

MINUTES
Working Committee
July 14, 2025

Committee members present via Microsoft Teams or Rosemont Conference Room:

Board Chair Dave Donelson, Tom Bailey, Lynette Crow-Iverson, Kimberly Gold, Nancy Henjum, Roland Rainey and Vice Chair Brandy Williams

Committee members excused:

David Leinweber and Brian Risley

Staff members present via Microsoft Teams or Rosemont Conference Room:

Travas Deal, Renee Adams, Lisa Barbato, Tristan Gearhart, Somer Mese, Kerry Baugh, Pattie Benger, Jake Clark, Deborah Contreras, Nate DeKock, Adam Hegstrom, John Hunter, Jennifer Jordan, Nicole Means, Danielle Nieves, Jacqueline Nunez, Christopher Olney, Gail Pecoraro, Jason Reynolds, Scott Shirola, Matthew Thieme, Shawn Timothy, Alex Trefry, Amy Trinidad, Natalie Watts and Al Wells

City of Colorado Springs staff present via Microsoft Teams or Rosemont Conference Room:

David Beckett, Chris Bidlack, Renee Congdon, Hannah Gerardy, Natalie Lovell and Timothy Scheiderer

Citizens present via Microsoft Teams or in the Rosemont Conference Room:

Scott Smith

1. Call to Order

Board Chair Dave Donelson called the meeting to order at 9:06 a.m. Ms. Gail Pecoraro, Utilities Board Administrator, read a statement regarding the Colorado Open Meetings Law and City Charter and stated that public comment would not be a part of the meeting.

2. Acceptance of Minutes

The June 16, 2025, Working Committee meeting minutes were approved unanimously.

3. Safety Moment: Heat Stress Safety

Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, talked about Heat Stress Safety. Heat Stress occurs when the body cannot maintain a normal temperature due to high heat exposure. Prevention strategies for heat stress include hydration, clothing, work practices and environment. Mr. Francolino shared a video that Springs Utilities developed on the organization's Wildfire Mitigation Plan.

4. Compliance Reports

I-3 Financial Planning & Budgeting G-8 (Annual)

Mr. Tristan Gearhart, Chief Planning and Finance Officer, stated the reporting period for this report is June 1, 2024 through May 31, 2025. This compliance report states that the Chief Executive Officer shall direct that financial planning and budgeting is multi-year and includes planning assumptions, capital and operations expenses and projections of revenues and cash

flow. Mr. Gearhart announced the CEO is in compliance with the I-3 Financial Planning & Budgeting.

A copy of this report was included in the meeting materials packet. No questions were asked.

5. 2026 Budget Review

Mr. John Hunter, Financial Planning and Risk Manager, reviewed the proposed 2026 budget.

Mr. Hunter explained the drivers to the 5-year increases are:

- Accelerated DIMP projects in gas
- New developer projects in electric and gas
- 2025 emergency work in electric and water
- Debt service increases due to higher forecasted interest rates (offset by O&M decreases)

Board Members sought clarification on fuel operation and maintenance expenditures, forthcoming development projects, surplus fund transfers, and the primary drivers behind the proposed budget increase. Inquiries were also made regarding strategies to assist customers facing financial hardship in meeting their utility obligations. Staff provided explanations to address these questions.

Next steps include a presentation at the Aug. 18, 2025, Working Committee meeting to address any follow-up budget items and a presentation at the Aug. 20, 2025, Utilities Board meeting.

Mr. Deal stated that Board Members seeking more detailed information may request and arrange a separate meeting for further discussion.

6. Distribution Integrity Management Program (DIMP) Overview

Mr. Nate DeKock, Gas Operations Engineering Group Supervisor, and Mr. Scott Shirola, Pricing and Rates Manager, provided an overview of the Distribution Integrity Management Program (DIMP), detailing the scope of the gas system, regulatory oversight by PHMSA and Colorado Public Utilities Commission, and the programs required elements for risk identification, mitigation, and performance evaluation.

Ms. Somer Mese, Chief Operations Officer, noted that new software and archival reviews have improved pipeline identification efforts. The DIMP Acceleration Plan aims to replace 60+ miles of main and 11,600 service lines over nine years, requiring additional internal staff and contracted crews.

Following a PHMSA Notice of Proposed Safety Order (NOPSO) issued in October 2024, Springs Utilities developed a 10-year action plan to address corrosion concerns and accelerate infrastructure replacement. The plan includes quarterly leak surveys, timely repairs, and regular progress updates to PHMSA. A new natural gas bill rider may be introduced to recover costs not included in the five-year rate case. Board Member Henjum inquired about the timing of issue identification and rate case exclusion. Staff clarified that the NOPSO was received post-approval of the five-year rate case. An update to the Utilities Board is scheduled for fall 2025, with a City Council presentation planned for early 2026.

7. Working Committee Format Discussion

Ms. Renee Congdon, Utilities Division Chief, City Attorney's Office, reviewed the previous committee structure, which included four committees: Personnel, Program Management Review, Finance, and Strategic Planning, prior to the piloting of the current Working Committee format in February 2025. She requested Board feedback on whether to retain the consolidated structure or revert to the individual committees.

The majority of Board Members expressed support for continuing with the Working Committee, citing its efficiency and collaborative nature. Some members noted the importance of maintaining in-depth financial discussions, particularly during the budget process and for the benefit of new members. Chair Donelson recommended adjusting the Working Committee's focus during budget deliberations to prioritize financial matters, and staff affirmed their commitment to providing detailed financial briefings.

Ms. Congdon said that she will bring changes to the Utilities Board Bylaws to incorporate the Utilities Board Working Committee at the August Board meeting.

8. Adjournment

The meeting adjourned at 11:04 a.m.