

**Minutes
Finance Committee
Colorado Springs Utilities Board
March 11, 2022**

Committee members present via Microsoft Teams or Rosemont Conference Room:

Chair Nancy Henjum, Tom Strand and Dave Donelson

Committee Members Excused: Bill Murray

Staff members present via Microsoft Teams or Rosemont Conference Room: Sonya

Thieme, Natalie Watts, Tristan Gearhart, Mallorie Hansen, Danielle Nieves, Adam Hegstrom, Mike Francolino, Joe Awad, Scott Shirola, Cindy Newsome, Pattie Benger, and Bethany Schoemer

City of Colorado Springs staff members present via Microsoft Teams or Rosemont Conference Room: Chris Bidlack and Sally Barber

1. Call to Order

Committee Chair Nancy Henjum called the meeting to order at 12:00 p.m. and read a statement regarding the Colorado Open Meetings Law and the City Charter and noted that public comment would not be a part of the meeting.

2. Review Minutes

Minutes from the February 11, 2022 Finance Committee meeting were reviewed and approved for posting.

3. Compliance Reports

a. Risk Management City Auditor Report (I-4)

b. Asset Protection (I-8)

Mr. Tristan Gearhart, Chief Planning and Finance Officer, explained that there were no significant findings in the I-4 report from the City Auditor and explained the purpose of the I-8. Chair Henjum stated that the Cyber Security Framework was not updated in the planning horizon period that was listed in the report. Mr. Mike Francolino, Chief Customer and Corporate Services Officer, stated that we would get more details on that item and report back to the committee.

4. ECA/GCA Monitoring

Mr. Scott Shirola, Pricing and Rates Manager, gave an overview of natural gas and electric prices as of February 28, 2022. As of February 28, 2022, the ECA under collection balance was \$18.5 million. The under collection balance changed by \$2 million from the \$20.5 million under collection balance reported last month. As of February 28, 2022, the GCA under collection balance was \$25.3 million. The under collection balance changed by \$12.1 million from the \$37.4 million under collection balance reported last month. Mr. Shirola stated that in

the coming months they will be asking City Council to slightly modify the quarterly filing schedule to better align with peer utilities.

5. OCA Report Follow-up

Mr. Shirola gave an overview of City Parks Irrigation Funding and Regional Service and explained the Utilities Board current policy for water supply management (I-7). He said the Water Surplus Rate Resolution was approved by City Council on May 22, 2018, which generates surplus from actual sales of water within the City.

Mr. Shirola reviewed the history of water surplus, and explained Contract Service – Regional Tariffs, which was approved by City Council effective January 1, 2022.

6. 2022 Plan of Finance

Mr. Adam Hegstrom, Treasury Manager, gave a plan of finance overview, which is an annual strategic effort to effectively obtain and manage debt obligations to support Colorado Springs Utilities’ capital needs. He said the plan of finance efforts are dedicated to four key objectives, which he explained in detail:

1. Fund the debt-backed portion of Colorado Springs Utilities’ upcoming capital plan.
2. Manage and optimize Springs Utilities’ current debt portfolio.
3. Procure and manage debt-supporting instruments and ancillary services.
4. Manage credit rating agency relationships.
5. All action items to be presented for decision, and with greater detail, at later dates throughout 2022.

7. By Exception:

- a. **Financial Monitoring Update**
- b. **Enterprise Risk Management Report**
- c. **Year to Date Water Revenue**
- d. **Financial Forecast Dashboard**

8. Plan for Future Meeting: April 15, 2022

Chair Henjum requested that this committee begin to explore annexation costs and impacts. She would like to have additional information on projects in the pipeline and data for the cost to annex either at the May or June Finance Committee meetings.

9. Adjournment

The meeting adjourned at 1:54 p.m.