

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, February 19, 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, Brian Risley and Michelle Talarico

Utilities Board members excused:

David Leinweber and Mike O'Malley

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

Travas Deal, Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Peter Alonge, Jay Anderson, Joe Awad, Jim Bagby, Kerry Baugh, Pattie Bengler, Steve Berry, Nathan Bloomfield, Carley Bogus, Charles Cassidy, Andy Colosimo, Kandy Drake, Matt Dudden, Travis Eckland, Kelley Edwards, Tyler Endres, Marcela Espinoza, Heather Evans, Ian Gavin, Jason Green, Shaun Guilfoil, Mark Hall, Martha Hannigan, Jeff Hanson, Diana Harmon, Adam Hegstrom, Qaz Ingram, Jennifer Jordan, Ray Keeseey, Rebecca Kerrigan, Amy Lewis, David Longrie, Michelle Luukkonen, Noemi Martinez, Nicole Means, Michael Myers, Danielle Nieves, Joshua Norton, Chris Olney, Gail Pecoraro, Jason Reynolds, Jason Rigler, Kathryn Rozwod, Mark Sanders, Juan Santos, Bethany Schoemer, Kim Schwartz, Scott Shirola, Kevin Shrewsbury, Leslie Smith, Tricia Timmons-Malsam, Amy Trinidad, Jennifer Valdois, Chrissy VanBuskirk, Scott Vermillion, Natalie Watts, Al Wells, Michelle Wills-Hill, Kyle Wilson, Justin Zeisler and Jane Zook

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

Sally Barber, Chris Bidlack, Renee Congdon, Jamie Fabos, Michael Montgomery, Alex Ryden and Juan Santos

Citizens present via Microsoft Teams or Blue River Conference Room:

Larry Barrett, Al Badeau, Gary Burghart, Kate Danner, Heidi Hood, Lindsey Samelson, Scott Smith, David Watson, Timothy Kirkwood and Jeffrey Wilkinson

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:01 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Deacon Jeff Hanson, Energy Infrastructure and Planning Engineer, delivered the invocation, and Board Chair Donelson led the Pledge of Allegiance.

3. Consent Agenda

- Approval of Jan. 22, 2025, Utilities Board meeting minutes
- Reappointment of Kim Gortz to the Homestake Steering Committee
- Reappointment of Kim Gortz to the Board of Directors of the Aurora – Colorado Springs Joint Water Authority Board
- Intergovernmental Agreement (IGA) for Construction Cost Sharing for the Northern Monument Creek Interceptor

Board Member Henjum said that Kim Gortz has done a wonderful job and is a great representative of Springs Utilities.

The Consent Agenda was unanimously approved.

The IGA for Construction Cost Sharing for the Northern Monument Creek Interceptor was approved to move to the Feb. 25, 2025, City Council consent agenda.

4. Customer Comments

There were no customer comments.

5. Recognition

- **President's Volunteer Service Award**

Ms. Renee Adams, Chief Human Resources Officer, introduced Ms. Kandy Drake, Community Relations Specialist, who said that the President's Volunteer Service Award is an initiative of AmeriCorps and administered by Points of Lights. It recognizes the vital role of volunteers in enhancing America's strength and national identity. In 2024, 57 employees volunteered 13,665 hours of their time. These are hours outside of the Community Focus Fund and paid volunteer projects.

- **Resolution of Appreciation for Charles Cassidy, General Manager of Operations**

Ms. Somer Mese, Chief Operations Officer, recognized Mr. Charles Cassidy, General Manager of Operations, for his seven years of service to the organization. He will be retiring on April 11, 2025.

Mr. Travas Deal, Chief Executive Officer, thanked Mr. Cassidy for his dedication and many efforts during his time with Springs Utilities. He wished him the best in his retirement.

Mr. Cassidy thanked Mr. Deal and the organization for the past seven years and the many opportunities he has been afforded.

Board Member Henjum thanked Mr. Cassidy for his many positive efforts and all of his work leading the emergency response effort during the Windstorm of December 2021.

Ms. Mese read a resolution recognizing Mr. Cassidy for his service to the customers of Colorado Springs Utilities.

The resolution was unanimously approved.

6. Compliance Reports

- I-4 Risk Management
- I-5 Economic Development
- I-13 Community Investment
- E-2 CEO / Board Partnership Responsibilities
 - Water Outlook
 - Electric Cost Adjustment / Gas Cost Adjustment Monitoring

These reports were provided in the meeting packet and discussed at the Feb. 18, 2025 Working Committee meeting. There were no questions or additional discussion.

7. Items Called Off Consent Agenda

There were none.

8. Utilities Policy Advisory Committee (UPAC) Assignment Update

Mr. Larry Barrett, past UPAC Chair and Ms. Kate Danner, current UPAC Chair, shared that the purpose of the 2024 UPAC assignment was to examine the nuclear power options for Colorado Springs Utilities. UPAC used 12 questions to examine their assignment.

What should Springs Utilities be doing to prepare for nuclear power generation in the future?

Multiple organizations were brought in for guest presentations. These included internal subject matter experts, the Colorado Energy Office, American Public Power Association, Grant County Washing Public Utility District, Utah Associated Municipal Power Systems, TerraPower, and Bechtel.

What is the state of technology (Small Modular Reactors (SMRs), etc.)?

There are currently 94 operating conventional nuclear power plants in 28 states. Commercial small modular reactors (SMRs) are operating internationally but there are no current domestic operations. The technology landscape is developing rapidly, with more than 80 designs being developed in 19 countries. The first fusion nuclear power plant was just announced in Virginia.

What is the cost range for different options? Should cost be seen as prohibitive?

The levelized cost of energy per megawatt hour combines capital costs, operating costs and capacity factors. Lazard Financial estimates costs for utility scale wind and storage from \$45 to \$133; Utility scale solar and storage from \$60 to \$210; residential rooftop solar from \$122 to \$284, gas peaking from \$110 to \$228; and nuclear from \$142 to \$222. Wind and solar require two to four times the installed capacity potentially increasing the levelized cost show above by the equivalent amount. Initial capital cost estimates of new 600 mw nuclear

plant range from \$5.2 billion to \$12.9 billion. Cost projections have more than doubled in the last three years.

Board Member Henjum asked how the ranges of cost were determined. Ms. Danner said that the Vogtle units in Georgia were specifically looked at. Cost estimates were not based on SMR technology but on conventional technology.

Board Chair Donelson asked what the timeframe was for the estimates. Mr. Barrett said the timeframe was factored in.

What are the environmental pros and cons, including waste disposal and emissions?

Environmental pros and cons include zero emissions of greenhouse gases, helps in meeting net zero carbon goals – but not currently recognized as clean energy by the State of Colorado, SMRs offer higher reliability and resilience with good load following fluctuations when renewables are insufficient, and smaller footprints (10% of conventional nuclear plants or about 40 acres).

Are the water constraints in Colorado a prohibitive factor?

Cooling water is not anticipated to be a constraint currently, because non-potable water can be utilized for cooling. Cooling water requirements for nuclear and coal plants are similar. Alternate cooling technologies are available that could reduce water usage, but it would require balancing water usage versus cost.

Board Member Henjum asked if the water used can be re-used. Ms. Danner said that it would be evaporated at the end of the process. The amount of water varies by design. Board Member Henjum asked if this is a high water use resource. Mr. Barrett said that it would use approximately the same amount of water that a coal plant would use. Mr. Deal said that it is a closed loop system that is becoming more water efficient.

What is the regulatory environment in Colorado and nationally?

The Department of Energy seeks SMR deployment by early 2030s. In Colorado, nuclear is not included in the definition of renewables. The state legislature is currently considering defining nuclear as a clean energy resource. Colorado goals for greenhouse gas emissions reductions in electric sector from a 2005 baseline is 80% by 2030 and 100% by 2050.

Are there federal or other funding or research opportunities that Springs Utilities should investigate?

There are federal funding mechanisms available. This is an evolving landscape. The Department of Energy has grants available of \$900 million for SMR first mover teams of utility, reactor vendor, constructor, and customers. The Inflation Reduction Act provides incentives for SMRs. An example of funding is that TerraPower is building a \$4 billion nuclear plant with \$2 billion from the Department of Energy and another \$1 billion from the Gates Foundation.

Board Member Henjum asked if the current administration has targeted this in their budget cuts. Board Member Donelson said the new Department of Energy Chief is very interested in the SMRs. Mr. Deal said that bipartisan legislation is currently being discussed in the state regarding nuclear energy.

How long does permitting take?

Permitting is currently estimated to take 10 years from project kick off to operating permit. The ADVANCE Act of 2024 for advanced nuclear reactor policies was enacted. This requires NRC in 36 months to recommend faster licensing processes but could be 50% to 85% faster.

Board Member Henjum asked if the ADVANCE Act is giving 36 months to recommend faster licensing processes. Mr. Barrett said that is his understanding.

What is being done in the southwest and Rocky Mountain region – where similar water limitations and climate and altitude are found (i.e., projects in Wyoming)?

NuScale SMR plant would have been located in Idaho and obtained design certification in 3.6 years. TerraPower SMR plant will be located in Wyoming, and the construction process is planned from 2024 to 2030. Retiring fossil fuel plants should free up water resources.

What are the opportunities for partnerships and collaboration?

Partnership opportunities include Xcel, Black Hills Energy, Tri State Generation and Transmission Association, and Nebraska Public Power District (who already has a nuclear plant). Potential customer partnerships include military bases, data centers, distribution centers, education campuses, industrial plants, and AI. Springs Utilities may provide sites and purchase power agreements (PacifiCorp, Grant County Public Utility District, Utah Associated Municipal Power Systems, Nebraska Public Power District).

What is recommended for the frequency of UPAC re-examining this topic, including for the Energy Integrated Resource Plan (EIRP)?

It is recommended that UPAC re-examine this topic in-depth in the next 1 to 2 years and then in a regular cadence of 3 to 5 years in connection with the Energy Integrated Resource Plan (EIRP). Consideration should be given to changing technology, economics, and impacts of safety, water use, licensing and related topics. Changes in net zero carbon goals and compliance may also influence the frequency of review.

What should Springs Utilities be doing to prepare for nuclear power generation in the future?

Spring Utilities should create a roadmap and research plan to develop a basic knowledge of nuclear power options, evaluate most promising nuclear options in the context of the next EIRP, complete an in-depth review in the next 1-2 years and then a regular cadence of 3-5 years connected to the EIRP. The utility should pursue a nuclear site permit at a Colorado Springs Utilities controlled site, develop relationships with potential partners, and keep customers informed of plans and progress, including being more proactive in educating the community on SMRs.

Board Chair Donelson asked Mr. Barrett if he anticipates the public's perception of nuclear energy to change positively in time. Mr. Barret said that he has spoken to colleagues, and those he has spoken to have been in favor of it. Ms. Danner said the technology has changed and is much safer. This should result in increased popularity.

Board Member Helms thanked members of UPAC for their work on this assignment. He feels that this is the future of cleaner energy.

Board Member Henjum appreciates the work of the committee and said that it strengthens the work of the Utilities Board. This work helps address the energy needs of the community. She would request that there be a Working Committee discussion on a future UPAC assignment.

Board Member Risley thanked UPAC for their thorough work on this assignment. He said that he would like to see actionable items, rather than just talking about it for the next few years. Mr. Deal said that the organization is looking at posting a position for a nuclear engineer and opening an RFP for a nuclear consultant based on the Board's vote today on the UPAC recommendations.

Vice Chair Avila said she is impressed with UPAC coming together to utilize each member's expertise for the work and detailed report.

The UPAC recommendation was approved unanimously on a vote of 7-0 with Board Members Leinweber and O'Malley excused.

Ms. Jamie Fabos, City of Colorado Springs Chief of Staff, offered the City's support for the great work done by UPAC.

9. Utilities Board Bylaws Update

Ms. Natalie Watts, Strategic Planning and Governance Manager, said that at the June 18, 2024, Utilities Board meeting, changes were approved to the Utilities Board Bylaws to incorporate language describing the UPAC liaison. The Utilities Board has requested greater clarity on the expectations of the liaison. The intent is for the liaison to provide updates to the full Utilities Board to ensure Utilities Board expectations are met. The proposed change specifies that the UPAC liaison is expected to attend the regularly scheduled UPAC meetings. At the regular Utilities Board meeting, the UPAC liaison is expected to provide updates from the UPAC.

The Utilities Board Bylaws Update was approved unanimously on a vote of 7-0 after a motion by Board Member Helms and a second by Board Member Henjum. Board Members Leinweber were O'Malley excused.

10. Board Member Updates

Board Member Helms said that State House bill 1040 has deemed nuclear energy is clean energy. Fiber installation is just under 20,000 residences currently. He congratulated the organization's team, and said that installations are going along quite well.

Board Member Risley asked how the initiative to repeal Karman line would affect future infrastructure. Mr. Deal said that this situation is being monitored. As other conversations occur, this could impact what other capital projects look like and could potentially impact growth. Board Member Risley asked about the cost recovery piece. Mr. Deal said that bonding recovery is being stretched.

Ms. Fabos expressed the City's gratitude and said that the City is very blessed to have the four-service utility that we have.

Board Chair Donelson said that the UPAC assignment will turn out to be a very important assignment and will have an impact over the next several years.

11. Summary of Board Actions

- Approval of Jan. 22, 2025, Utilities Board meeting minutes
- Approval of Reappointment of Kim Gortz to the Homestake Steering Committee
- Approval of Reappointment of Kim Gortz to the Board of Directors of the Aurora – Colorado Springs Joint Water Authority Board
- Approval of Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor. This item will move forward to the Feb. 25, 2025 City Council Consent Agenda.
- Approval of the Utilities Policy Advisory Committee's recommendation on the Nuclear Generation Assignment
- Approval to accept changes to the Utilities Board Bylaws Updates regarding the UPAC liaison

12. Adjournment

The meeting adjourned at 2:27 p.m.