREFORE, in consideration of the mutual undertakings herein contained and the mutual benefits to the Participants, the receipt and sufficiency of which is acknowledged, the Participants agree as follows:

1. The Participants agree that the CM/GC's GMP for the NMCI Construction Project, which is attached and incorporated into this Addendum as Exhibit A, is reasonable, and they agree to move forward with the NMCI Construction Project and share the Construction Costs, as defined in Section 1(c) of the IGA, in accordance with Section 5(d) of the IGA.
2. Utilities will, subject to any restrictions in the Colorado Springs City Charter, Colorado Springs City Code, and Utilities' rules and regulations, execute a separate Wastewater Services Agreement with each Northern Entity documenting the Northern Entity's contractual entitlement to the use of the NMCI and Utilities' responsibility to provide Wastewater Services to each Northern Entity.

3. Utilities will execute an amendment to the Construction Agreement, as defined in Section 1(e) of the IGA, authorizing the CM/GC to proceed with construction of the Northern Monument Creek Interceptor.
4. Except to the extent as amended hereby, all other terms of the Agreement shall remain the same and are hereby ratified and affirmed by the Participants.
5. In the event of a conflict between the Agreement and this Addendum, the terms and conditions of this Addendum shall prevail.

IN WITNESS WHEREOF, this Agreement has been duly authorized and executed by the officers authorized thereunto, on the dates shown below for each Participant.

Colorado Springs Utilities,
an enterprise of the City of Colorado Springs, a
Colorado home rule city and municipal corporation

By: _____
Travas Deal
Chief Executive Officer

Date: _____

Approved as to form:

Forest Lakes Metropolitan District

By: _____

Date: _____

Attest:

Triview Metropolitan District

By: _____

Date: _____

Attest:
