

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, January 22, 2025

Utilities Board members present via Microsoft Teams or Blue River Conference Room:

Chair Dave Donelson, Vice Chair Yolanda Avila, Lynette Crow-Iverson, Randy Helms, Nancy Henjum, David Leinweber, Mike O'Malley, Brian Risley and Michelle Talarico

Staff members present via Microsoft Teams or Blue River Conference Room:

Travas Deal, Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Jay Anderson, Joe Awad, Pattie Benger, Steve Berry, Nathan Bloomfield, Melissa Brown, Steven Carr, Charles Cassidy, Will Cherry, Andrew Colosimo, Jessica Davis, Nate De Kock, Kandy Drake, Matt Dudden, Travis Eckland, Brian Fergen, Sean Frech, Ian Gavin, Kim Girling, Jason Green, Kelly Guisinger, Lisa Halcomb, Diana Harmon, Heather Harvey, Adam Hegstrom, Kalib Heidenreich, Tyrone Johnson, Jennifer Jordan, Sybil Lasha, Cecily Lerma, Amy Lewis, Jonathan Liepe, David Longrie, Lindsay Martin, Nick Miller, Danielle Nieves, Dan Norton, Jacqueline Nunez, Chris Olney, Abigail Ortega, David Padgett, Gail Pecoraro, Nicholas Peters, David Reeve, Shannon Root, Kathryn Rozwod, Bethany Schoemer, Kim Schwartz, Mark Shea, April Speake, Amber Sweet, Matthew Thieme, Amy Trinidad, Jennifer Valdois, Deb Walker, Brian Wortinger, Natalie Watts, Al Wells, Carlos Wright and Jane Zook

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room:

Sally Barber, David Beckett, Chris Bidlack, Kellie Billingsley, Renee Congdon, Jamie Fabos, Elli Harris-Mevis, Jacqueline Rowland, Alex Ryden, Gayle Sturdivant and Ryan Trujillo

Citizens present via Microsoft Teams or Blue River Conference Room:

Melanie Chavez, Larry Barrett, Gary Burghart, Tom Carter, Kate Danner, Brennen Kauffman, Chris Meyer, Lindsey Samelson, Scott Smith and David Watkins

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:05 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Mr. Nick Miller, Engineering Manager, delivered the invocation, and Board Chair Donelson led the Pledge of Allegiance.

3. Consent Calendar

Approval of Nov. 20, 2024, Utilities Board meeting minutes

The Consent Calendar was approved on a vote of 9-0 after a motion by Board Member Talarico and a second by Board Member O'Malley.

4. Customer Comments

There were no customer comments.

5. Recognition

- **Top Ten Award for Military Friendly Employer**

Ms. Renee Adams, Chief Human Resources Officer, introduced Mr. Jonathan Liepe, Talent Acquisition and Selection Supervisor, and members of the Veterans Employee Resource Group. Springs Utilities was recently recognized by the Veterans Employee Resource Group (VERG) as a Top 10 Military Employer. Specific rankings and categories are #5 in Veteran Employer, #9 in Military Spouse Employer, #10 in Brand, and #8 in Company.

Board Chair Donelson thanked the Committee for their work in employing military veterans and spouses.

- **10th Annual Whack Dam It Golf Tournament Contribution to Project COPE**

Ms. Adams said that the Whack Dam It Tournament began in 2013 as an after-hours team building event. The tournament has dedicated all proceeds to Project COPE (Citizen's Option to Provide Energy) since 2015. The 2024 event was sold out and raised \$24,000 for Project COPE. This amount will be fully matched by Springs Utilities. In total, this group has raised \$111,000 (a total of \$222,000 with matching funds) for Project COPE. Everyone is invited to participate in the 11th Annual tournament, which will take place on Sept. 12, 2025.

Ms. Kandy Drake, Community Relations Specialist, and Mr. Carlos Wright, Operations Manager, recognized members of the Water Distribution, Collection and Treatment Department (DCT) who hosted the 10th Annual Whack Dam It Golf Tournament on Sept. 13, 2024.

Board Chair Donelson thanked the committee for the assistance that they will provide to customers with the funds raised from this tournament.

- **2024 Year in Review**

Ms. Adams said that the organization entered into a friendly competition with the City of Colorado Springs for Take a Turkey to Workday in November. Springs Utilities donated 50 turkeys and the City donated 33 turkeys.

The organization's Employee Giving Campaign raised \$158,904, compared to the \$105,452 raised by the City. This is through the hard work of employees. The money donated to Project COPE will be matched by the organization.

A video showcasing 2024 highlights was viewed. Ms. Adams thanked the Creative Services team for creating the video.

6. Compliance Reports

The I-6 Infrastructure report was included in the meeting materials packet and there were no questions.

- E-2 CEO / Board Partnership Responsibilities
 - Water Outlook
 - Electric Cost Adjustment / Gas Cost Adjustment Monitoring

These reports were provided in the meeting packet and there were no questions.

7. Items Called Off Consent Calendar

There were none.

8. Utilities Policy Advisory Committee (UPAC) Assignment Update

Mr. Larry Barrett, former UPAC chairperson, introduced the new UPAC chairperson, Ms. Kate Danner.

The UPAC nuclear generation assignment is to examine nuclear power options for Springs Utilities. The committee used 12 questions to examine nuclear power options. Guest presentations have been given by internal subject matter experts, the Colorado Energy Office, the American Public Power Association, the Grant County Washington Public Utility District, the Utah Associated Municipal Power Systems, TerraPower and Bechtel.

There are two remaining UPAC meetings, Feb. 5 and March 5, where the committee will continue to discuss and refine final recommendations to the Utilities Board. UPAC will present their final assignment recommendation to the Utilities Board on March 19, 2025.

Board Member O'Malley asked if fusion has been looked at (specifically Helion). Ms. Danner said that they this technology had not been considered since it is in the early stages, and the main focus of the committee is what policy Springs Utilities should be taking. Technology selection is something that would be left to Springs Utilities.

Board Member Helms asked if nuclear energy is worth "going forward" based on the information they currently have available. Mr. Barrett said that at some point in the future this looks like an attractive option, particularly with federal grant and loan funding. Board Member Helms asked how long the permitting process takes. Mr. Barrett said that for planning purposes, it is an approximate 10-year process from beginning to end.

Vice Chair Avila thanked UPAC for their extensive work and asked for clarification on the size differences in reactors and how much each powers. Small modular reactors (SMRs) power between 5 MW to 30 MW and can have additional modules added.

Board Member O'Malley asked about the availability of uranium. Mr. Barrett said that the Department of Energy has said that worldwide there are sufficient uranium resources.

Board Chair Donelson said that the final UPAC report is due in a couple of months. He thanked the members of UPAC for their work into this assignment.

Mr. Travas Deal, Chief Executive Officer, said that permitting reforms are necessary to move forward for planning purposes.

9. Pipeline and Hazardous Material Safety Administration (PHMSA) Notice of Proposed Safety Order (NOPSO) Work Plan Submittal

Mr. Nate De Kock, Gas Systems Unit Supervisor, explained that Springs Utilities received a NOPSO from PHMSA on Oct. 21, 2024, as part of the transition of compliance/enforcement authority from the Colorado Public Utilities Commission (PUC) to PHMSA. The NOPSO identified issues with Springs Utilities' natural gas distribution system and its Distribution Integrity Management Program (DIMP). Per the NOPSO, Springs Utilities is required to submit a work plan with PHMSA to address the deficiencies by Jan. 31, 2025.

The gas system consists of five gate stations receiving gas from Kinder Morgan, 157 miles of 150 PSI backbone, 141 regulator stations, 46 pressure districts, 2,750 miles of main piping, and 185,677 service lines.

PHMSA issued a formal NOPSO to Springs Utilities CEO on October 21, 2024. This included concerns of active corrosion on bare steel assets. Springs Utilities has an 80-year replacement timeframe to remove all bare steel from its system, risk mitigation – leak survey every quarter on all affected pipe, and repairs to all leaks found on affected assets within six months. Springs Utilities is required to develop an action plan and submit it to PHMSA by Jan. 31, 2025.

Members of Springs Utilities met with PHMSA on Nov. 14 and Nov. 21, 2024. A verbal agreement was reached for a remediation plan. This includes replacement of affected assets within a 10-year timeframe, one-year leak survey for affected assets, repair non-hazardous leaks within 12-15 month timeframe (matches existing Springs Utilities' standards), and the organization will provide quarterly updates on progress to PHMSA until all affected pipe has been replaced or otherwise remediated.

Board Member Leinweber asked if this new gas line currently being installed has the capability of carrying hydrogen, or does it require separate lines. Mr. Deal said that the organization's distribution system is currently not able to handle hydrogen. Ms. Somer Mese stated the material on the distribution system would have to be upgraded to handle hydrogen.

The proposed work plan for the Pipeline and Hazardous Material Safety Administration (PHMSA) Notice of Proposed Safety Order was approved on a vote of 9-0 after a motion by Board Member O'Malley and a second by Board Member Crow-Iverson.

10. Disposal of Utilities – Controlled Property on S. Marksheffel Road

Ms. Jessica Davis, Land Resource Manager, said that in the early 1990s, Springs Utilities purchased properties for a future substation on Marksheffel Road east of the airport. El Paso County realigned and reconstructed the road. Due to the realignment, the adjacent property owner is unable to access Marksheffel Road. After discussions with Contrarian Airport, LLC, and Public Works, it was determined the best way for the property owner to access Marksheffel Road was through a portion of Springs Utilities' property. Springs Utilities' has determined that it does not need to retain ownership of the portion of the property and is in support of disposing of the westerly portion of the property to Contrarian Airport, LLC. The property will be sold for \$20,000.

Next steps include forwarding a resolution declaring property surplus and authorizing disposal to one logical purchaser to City Council for approval. The proposed regular City Council Meeting date is Feb. 11, 2025.

Vice Chair Avila said that Ms. Davis does amazing work and makes real estate transactions quite easy to understand, and she is very appreciative of that.

The disposal of Utilities-controlled property on S. Marksheffel Road to one logical purchaser, pursuant to section 5.2 of the City's Real Estate Manual was approved on a vote of 9-0 after a motion by Vice Chair Avila and a second by Board Member O'Malley. This item will move forward to the Feb. 11, 2025, regular City Council meeting on consent.

11. Acquisition of Utility Easement in Conjunction with Public Works Marksheffel Road – North Carefree to Dublin Project

Ms. Davis said that the City of Colorado Springs' Public Works department is working on widening Marksheffel Road from North Carefree to Dublin. Working with Public Works, Springs Utilities identified future easement needs along this corridor for our finished water system. This includes a utility easement on the property owned by Gerald M. and Sharon A. Oleszek at a cost of \$177,931.88. The cost of acquiring these easements will be reimbursed by Pikes Peak Rural Transportation Authority. Pursuant to the City's Real Estate Manual, this acquisition will require the approval of both the Utilities Board and City Council.

The acquisition of a utility easement in excess of \$100,000 as part of the Marksheffel Road – North Carefree to Dublin Project, pursuant to section 4.1 of the City's Real Estate Manual. was approved on a vote of 9-0 after a motion by Vice Chair Avila and a second by Board Member O'Malley. This item will move forward to the Jan. 28, 2025, regular City Council meeting.

12. Working Committee Structure Proposal

Ms. Natalie Watts, Manager of Strategic Planning and Governance, said that Springs Utilities' staff is recommending modifying the current structure of Utilities Board committee meetings (Finance Committee, Personnel, Program Management Review, and Strategic Planning) to a single Board Working Committee model. This purpose of this new structure is

to help improve the effectiveness of information sharing while also maximizing the time commitment of Utilities Board Members.

If adopted, the single Working Committee would occur the day before, or two days before, the monthly Utilities Board meeting, from 9:00 a.m. to 12:00 p.m.

Having Board Members together for the Working Committee will foster better communication and understanding, while removing redundancy. This new structure will be piloted in February 2025 before being formalized in governance documents and voted on at the Feb. 19 Utilities Board meeting. The Working Committee would be effective March 17, 2025.

Board Member Henjum asked for a history of the current committee structure. Ms. Henjum stated that she is open to trying the Working Committee structure, but her preference is not to meet in the Blue River Board Room, but in a setting around a table. Mr. Deal said that he is open to meeting room options and set up. Mr. Deal said the Finance Committee began during a budget cycle review. Ms. Henjum's also said that she is concerned that Board Members are allowed to do their due diligence from a governance perspective, doing the right things in a more in-depth fashion.

Board Member Leinweber said it would be more helpful to have more time between the Working Committee and the Utilities Board Meetings, rather than having both meeting during the same week. Ms. Watts stated that the thought is to have one month of separation, having initial discussion at the Working Committee the month before it comes before the Utilities Board Meeting the next month. Board Member Leinweber said that this would be too much time. Board Member Leinweber said that the Board Members' schedules need to be taken into consideration, with their commitments to City Council being considered. Mr. Deal said the organization's commitment is to allow Utilities' Board Members business to occur only one week per month, allowing Board members one off week on their calendars with their City Council duties.

Board Member Helms said that having one week option is helpful, and members of City Council Leadership do have other commitments during that first week of each month.

Board Member Risley is in support of the Working Committee, but he is concerned that the "deep dive" allowed at the current focused subject committee meetings will be lost. That will be a disservice to the organization. He feels that it will be beneficial to keep this as informal as possible, and this can best be accomplished around a table, and not at the dais. Board Member Risley asked how burdensome it would be on staff to find a different structure or move back to the current structure. Ms. Watts said it would not be onerous to move back to the current bylaws and structure.

Vice Chair Avila said that she has mixed feelings about this. She believes all current committees are equally important. She stressed the deeper dive that happens at the Personnel Committee which she currently chairs. Each member that serves on their

separate committee brings their own perspectives to those committees to staff that serves on those committees. Vice Chair Avila said she wonders if there may be a hybrid option for the Working Committee, and if the chairperson at the Working committee alternates between Board Members and is not always the Chair of the Utilities Board. She is concerned about attendance at the Working Session and engagement.

Board Member Crow-Iverson said that this new structure will not mirror a City Council work session, and she will not be able to attend the upcoming pilot meeting. She said the current structure allows her to review the meeting, and to contact the Committee Chairperson for an update when she is unable to attend the meeting. She does not believe the new structure will allow this same benefit. It will also be hard to accommodate another half day meeting on her calendar. She does not believe that this will achieve the same sense of a City Council work session.

Board Chair Donelson said that the goal of the Working Committee is for it to be more of a round table working committee with a discussion. For Board Members who currently try to attend all the current committee meetings, it is more than half a day, so the new structure will be a time saver.

Ms. Watts said that she will share the feedback with the leadership team to determine how to move forward.

Mr. Deal said that this new structure has continuity of operations and information sharing. He said that there have been times over the last few years where there have been no Board Members show up for committee meetings, which is not efficient. The goal is not to lose the essence of the committee meetings. The dialogue should improve because more members should be present at the Working Committee meeting.

Vice Chair Avila asked if the question should be that the number of committees Board Members serve on, serving only on those committees where their expertise and interests reside.

Board Member O'Malley said that he has been a proponent of cutting down the number of meetings, and he applauds these efforts.

Board Chair Donelson said that another benefit of this new structure is to streamline redundant sharing of information. The Working Committee meeting will be recorded. Each month's meeting may have a different focus.

Board Member Leinweber suggested having subcommittees on a timely basis as needed when subjects arise. Board Chair Donelson said this is a reasonable and good idea.

Board members gave their overall approval to move ahead with piloting the Working Committee in February, with Board Member Henjum excused.

13. Board Member Updates

Board Member Helms said fiber has surpassed 19,000 homes with installation.

Board Member Leinweber said one year ago he noticed there was water coming out of Costilla Street, but he did not report this. He recently reported this to Mr. Deal who found out it was not Springs' Utilities water. Sometimes it is worth mentioning things as you see them.

Vice Chair Avila said the last Personnel Committee meeting was held on Jan. 17. She is grateful for the staff that supports this committee. An Employee Climate Survey update was given, and action planning is currently underway. A safety moment was shared on slips, trips, and falls.

Board Chair Donelson thanked the staff for the great work they are doing, especially through the recent cold snap.

14. Summary of Board Actions

- Approval of Nov. 20, 2024, Utilities Board Meeting minutes.
- Approval of proposed work plan for the Pipeline and Hazardous Material Safety Administration (PHMSA) Notice of Proposed Safety Order.
- Approval to dispose the Utilities – controlled property on S. Marksheffel Road to one logical purchaser, pursuant to section 5.2 of the City's Real Estate Manual. This item will move forward to the Feb. 11 regular City Council meeting on the consent calendar.
- Approval to acquire a utility easement in excess of \$100,000 as part of the Marksheffel Road – North Carefree to Dublin Project, pursuant to section 4.1 of the City's Real Estate Manual. This item will move forward to the Jan. 28, 2025, regular City Council meeting.
- Approval to proceed with piloting the Working Committee meeting structure in February.

15. Executive Session

The Board unanimously voted to go into Executive Session related to compliance with Utilities' Clean Energy Plan and Regional Haze requirements, on a vote of 8-0 with Board Member Henjum excused. They entered into Executive Session at 3:08 p.m. and returned from Executive Session at 5:01 p.m.

16. Adjournment

The meeting adjourned at 5:02 p.m.