

Minutes
June 15, 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 9:00 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, and Board Vice Chair Brandy Williams

Excused– Board Member Brian Risley

Acceptance of the May 18, 2026, Working Committee Minutes

Board Member Crow-Iverson made a motion to approve the April meeting minutes, and Board Member Casey seconded the motion. The motion passed unanimously.

Safety Moment: Password Reuse and Password Managers

Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, presented the safety moment on password reuse and password managers, and shared information on the risks of password reuse, how to prevent breaches, and benefits of the use of a password manager.

Compliance Reports

I-2 Financial Conditions and Activities – Annual City Auditor’s Report G-7 (Annual External)

Mr. Tristan Gearhart, Chief Planning and Financial Officer, informed the Board that the I-2 Financial Conditions and Activities annual City Auditor’s report was received with no significant findings.

There were no questions or comments on this item.

I-2 Financial Conditions and Activities (to Include Contracts Over \$500,000) G-7 (Quarterly January through March)

Mr. John Hunter, Manager of Financial Planning and Risk, presented the I-2 Financial Conditions and Activities (to Include Contracts over \$500,000) G-7 (Quarterly January through March) report. This presentation included the nine I-2 directives, and how Colorado Springs Utilities meets and operates under these directives.

Mr. Travas Deal, Chief Executive Officer, clarified that development fees were changed this year to align better with the Housing and Building Association’s forecast, which is a slightly different methodology compared to previous years.

Board Member Henjum asked for a refresher on the Penrose Water Supply project. Mr. Nicholas Peters, Chief System Planning and Projects Officer, responded that this project is building new tank infrastructure in place of the dam infrastructure at the old Penrose Lake, which is adjacent to the Broadmoor. This project will help to maintain reliability and water pressure for the area by adding the tanks into where the reservoir was previously located. There has been good support from the surrounding neighbors, and there have been no concerns voiced about the project so far. Board Member Henjum asked if the Broadmoor is contributing to this project, or if they are being served as customers. Mr. Deal answered that they are not contributing aside from being a customer, and that this is part of the infrastructure of the integrated system.

Board Member Rainey noted the underspend for the Horizon Power Plant and asked if this included the new batteries that had been placed on the site. Mr. Deal replied that those batteries were not included on this line item.

Mr. Deal added that the overspend for the wastewater system expansion was due, in part, to pay to expedite the process, as wastewater permits may not be available in the future for new developments.

Chair Donelson asked if the overspend on fiber was just in the first quarter. Mr. Hunter clarified that this was the projected forecast for the entire year. Chair Donelson asked if this overspend would balance back out over the rest of the year. Mr. Hunter answered no, but previous year spends were low and this will help bring the project up to date. Mr. Hunter added that the overall project is coming in at what was forecasted.

Board Member Rainey commented that one of the directives under the I-2 is to inform of significant financial impacts and asked what the threshold for “significant” is. Mr. Gearhart responded that there is no specific number, but typically any change over \$1 million.

Electric Cost Adjustment/Gas Cost Adjustment Update

Mr. Scott Shirola, Manager of Pricing and Rates, provided the Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) update. In this update, Mr. Shirola detailed the natural gas prices as of May 1, 2026, and the ECA and GCA predictions.

Board Member Henjum said she would be curious to see the ECA/GCA graph over a number of years to see historic changes. Mr. Shirola responded that he would get this information to Board Member Henjum.

Net Metering Feedback and Rate Proposal

Ms. Leslie Smith, Supervisor of Customer Insights and Programs, and Mr. Shirola presented the Net Metering feedback and July 2026 rate proposal. Ms. Smith presented the feedback portion of the presentation, which provided key takeaways, comments on the two rate options and the grandfathering proposal, and final customer comments. Mr. Shirola presented the July 2026 rate case portion of the presentation, which included a background on net metering, national trends, net metering modernization activities in 2025 and 2026, results of the 2026 rate design analysis, both options of the rate proposal summary, customer transition and bill impacts, and finally, next steps in the process.

Board Member Henjum asked what percentage or number would show a clear winner between the

two options presented to net metering customers. Ms. Smith responded that there really was no clear winner. If there was only one option to choose between the two presented, either 60% of customers would be unhappy with one choice, or 40% would be unhappy with the other choice, so there is no preferred choice in the overall scheme of net metering. To present only one option would require much more education and mitigation.

Board Member Henjum asked if there was a third option, or if the two options presented were the only two so a choice was forced. Ms. Smith answered that it was a forced choice between the two options to see what was more palatable for that customer's circumstances. Board Member Henjum asked if the survey had any questions on whether the choice was reasonable, or if there was an area to provide additional feedback. Ms. Smith replied that there was a section of the survey to provide open-ended comments, which received a lot of feedback. This feedback was summarized and provided to the project team to help develop tools that net metering customers can use in the future to determine which option is a better fit for them. With regards to grandfathering, Board Member Henjum asked if the amount of support is based on where the customer might be within their solar investment. Ms. Smith said no, clarifying that while there was a question on how much was originally invested in their solar set-up, there was not a question about how much they have to pay off that investment.

Board Member Casey asked how the five years of grandfathering was determined. Mr. Shirola said that each year, the cost of grandfathering current net metering customers is about \$4.4 million which totals around \$22 million for five years' worth of grandfathering. This was a number that Colorado Springs Utilities felt comfortable with, as it provides balance to current net metering customers with minimal effects to the rest of the ratepayers. Board Member Casey asked why staff would not want to extend this longer, knowing that net metering customers would like a more permanent grandfathering option.

Mr. Gearhart answered that this was a compromise that staff felt was fair, considering that in the original net metering proposal in 2025, there was no grandfathering. The five-year grandfathering will give net metering customers the option to purchase batteries or additional solar panel installation, as this change will allow solar expansion to go from 120% to 200%. Board Member Casey asked if those who upgrade their solar would be part of the grandfathering. Mr. Gearhart said they would need a new interconnection agreement and would then need to choose between the options. Board Member Casey asked if net metering customers are still being credited if they are producing energy between 5 p.m. and 9 p.m. Mr. Gearhart responded that if they are making more energy than they are using in that period, then yes, they are being credited. Any generation will offset their use.

Board Member Henjum asked how Colorado Springs Utilities plans to help net metering customers work through the changes they will see whether those changes happen immediately for new net metering customers, or at the end of the grandfathering period. Ms. Smith responded that there will need to be a good amount of education, similar to what was rolled out for regular customers for Energy Wise rates, which includes a robust communication plan. Mr. Deal added that the problem is not that net metering customers are using their solar, but that the value of the energy they are producing goes down when so many people have solar power now. The goal of Colorado Springs Utilities is to serve affordable and reliable power, and at times, power can be purchased cheaper through other methods rather than through net metering customers. Colorado Springs Utilities having to pay more for their overproduction is not fair to the regular ratepayer. Board Member Henjum thanked Ms. Smith and her team for their work gathering feedback.

Vice Chair Williams asked for an explanation on what is different now from the 2005 net metering rate. Mr. Chris Bidlack, Senior Attorney for the City Attorney's Office – Utilities Division, explained the justification behind having different rates for different classes, or types, of customers. He explained that the governing body, which in this case is City Council, within their legislative authority, can establish rates and classes as long as there is a rationale in doing so, and that the rates must be reasonable and not unduly discriminatory. We can assume that in 2005, the rate for net metering was properly justified to the governing body at that time.

Board Member Henjum asked if net metering customers are charged at the same rate as Energy Wise customers. Mr. Shirola clarified that under Option 1, the rates are the same as what non-solar customers pay under Energy Wise. The only difference is that Option 1 reflects 2027 rates because net metering customers won't be paying at that rate until April 1, 2027, if approved. Next, Board Member Henjum asked what other utility companies statewide are doing in their approach to net metering and solar customers. Mr. Shirola provided examples of what Fort Collins and Xcel Energy are doing, which are similar with time-of-day rates and net billing approaches.

Vice Chair Williams asked Mr. Shirola to explain in his presentation at Wednesday's upcoming Utilities Board meeting what happened at the state level with the solar working group, to bring Colorado Springs Utilities to the need to address net metering and solar. Mr. Shirola said he would address this in his next presentation.

Board Member Casey asked if this would apply to commercial customers. Mr. Shirola said this would mostly apply to residential customers and commercial customers under 10 kilowatts of max demand. Commercial customers exceeding this threshold are already subject to demand charges instead of a flat fee. Vice Chair Williams asked if there has been any feedback from commercial users on time-of-day rates or net metering, to which Mr. Shirola answered that most commercial customers are not on time-of-day rates yet, but will be in the fall.

Chair Donelson asked Mr. Shirola to remind the Board how many residential electric customers are serviced by Colorado Springs Utilities, and how many of those are solar customers. Mr. Shirola answered that there are around 215,000 residential electric customers, with 11,000 of those being solar users.

Board Member Henjum asked Mr. Shirola to explain the cost shift between net metering customers under the new rate and the frozen rate. Mr. Shirola walked through the \$400 cost shift difference. Board Member Henjum noted that the presentation stated that transitioning net metering customers to Energy Wise rates reduces the cost shift by only 25%. Mr. Shirola confirmed this, and then the grid access fee covers the rest of the shift. Additionally, the rates that were used in the third-party study are 2025 rates. Board Member Henjum asked Mr. Shirola to clarify this ahead of his presentation to the Board on Wednesday.

Board Member Henjum asked how customers can change their choice. Mr. Shirola explained that new customers, customers who select Option 1 and customers who don't make any selection, will be enrolled in Option 1. If a customer wants to choose Option 2, they will need to elect that choice and can change once per year. They then must remain within the billing option they chose for 12 months. Board Member Henjum asked if this affects customers with solar farms. Mr. Shirola said this proposal makes no changes to the solar garden program.

Board Member Casey asked if the two options offset revenue from each other, to which Mr. Shirola responded yes, both options are revenue-neutral and end the cost shift. Board Member Casey asked how credits are carried over. Mr. Shirola explained how credit hours would be reflected against on and off-peak times.

Chair Donelson asked if there will be resources online available to help net metering customers make their decision. Mr. Shirola said yes that staff are evaluating the tools available.

Workers Compensation and Claims Administration

Mr. Hunter presented the Board with the Workers Compensation and Claims Administration presentation. This presentation provided the City Code amendment that would change the current structure of Workers Compensation and Claims, next steps, and noted the Self Insurance Resolution that would be required for the change.

Board Member Leinweber asked if the City had less volume for Workers Compensation, would their rate go up. Mr. Hunter said he believed their volume would not go up but their risk likely would. Mr. Hunter noted that the Colorado Springs Police Department (CSPD) and Colorado Springs Fire Department (CSFD) have an impact on the outcome of their rates.

Chair Donelson asked how much money is currently in Colorado Springs Utilities' Workers Compensation fund. Mr. Hunter responded that it is a few million dollars.

Board Member Rainey asked if Mr. Hunter had already discussed this with the Chief Financial Officer for the City of Colorado Springs, and if there were any concerns. Mr. Gearhart confirmed the CFO for the City was aware, and looking at City Code to see if any of the proposed changes felt advantageous at this time. Both the City and Colorado Springs Utilities are working together to make sure everything the City wants to see is incorporated.

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 reminded the Board of the IRP process, EIRP goals, carbon reduction goals, load forecast, key model outcomes, current generation resources and balanced portfolio, generation portfolios and sensitivities, implementation strategies, and finally the recommendation with next steps.

Vice Chair Williams asked if gas distribution was the gas to heat homes. Mr. Deal answered yes, that as a gas distribution company, Colorado Springs Utilities falls under the Clean Heat Plan, though many newer developments are seeing a transition from gas to heat homes to heating with electric, which increases pressure on the load.

Board Member Leinweber noted Chair Williams' question, stating that the change to electric directly impacts Energy Wise rates, and customers should be reminded that being environmentally cautious does come with a cost. Mr. Longrie confirmed that there is nothing requiring new homes to be electrified for heating, but that those options are available. Mr. Deal added that there are programs for this but there is a hesitancy in the development community to electrify homes due to the market side risk.

Board Member Casey noted that the reference case does not meet the 80% reduction. Mr. Longrie confirmed this was the original case before Senate Bill 182, so it is essentially the baseline moving forward as an organization and what steps need to be taken to meet the requirements of SB-182. Mr. Deal added that Colorado Springs Utilities does not want to price out customers as we transition to new resources, so cost caps have been added to later goals.

Board Member Leinweber commented that the upfront cost to build different, increasing, megawatt resources is the same, so it would seem to be a better option to build more units. Mr. Deal said he wants to push forward ahead of retiring the Front Range Power Plant, which is 500 megawatts, so the smart decision is to overbuild economies of scale and have resources in place long before they are needed. Mr. Deal said the hope for this presentation at Wednesday's Utilities Board meeting is to have consensus moving forward.

Board Member Henjum asked how the portfolio will help meet the requirements of SB-182 without nuclear power. Mr. Longrie responded that short-term renewables that are coming online will help bridge this gap, along with power transferred through the Southwest Power Pool (SPP) Regional Transmission Organization (RTO).

2026 Legislative Session Recap

Mr. Daniel Hodges, General Manager of Government Affairs, provided the Board with the 2026 Legislative Session recap. In his presentation, Mr. Hodges provided an overview of the Colorado Senate and House representation by geography, partisan control of the Colorado Legislature, representation by Party, legislative trends, 2026 bill positions, and finally, key legislative victories. Mr. Hodges also thanked Representative Amy Paschal, who was in attendance, for her support of Colorado Springs Utilities during the 2026 legislative session.

There were no questions or comments on this item.

Adjournment

Chair Donelson adjourned the meeting at 11:44 a.m.