

Minutes
March 16, 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 9:03 a.m.

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

Excused – Board Member Brian Risley

Acceptance of the Feb. 17, 2026, Working Committee Minutes

Board Member Rainey made a motion to approve the February meeting minutes, and Board Member Leinweber seconded the motion. The motion passed unanimously.

Safety Moment: Housekeeping Safety

Mr. Nick Peters, Chief System Planning and Projects Officer, presented the safety moment detailing various housekeeping safety tips for the office.

Compliance Reports

I-4 Risk Management – Office of the City Auditor's Report

Mr. Tristan Gearhart, Chief Planning and Financial Officer, presented the I-4 Risk Management – Office of the City Auditor's report. Mr. Gearhart reminded Board Members that they had been briefed on the I-4 at the February Working Committee Meeting. Mr. Gearhart reported that the Auditor's Office returned a clean report with no findings. Shawn Alessio, City Audit Manager, stated that he was pleased with the outcome of the report.

I-8 Asset Protection

Mr. Gearhart presented the I-8 Asset Protection report. This report included the various enterprise assets being protected, acquisition and disposition of assets, and public image and reputation.

Board Member Rainey noted that the report states that within the Cyber Security section of the I-8, the Vulnerability Management Program and Risk Management Framework are updated every three years, yet are offset. One report status had no updates, while the other is ongoing. Mr. Rainey asked why the two are not in sync. Mr. Gearhart responded that there were no updates in 2025, and since the three-year cycle is not over yet, those items are not ready for review. Staff monitor these items during the cycles and then provide updates at the end of the cycles or where needed within the cycles. Mr. Travas Deal, Chief Executive Officer, offered to go through these plans with Board

Member Rainey if he would like a deeper look. Mr. Gearhart added that Colorado Springs Utilities carries cyber insurance, which has becoming increasingly difficult to get, and extremely expensive to maintain. Due to Spring Utilities' cybersecurity policies, the price of this insurance has had exceptionally low increases, such as 5% to 10%, whereas other companies see increases of 75% to 100%.

I-12 Environmental Stewardship

Ms. Lauren Swenson, Manager of Environmental Services, presented the I-12 Environmental Stewardship report. Ms. Swenson provided an overview of the 10 compliance expectations, and what is done by Springs Utilities to meet or exceed these expectations.

Board Member Henjum noted that visual appeal is one of the expectations and asked how this is achieved. Ms. Renee Adams, Chief Human Resources Officer, responded that staff recently hosted an event called "Pitch Jam" where staff members could present new, cost-saving, and engaging ideas or programs for implementation. One pitch that was selected through this process was to replace landscaping with native grasses at service centers to save water. The project will pay for itself over time, save resources, and enhance the visual appeal of the service centers.

Board Member Henjum asked for a description of an aviation protection pole. Mr. Deal explained what these can look like, mostly including netting to protect wildlife and the pole itself. Board Member Henjum asked a broader question about resource efficiency as there is a rise in the use of Artificial Intelligence (AI), and if there is a larger conversation happening nationwide about energy management when it comes to data centers and AI. Mr. Deal stated that he had attended a meeting recently where site assessments and the trajectory of data centers were discussed and said that the AI piece of resource protection has less of an impact than the need for storage within data centers. Once these data centers contain the information that they need, then companies like Google can curtail the power usage during various times of the day, creating less impact as far as AI is used. As usage is tracked and understood, then load models can be created to manage the energy.

Board Chair Donelson noted the cultural and historic resource protection. He asked if there have been any significant findings on the projects listed. Ms. Swenson responded yes, and that they were marked to avoid any impact to the resource. Chair Donelson asked if there was anything found that was newsworthy, however Ms. Swenson did not have specific details of what was found.

Electric Cost Adjustment/Gas Cost Adjustment Filing

Mr. Scott Shirola, Pricing and Rates Manager, reported on the Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) filing. Mr. Shirola explained that due to low projected costs for the ECA and GCA, Colorado Springs Utilities is recommending a rate decrease for the ECA and GCA and a slight increase for the Green Power rate. Mr. Shirola shared sample monthly bills and provided the average cost of savings for residential, commercial, and industrial customers.

Mr. Shirola added that, even with conflicts in the Middle East, domestic gas has not seen an increase yet. Mr. Deal stated that one benefit to the ability to liquify and ship natural gas, is that it is easier to transport it. However, this may lead to there being a market for purchasing which may affect utility companies in the future. New storage facilities are being constructed to house natural gas within the United States, which is also why we are not seeing an impact from the Middle East, too. Mr. Deal estimates with new storage, these impacts may not be felt for a few years. Board Member Leinweber asked when the Tall Grass facility will come online. Mr. Deal answered that it will be in 2028.

Chair Donelson asked if the prevention of allowing additional Liquified Natural Gas from capacity from being created was a federal regulation or more a market-based decision. Mr. Gearhart responded that he believed it was market based. However, he added that the industry is very heavily regulated.

Vice Chair Williams asked what the refund for the \$17 million overcollection in the ECA would look like for customers. Mr. Gearhart answered that the overcollection is essentially in the ECA rate. Staff have looked at what, over the next 24 months, will need to be the rate to bring that overcollection down. This new rate should bring it down by over \$10 million by March of 2027. Vice Chair Williams responded that this might be a terminology issue, since this was not called a refund in the past, rather just a rate adjustment. She asked for confirmation that this process is not different than what has been done for rate decreases in the past. Mr. Gearhart confirmed yes, we can drive down the overcollection using this rate and should not see any increase in the overcollection until potentially March 2027. Vice Chair Williams thanked Mr. Gearhart for this explanation; however, she said she would not want to vote yes on this item using the term refund, making it clear that there will be a minimizing of the overcollection for rate payers. Mr. Gearhart reiterated that the term refund will not be used. He also said that this overcollection will provide more security and a stable rate for customers as Colorado Springs Utilities enters the Southwest Power Pool (SPP) Regional Transmission Organization (RTO).

Board Member Henjum asked how the timeline for this rate decrease aligns with the proposed Distribution Integrity Management Program (DIMP) bill rider. Mr. Shirola explained that these rate decreases will go into effect on April 1, 2026, saving around \$9.72 each month for an average residential user. The DIMP bill rider that has been filed with City Council has a sample bill increase of \$8.54. The DIMP would go into effect July 1, 2026, if approved by City Council. The DIMP charge will only affect the gas service line item on the bill. Board Member Henjum asked if there is a better way to communicate this to ratepayers clearly, so they are not just seeing increases and decreases each month. Ms. Adams responded that she has a 10-page communication plan, with samples by dates. The first sample will go out after the Board meeting on Wednesday.

2026 Legislative Session Updates

Mr. Daniel Hodges, General Manager of Government Affairs, provided the 2026 Legislative Session updates. The current session is 58 days in, however Mr. Hodges noted that the pace is slightly off compared to previous years. There will be an economic forecast for March, as well as the rest of the year, coming out on March 19. Mr. Hodges added that the State's budget year begins in July, with a significant deficit predicted in available funds versus dedicated spending.

There are a few large policy items moving forward, including the Public Utilities Commission (PUC) sunset bill. At the State level, major programmatic functions go through a program review process, which the PUC will go through. However, nothing in this bill has an impact on Colorado Springs Utilities' operations. Our staff will be watching this closely, though. The other major legislative item is the first of two competing data centers. There is likely to be no action, just testimony. Mr. Hodges thanked staff and the Board for putting forth a sound policy for Springs Utilities' when it comes to data centers, as it has been a shield against unfounded accusations about our needs for energy and water. Finally, Mr. Hodges said staff have been keeping an eye on whether the Governor has a major policy recommendation on the post-2030 landscape for greenhouse gas emissions regulations. The versions that have been presented do not provide a pathway to produce good emissions reductions

with any certainty, so staff will continue to collaborate with the Governor's office on how a thoughtful policy might work and how we may be able to participate.

Chair Donelson asked if revenues have been declining, or if expenditures have just been increasing faster. Mr. Hodges said he believed the economic forecast coming out Thursday would answer that. Chair Donelson then asked if either of the two large data center bills have bilateral sponsorship. Mr. Hodges responded that neither does, and explained the direction of the two bills.

Board Member Henjum asked for clarification on whether the PUC sunset bill would sunset aspects of the regulation or the PUC itself. Mr. Hodges confirmed that if the bill passed, it would sunset the PUC.

Board Member Leinweber commented that Denver often has air quality issues and asked if there is a way to inform the public that Colorado Springs is not in the same air pattern as Denver, nor contributing to their air quality. Mr. Hodges responded that a lot of the issues with Denver's air quality can even come from out of state, which is currently a major policy discussion. Colorado Springs is not in the Regional Air Quality Control Commission, which helps us, but agreed that there is a statewide perception.

2026 Plan of Finance Overview

Mr. Adam Hegstrom, Manager of Treasury and Finance, presented the 2026 Plan of Finance overview. Mr. Hegstrom said that any action items throughout the year would come back to the Board, including a reimbursement resolution that the Board will see next month.

Board Member Henjum asked Mr. Hegstrom to speak to the 80% to 20% split of debt-funded capital versus revenue-funded capital. Mr. Hegstrom explained that if Springs Utilities were to spend \$10 on capital, \$8 of that would be from bond proceeds and \$2 from cash. This is higher than our overall balance sheet, of which historically the aggregate is around 50/50.

With the five-year rate case, the projections built into the plan put Springs Utilities on an upward trajectory of releveling toward 60%. At this time, the organization would try to make a shift once we get out of the heavy capital five-year plan. Board Member Henjum agreed with this, however, she stated that she did not recall the 80% figure. Mr. Gearhart commented that prior to the five-year plan, the debt ratio was below 50%, and the debt ratio will peak at 58%. The reason it will increase to this level is due to the large capital projects being funded. In the next cycle, the number should drive back down toward 50%.

Board Member Henjum asked staff to speak on the bond market and how the five-year rate case was beneficial from that perspective. Mr. Hegstrom said their concern was less about what is done at any one point in the year, as their responsibility is to all bond holders over the lifetime of bonds. Mr. Gearhart said that due to our overall plan, the organization is strong a strong investment for those looking to invest.

Chair Donelson asked how long the reimbursement resolution would be active. Mr. Hegstrom responded that it would be a range for what it covers, but likely a few months between adoption and the issuance date.

Board Member Leinweber commented that earlier the Board had learned about the large

overcollection of gas and electric fees. As it pertains to the debt ratio, he asked if there are adjustments that could be made to lower it or if there is a case that can be made to move away from bond use, and if the overcollection of fees could be put toward capital to reduce the debt. Mr. Deal said no, as it is typically rare to over collect.

North Slope Recreation Area Plan

Ms. Lisa Walters, Water Resource Planner III, presented the North Slope Recreation Area Plan. This presentation included current policies, the study overview, the process so far, community engagement and recreation area recommendations. In her presentation, Ms. Walters explained the various trail realignments, new trails, and trails that would be closed, as well as the reasoning behind each change. Ms. Walters explained the partnership between the different land managers in the area, and which jurisdiction would be responsible for the trail work being done on their property. The final aspect of the presentation was the commercial guided recreation pilot plan, which would go to City Council for approval.

Board Member Leinweber noted that the draft plan does not mention adaptive management, however the presentation did. He asked if it would be possible to incorporate this into the actual plan. Additionally, Board Member Leinweber said the Outdoors Pikes Peak Initiative (OPPI) should be mentioned in the regional alignment. Next Board Member Leinweber asked why the fishing access does not include a trail that runs along the shoreline, as not having this can lead to social trails. Kim Gortz, Manager of Water Supply Resources, explained that some of the trails leading down to the shoreline can be very steep, so safety needs to be maintained. In regard to adding adaptive management into the plan, there is guidance in the management plan that allows for changes.

Chair Donelson asked which entities have made decisions on the proposed trails. Ms. Walters said staff have been collaborating with the neighboring partners, including the Forest Service and Colorado Springs Parks, Recreation and Cultural Services staff. Chair Donelson asked where the funds for this project will come from. Ms. Walters stated that about \$315,000 is coming from the OPPI, and that Pikes Peak – America's Mountain and a portion of the watershed funding will pay for the rest. Staff estimate that most of the money could be spent within two or three years, though they could ask for an extension or delay if necessary. Ms. Walters believed the contract deadline to spend money is three years.

Chair Donelson asked how long the National Environmental Policy Act (NEPA) process would take. Ms. Walters said she hoped that at least trail alignments could be submitted and then environmental and cultural surveys could take place. Chair Donelson said he was not sure he wanted to approve this plan with it being made so adaptive that any Board could make changes. He stated that he wanted it to be clear what was being voted in.

Renee Congdon, Utilities Division Chief – Office of the City Attorney, clarified that the Board would only be voting on allowing a 1-year pilot to allow commercial recreation. The plan itself is completely within the administration's purview, but commercial recreation must be approved in accordance with City Code.

Drought Response Resolution

Ms. Abigail Ortega, General Manager of Infrastructure and Resource Planning, and Julia Gallucci, Water Conservation Supervisor, provided the Drought Response Resolution. Ms. Ortega and Ms.

Gallucci explained the course of action to formally initiate a Water Storage Preparation Stage. Though Colorado Springs Utilities is doing well with water storage, this resolution would acknowledge the drought conditions that are happening nationwide. The resolution explains the steps that Colorado Springs Utilities will take to communicate to the public, ensure water availability, and continue long-term planning and preparation for drought and Colorado River-related risks.

Chair Donelson stated that he appreciated this resolution, though he suggested moving the section about the conservation efforts of Colorado Springs Utilities and its customers being vital in ensuring water resources to the top of the resolution, so the customers can be acknowledged for their due diligence in water conservation. Ms. Congdon said this would be fine.

Net Metering Survey Results

Ms. Leslie Smith, Supervisor of Customer Insights and Programs, presented the Net Metering Survey results. This presentation provided an overview of the sampling considerations, community outreach, key insights, differences in responses from solar and non-solar customers, and next steps. Ms. Smith explained the different survey techniques and data collection methods. Ms. Smith made it clear that this presentation was solely to provide survey response information and that no formal decision on net metering had been made. Ms. Smith informed the Board that the full survey result presentation will be available later today.

Board Member Henjum asked if the households that took the survey twice had been removed from the non-solar or solar surveys. Ms. Smith responded no, which is why there was a quantitative survey. Ms. Smith explained the margin of error for both the solar and non-solar customer surveys. Next, Board Member Henjum asked if the survey captured the depth of solar customers and where they might be in their contracts or their financial risks. Ms. Smith answered that some of this data was captured.

Chair Donelson asked how we knew people who had solar completed the non-solar survey. Ms. Smith said we were able to trace the IP address to see who had taken it twice. The first question in the survey asked if the customer had solar. Chair Donelson asked how we can determine who took the correct survey. Ms. Smith said the quantitative data helps provide this information. Ms. Smith then explained the difference between the qualitative and quantitative survey methods and responses.

Board Member Henjum asked how staff are bridging the trust gap between the survey itself and the focus groups. Ms. Smith explained that this is one opportunity for input from our customers, and it identified where we need to fill gaps and do better. In April there will be focus groups where some of these concepts will be dug into and explained better, so that the message can be understood clearly. After that, there will be a progression of public interactions planned to continue moving the narrative forward toward a proposed rate design. Ms. Smith reiterated that this has not been decided – this is input that will help inform the final design.

Board Member Henjum asked if the perception that the survey questions were leading could be addressed. Ms. Smith said she felt there was a fear of what the responses would be used for, which could have led to the sentiment Board Member Henjum described her constituents to be having. Ms. Smith stated that the presentation would provide examples of the questions so Board Member Henjum could get a feel for what was asked in the survey.

Board Member David Leinweber asked if developers are putting in solar. Mr. Deal responded that we are seeing solar with residential.

Board Member Henjum asked if we believed our customers understood how Colorado Springs Utilities uses solar. Ms. Smith responded yes, there were direct questions about this. There was broad support for Springs Utilities to have solar generation for the overall system, but a smaller level of support for rooftop solar. Board Member Henjum asked how many people in our customer base would like to consider solar based on this survey, which said 17%. Ms. Smith responded that number is quantitative, so it can represent 17% of our customer base.

Board Member Henjum asked if there is a general position from Colorado Springs Utilities as it relates to other utilities where there has been a predisposition to support solar, and that Colorado Springs Utilities has not had that general position. Chair Donelson responded that he felt that was a policy question for the Board, not so much for staff. Ms. Smith said she felt in the responses, that she would say we were in a different place of maturity.

Board Member Henjum asked how the 10 people in each focus group would be chosen. Ms. Smith explained the various demographics of both the non-solar and solar users. Board Member Henjum asked if these will be recorded. Ms. Smith said these would be recorded and then analyzed and transcribed for the next presentation. Board Member Henjum asked if there is anything staff can do in the coming months to address the trust issues between this work and the final decision.

Ms. Smith said her responsibility is the research, however there is going to be numerous public meetings and communications between now and then. Ms. Adams said a link to the net-metering site will go out this afternoon, with a section about trust and a commitment to receiving feedback. Additionally, this recording will be on the webpage so this presentation can be viewed along with the full slide deck, which had about 30 more slides than today's presentation. There will also be a net-metering newsletter for customers to sign up for.

Board Member Henjum asked Mr. Gearhart to speak about the work being done now to incorporate into the rate case. Mr. Gearhart said we have been taking as much feedback as possible, with a larger sample and a closer look into the overall solar customer base.

Adjournment

Chair Donelson adjourned the meeting at 12:40 p.m.