

Minutes
September 14, 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 9:08 a.m.

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

Absent – Board Member Kimberly Gold and Board Member Brian Risley

Safety Moment: Home Safety and Emergency Preparedness

Ms. Renee Adams, Chief Human Resources Officer, presented the Board with the Safety Moment on Home Safety and Emergency Preparedness. This presentation included an example of home hazards and how to spot them, home fire safety, and challenges to take home to engage in preparedness and proper home safety.

Compliance Reports

I-2 Financial Conditions and Activities (to include Contracts Over \$500K) G-7 (Quarterly April Through June)

Mr. John Hunter, Manager of Financial Planning and Risk, presented the I-2 Financial Conditions and Activities (to include Contracts over \$500K) presentation for April through June. This presentation included the first three directives under the I-2 in detail, and brief updates to the other six directives within the I-2.

Chair Donelson asked for a reminder on what the Penrose Water Supply Project entailed. Mr. Hunter responded that the Penrose Reservoir had been drained, and two water tanks are proposed to be installed within the footprint of the reservoir.

I-7 Water Supply Management (Annual)

Ms. Jenny Bishop, Resource Planner IV, and Mr. Michael Gustafson, Senior Attorney for the Utilities Division of the City Attorney's Office, presented the Board with the annual I-7 Water Supply Management report. This presentation included Water Rights protection and development, maintaining a reliable water supply, and regional, state and national engagement.

Board Member Leinweber asked if Woodland Park or Monument had similar restrictions on how often customers can water. Ms. Bishop responded that Monument also has the three-day maximum per week for watering. She noted that Woodland Park does not have restrictions as they don't see as

much outdoor watering, but commented that both Monument and Woodland Park have fairly expensive water rates.

Board Member Henjum asked Ms. Bishop to speak to the exclusive water territory related to the Denver Basin and asked about the restrictions listed in the I-7. Ms. Bishop responded that Colorado Springs Utilities uses very little of the Denver Basin's groundwater, as it is primarily used for irrigation purposes for some HOAs in that area. The Dawson Aquifer is also the most shallow aquifer in this basin and serves many domestic wells. Colorado Springs Utilities does not want to deplete these wells, which is another reason this basin is not used often. Board Member Henjum asked how many miles of our service territory overlap with this basin. Ms. Bishop said she didn't know the exact number but would speculate that only about 10% of the service territory overlaps with this basin.

Chair Donelson asked Ms. Bishop to remind him about the Shoshone Water Rights discussion. Ms. Bishop answered that the Shoshone is a powerplant on the Western Slope, which requires sufficient water to operate. Water used in the plant is diverted back into the Colorado River. Whatever may happen to that powerplant, Springs Utilities wants to make sure that those water rights stay within Colorado and Colorado Water Conservation. If those water rights are expanded beyond what is considered for traditional use, it could impinge on what Utilities can use.

Board Member Leinweber asked if only 12% of the Colorado River rights are able to be used given the Colorado River Compact's stipulations. Ms. Bishop detailed the ways that Colorado Springs Utilities honored the agreement through the different acre feet being used from each system. Ms. Bishop commented that this is the worst year for water on record since 2002.

Chair Donelson asked if the decline in demand for water comes from residents. Ms. Bishop responded yes. She said the initial decline in demand came from smart water technology, and also when the rate structure changed in 2012 and customer behavior changed. Chair Donelson said he would like to see data on this, if possible. Chair Donelson asked if any cities on the Front Range have flat water rates. Ms. Bishop answered that Pueblo has a flat water rate, as they have access to a lot of water.

Board Member Henjum asked at what population threshold with continued water use will require Colorado Springs Utilities to dip into more storage. Ms. Bishop responded that the Integrated Water Resource Plan (IWRP) addresses this, but it is based on how population develops, including density, open space and housing types. Ms. Gortz added that 2050 is when the current IWRP shows the need to use most of what is in storage.

I-10 Treatment of Staff (Annual)

Ms. Tara Russell, General Manager of People, Safety and Development, presented the Board with the annual I-10 Treatment of Staff report. This presentation included directives from the I-10 including protection from discrimination, harassment and retaliation; the Personnel Policy Manual (PPM); the Affirmative Action Plan (AAP); and information about employee climate surveys.

Board Member Henjum asked how many staff access the PPM per year. Ms. Russell responded that around 20-30 employees accessed it last year. With the new policy in place for changes to the PPM, employees now can provide business justifications to alter policies they may think need changing. This change has reduced the number of people accessing the PPM.

Board Member Casey asked if an AAP is required to meet the compliance in the I-10. Ms. Russell responded yes.

I-11 Compensation and Benefits G-9 (Annual)

Ms. Russell presented the Board with the annual I-11 Compensation and Benefits Report G-9. This presentation included the annual salary and benefits appeal process, executive compensation plans, and severance plans.

There were no questions.

E-2.8 Emergency Chief Executive Officer Succession (Annual)

Ms. Adams presented the Board with the annual E-2.8 Emergency Chief Executive Officer Succession. This report states that the designated Officer emergency successors are the Chief Operations Officer and the Chief Planning and Financial Officer. All travel is arranged in accordance with this policy.

There were no questions.

Electric Cost Adjustment/Gas Cost Adjustment Update

Mr. Soctt Shirola, Pricing and Rates Manager, provided the Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) update. In this update, Mr. Shirola provided a summary of the ECA and GCA, detailed the natural gas prices as of September 1, 2026, and the ECA and GCA predictions. Due to an overcollection in the Electric Cost Adjustment, Mr. Shirola said he would be bringing an Electric Cost Adjustment rate decrease to the Board on Wednesday for approval to move forward to City Council. The rest of the presentation provided sample bills, various ways for customers to receive bill paying assistance and efficiencies to lower utility bills, and the timeline of next steps.

In response to a comment Mr. Shirola made regarding the \$7 million in financial benefit that Colorado Springs Utilities has received from joining the Southwest Power Pool from April to July, Chair Donelson asked if that number has continued to increase. Mr. Shirola responded that this number is around \$14 million in financial benefit as of this meeting. Chair Donelson reminded the Board that Utilities' rates are about 18% lower than other providers along the Front Range but encouraged customers listening to call the Customer Service number if they ever want to walk through their bill to better understand where they can save.

Board Member Casey asked how the Front Range bill comparison is calculated to determine the percentage at which Colorado Springs Utilities' rates are lower than customers with other providers. Mr. Deal answered that the Public Utilities Commission (PUC) posts municipal rates, then a typical customer's usage is totaled to about 700 kilowatt hours each month. This helps to determine an average bill to compare against other providers.

Board Member Leinweber asked if the predicted El Niño weather pattern will affect temperature or just moisture. Mr. Nick Peters, Chief System Planning and Projects Officer, said he believed it would affect both, but here we should see more moisture.

Board Member Henjum asked what happens to the interest earned on the overcollection in the ECA. Mr. Shirola answered that this overcollection is mostly set aside to give back to ratepayers in the form of lower bills. The overcollection plays a part in the overall financial health of the organization but is treated mostly as a passthrough back to customers.

Chair Donelson asked what percentage of customers are on the Budget Billing plan. Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, said about 7% of customers are enrolled in this plan.

2027 Proposed Budget Final Draft

Mr. Hunter reviewed the 2027 Proposed Budget. This presentation included the budget overview, proposed 2027 budget versus the 2026 Annual Operating Financial Plan (AOF), the proposed 2027 budget versus the second presentation, funding 2027 appropriation, total labor and non-fuel operations and maintenance, total labor and operations and maintenance by account group and by division, the proposed 2027 budget overview, and next steps. At the end of the presentation, Mr. Hunter asked the Board Members if they had any additional items related to the budget that they would like him to cover in greater depth at the October Board meeting when the Board Members will be considering approval of the budget.

Board Member Henjum asked if the next presentation could cover what feedback staff are receiving from ratepayers related to the budget. She commented that much of the interest seems to be around capital projects and said it would be helpful to highlight how the five-year rate case was determined to fund these projects so Colorado Springs Utilities would not need to come back to the Board to ask for additional funds. Board Member Henjum commented that she did not feel this presentation addressed those questions. Board Member Henjum said she would also like to see a slide related to the cost of fuel globally and how Utilities' participation in the SPP affects this.

Board Member Casey suggested including a slide about why the proposed budget is lower than in previous years, and to explain that it is due to the shifting of projects to other years.

Mr. Deal agreed with the suggestions and commented that Colorado Springs Utilities has worked hard to mitigate risk within the project plan of the five year rate case amid economic uncertainties. He also spoke about how important it is for Colorado Springs Utilities to maintain their stellar credit rating so there is less pressure on rates and customers.

Intergovernmental Agreement to Partner with USCYBERCOM

Ms. Jessica Rheinschmidt, Cybersecurity Manager, presented the Board with the Intergovernmental Agreement to Partner with USCYBERCOM. This presentation included the intergovernmental agreement which is a Cooperative Research and Development Agreement (CRADA), background information on USCYBERCOM, expected benefits and proposed projects.

Board Member Rainey noted that there was not a cost to this contract and inquired if this partnership was more so for research and development. Ms. Rheinschmidt confirmed this. Board Member Rainey then asked if there were any downsides. Mr. Rheinschmidt responded that there are not necessarily downsides, but rather some challenges to mitigate, such as how to restrict access to certain sensitive systems.

Board Member Henjum asked Ms. Rheinschmidt how much of her time she can devote to this project given other responsibilities. Ms. Rheinschmidt said there is someone on her team she would consider to be a Subject Matter Expert on this subject and would essentially serve as a project manager for this.

Chair Donelson asked Ms. Rheinschmidt to explain the benefits of this partnership. Ms. Rheinschmidt

explained that this group is excellent on policy documentation on the federal government side and will provide supplemental support to her staff.

Board Member Rainey noted that this item will need to be approved by City Council, and said he would be recusing himself as he has done business with USCYBERCOM in the past.

Nuclear Program Plan Update

Mr. David Longrie, Manager of Energy Resource Planning and Innovation, and Mr. Troy Bass, Supervisor of Energy Resource Planning, presented the Board with the Nuclear Program Plan update. This presentation included the strategic case for nuclear, progress to date, the planning phase, and the four decision gates: selecting the ownership and delivery model, community engagement, narrowing sites using feasibility screens, and the regulatory path and early site permit strategy. The presentation concluded with milestones so far.

Chair Donelson asked what percentage of the resource fleet would be made of new resources in the new resource mix. Mr. Longrie responded that this would double Colorado Springs Utilities' fleet.

Board Member Leinweber commented that many of the new resources include wind and solar but asked if battery will be included in the resource mix. Mr. Longrie responded that battery technology will continue to evolve and be considered.

Board Member Casey asked if it would be better to begin with small modular reactors rather than larger ones. Mr. Longrie said Colorado Springs Utilities will need to consider economies of scale in the consideration of nuclear energy.

Clean Energy Plan Update

Mr. Longrie and Mr. Bass presented the Board with the Clean Energy Plan update. This presentation included Senate Bill 26-182, new resources required for the Electric Integrated Resource Plan, summary of customer comments, the current status, and next steps.

Board Member Henjum asked Mr. Longrie to explain how forecasting is done considering the rise of data centers as significant users. Mr. Longrie explained that data centers, or other large load users, are considered drivers in this forecast. The Electric Integrated Resource Plan addresses this on top of the base load model and is now standard in how load growth is considered. Board Member Henjum asked how this impacts the Clean Energy Plan.

Mr. Longrie said there is no policy currently that allows large load users to bring their own generation, but Colorado Springs Utilities can provide a list of resources needed to procure the required load, which could include renewables. If, in the future, large load users were to bring their own generation, it would need to meet the requirements of the Clean Energy Plan that Utilities puts in place.

Mr. Deal added that he has had conversations with Governor Polis on how data centers could impact Utilities as a municipal utility with an obligation to serve. He said this is a conversation now at the state level to see who owns the carbon. Board Member Henjum asked if this could be an assignment for the Utilities Policy Advisory Committee (UPAC) to evaluate. Mr. Deal responded that since this is a statewide issue, it's already being considered at a high level. However, he suggested that a program for batteries could be well within UPAC's scope.

Chair Donelson asked Mr. Deal if he thought statewide legislation for data centers would be passed before the end of the year, or if this is legislation the new governor would take on once elected. Mr. Deal responded that he believed it would be passed before Governor Polis leaves office.

Board Member Leinweber asked if other cities the size of Colorado Springs have similar split resources between residential and commercial customers, as Colorado Springs Utilities serves mostly residential customers. Mr. Deal responded that many other utility companies see a split that is closer to 50-50 in service.

Clean Heat Plan Update

Mr. Longrie and Mr. Bass presented the Board with the Clean Heat Plan update. This presentation included the overview, estimated greenhouse gas reductions, customer programs that deliver meaningful community benefits, participation through engagement, and next steps.

Board Member Casey asked if programs to help customers be more energy efficient are listed on the website. Mr. Longrie confirmed that they are.

Chair Donelson asked if the 260 efficient new homes were through a new builder program or people making their homes more efficient. Mr. Longrie confirmed these were new builds through the builder program. Chair Donelson asked Mr. Deal to speak to the emergence of microgrids. Mr. Deal summarized that newer communities are installing their own battery at economies of scale, which provides infrastructure before adding solar or other forms of renewable power that would then be shared through the battery of the microgrid. Mr. Deal suggested that this would also be a good topic for UPAC to consider.

Adjournment

Chair Donelson adjourned the meeting at 11:55 a.m.