

Minutes
July 20, 2026

Rosemont Conference Room or Microsoft Teams

Call to Order

Pursuant to the Colorado Open Meetings Law and the City Charter, since three or more members of the Utilities Board may be attending this public meeting, it is noticed and open to the public. Pursuant to the Utilities Board Bylaws, this Committee of the Utilities Board will not accept public comments at this meeting.

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

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

Absent – Board Member Brian Risley

Safety Moment: Summer Activities

Mr. Tristan Gearhart, Chief Planning and Financial Officer, presented the Safety Moment on summer activities. This Safety Moment included information about staying hydrated, sun safety, insect protection, and safe cooking practices.

Compliance Reports

I-8 Asset Protection – Annual City Auditor's Report (Annual External)

Mr. Gearhart informed the Board that the I-8 Asset Protection annual City Auditor's report was received with no findings.

There were no questions or comments on this item.

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

Mr. John Hunter, Manager of Financial Planning and Risk, presented the I-3 Financial Planning and Budgeting G-8 annual report. This presentation covered the six directives under the I-3, with the main directive being to maintain financial stability by maintaining an AA long-term credit rating.

Board Member Henjum asked if interest in the Water Reserve Account goes directly back into the same account. Mr. Gearhart responded that there is a fund for general interest earnings.

Chair Donelson asked Mr. Gearhart to highlight the importance of keeping a high credit rating. Mr. Gearhart explained that keeping a high credit rating allows Colorado Springs Utilities to borrow and spread the repayment over a longer period of time, which has less of an impact on ratepayers.

Board Member Rainey asked if any of the infrastructure included in the five-year rate case included the infrastructure that will replace the Ray Nixon Power Plant. Mr. Travas Deal, Chief Executive

Officer, answered that some of the infrastructure upgrades within the five-year rate case will help with the transition after Nixon is retired, but some projects are being pushed out to make sure there is capital to invest in to prevent outages. Overall, this should mean lower rate pressure for the customers. Fuel costs dropping dramatically within the five-year rate case, which will alleviate rate pressure.

Electric Cost Adjustment/Gas Cost Adjustment Update

Mr. Gearhart provided the Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) update. In this update, Mr. Gearhart detailed the natural gas prices as of June 1, 2026, and the ECA and GCA predictions.

Board Member Henjum noted that Mr. Gearhart had said there is a gas prepayment agreement in place where, at times, Colorado Springs Utilities can be paid to take gas. She asked what would happen in this situation if there was not capacity to take the gas. Mr. Gearhart answered that the lowest priced gas would be prioritized to move through the system first, or the gas is sold.

Board Member Rainey asked for the status of the Tallgrass pipeline. Mr. Deal responded that construction is still on track.

2027 Budget Overview

Mr. Hunter provided the 2027 budget overview. This presentation included the proposed 2027 budget, the proposed 2027 through 2029 forecast, the funding 2027 appropriation, the 2027 through 2029 funding appropriation, and finally, next steps.

Mr. Deal mentioned that if a data center were to come online, that could change the surplus payments back to the City. However, he stated that consideration of the data center at this time should be directed more to land use and compatibility. Board Member Henjum asked if Mr. Deal was saying that financial impacts should not be considered in the decision to permit a data center.

Ms. Renee Congdon, Utilities Division Chief for the City Attorney's Office, clarified that Mr. Deal's statement about a data center is not specific to a certain project, but large load users overall, but in the upcoming decision about a potential data center, then the project needs to be evaluated based on the development plan and the criteria to meet that plan. Mr. Gearhart added that surplus payments made to the City are volumetric based and are based on how many kilowatt hours of electricity are sold inside the City limits. If a data center were to come online, this would increase that surplus payment.

Chair Donelson requested to see the latest information on how Colorado Springs Utilities' rates compare to other cities along the Front Range. Mr. Gearhart said he could provide this information to Chair Donelson. Board Member Henjum asked if it would be possible to benchmark our rates against income growth in the City, as well.

Board Member Crow-Iverson commented that Xcel Energy recently switched to time-of-day rates as well and said her bill for her cabin in the mountains reduced by \$30 or \$40. She commented that many of her neighbors were able to shift their use fairly easily.

2026 Plan of Finance Update

Mr. Adam Hegstrom, Manager of Treasury and Finance, presented the Board with the 2026 Plan of

Finance update. This update included the Plan of Finance overview, new money debt issuance: 2026As, new money debt issuance, potential Build America Bonds (BABs) refunding, liquidity renewal, industry and investor relationships, and finally the debt issuance working timetable.

Board Member Henjum asked Mr. Hegstrom when issuance numbers are firmed up. Mr. Hegstrom explained the debt issuance cycle and that these numbers are usually refined through the budget process, which is usually later in the fall. Board Member Henjum then asked if Colorado Springs Utilities is required to provide specifics on project when asking for bond issuances. Mr. Hegstrom answered that during disclosure, some specifics are provided, however, these disclosures aren't typically down to the exact dollar. Board Member Henjum asked if the shift related to the future closure of the Ray Nixon Power Plant is affecting the anticipated capital spend. Mr. Hegstrom responded that it may have minor impacts on timing.

Board Member Leinweber asked if this meant there was no current consideration of nuclear power in the ask for these bonds, or at least not in the current ask. Mr. Hegstrom said staff are paying attention to the nuclear discussion, and if and when that time comes, that piece of the puzzle would be layered on top of the regular ask. Mr. Deal added that Colorado Springs Utilities is going through the Request for Proposal (RFP) process to add 350 megawatts of renewable energy, which is included in this request.

Chair Donelson asked if data centers are a big part of the demand for credit. Mr. Hegstrom responded yes, especially in the public power world.

Board Member Henjum asked what contingencies are in place given some of the volatility in the market. Mr. Hegstrom answered that flexibility in these issuances is something Colorado Springs Utilities likes to maintain. There are timetables that offer different opportunity zones where we will be ready to issue but not necessarily have to if the timing isn't right. The other main contingency is the investment in our credit rating and making sure that our mission is communicated effectively.

Chair Donelson noted that Mr. Hegstrom had said some of the bonds we currently have are the Build America Back bonds, but if it is advantageous, Colorado Springs Utilities would like to get out of those bonds. Chair Donelson asked for clarification on what would be considered advantageous. Mr. Hegstrom said it would be risk-dependent, and though it may not save money, it would alleviate a lot of the risk.

Board Member Henjum asked which projects provide the greatest amount of swing or risk to a bank's perspective. Mr. Hegstrom answered that technically the banks are not taking on the risk, the investors are. If there is a market disruption, they may take some bonds into their own inventory. However, the more attractive our bonds look to the market, the easier it is for the banks. Next, Board Member Henjum asked how Bank of America was selected as the senior manager. Mr. Hegstrom explained the process, which includes meeting throughout the year as the Plan of Finance is developed, and then there is an RFP process where Colorado Springs Utilities asks for proposals and pitches that are rated based on criteria. Board Member Henjum asked if it was worth it to have two credit ratings, or three. Mr. Hegstrom responded that having three ratings used to be the standard until around 2020, when the decision was made to move to two ratings. The third rating, Fitch Ratings, is objective ratings that the market considers the least, and it was not cost effective to continue pursuing these ratings.

Board Member Rainey said that Mr. Hegstrom had mentioned potentially needing an ordinance, but on the timetable slide, there is a first reading at City Council, and asked for clarification. Mr. Hegstrom said one ordinance would be for reissuance and one is just for our staff to go out for bonds.

Amendment to City Code to Allow Liens for All Utility Services

Mr. Patrick Malone, Manager of Customer Revenue and Billing, and Ms. Hannah Gerardy, Associate Attorney with the Office of the City Attorney, presented the Board with the amendment to City Code to allow liens for all Utility services. This presentation included the definition of liens and lien proposal, the rationale behind the change, and the legality of the change, along with next steps.

Board Member Casey asked how a lien on a property would help recover the cost of unpaid utilities if the property was being leased by a business, so as not to punish the property owner but the person consuming the electricity. Mr. Malone said the lien is on the property owner, who would hopefully have a contract with the lessee, and then could take action against the lessee. However, Mr. Malone added that this hypothetical scenario has not occurred. This would likely not affect residential owners, just commercial owners.

Vice Chair Williams asked if there is a way to notify the property owner if their tenant is delinquent in payment. Mr. Malone confirmed that this is currently part of the standard collections process before disconnecting.

Chair Donelson asked for confirmation that this is not going to impact single family homeowners. Mr. Malone confirmed this. Board Member Rainey added that the communication around this needs to be very clear so an average resident does not think this could affect them. Chair Donelson asked Mr. Malone to make this very clear in next month's presentation of this item at the Utilities Board meeting.

Adjournment

Chair Donelson adjourned the meeting at 10:54 a.m.