

**Minutes  
Finance Committee  
Colorado Springs Utilities Board  
April 14, 2023**

**Committee members present via Microsoft Teams or Rosemont Conference Room:**  
Committee Chair Nancy Henjum and Dave Donelson

**Staff members present via Microsoft Teams or Rosemont Conference Room:** Tristan Gearhart, Natalie Watts, Rich Norton Jr., David Longrie, Adam Hegstrom, John Hunter and Andie Buhl

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

**1. Call to Order**

Committee Chair Nancy Henjum called the meeting to order at 1:30 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 March 10, 2023 Finance Committee meeting were reviewed and approved for posting.

**3. Compliance Reports**

- a. I-2 Financial Condition and Activities (to include Contracts Over \$500,000)  
G-7 – Q4

Mr. Tristan Gearhart, Chief Planning and Finance Officer, reviewed the (I-2) which states:

*The Chief Executive Officer shall direct that financial condition and activities and actual expenditures are consistent with Board Expected Results. Accordingly, the CEO shall:*

1. *Operate within total appropriations for the fiscal year and inform the Utilities Board of:*
  - a. *Significant financial variances*
  - b. *Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater and common.*

- c. *Budget transfers and canceled major capital projects over \$500,000 in the Approved Budget or new major capital projects not funded in the Approved Budget.*
2. *Inform the Utilities Board of contracts that have been issued over \$500,000.*
3. *Invest funds in accordance with Bond Ordinance requirements and Utilities Investment Plan.*
4. *Ensure controls are in place for receiving, processing, or disbursing funds and allow only bonded personnel access to material amounts of funds.*
5. *Ensure receivables are resolved within a reasonable grace period.*
6. *Settle payroll and debts in a timely manner.*
7. *Ensure tax payments or other government ordered payments are timely and materially accurate.*
8. *Operate within Colorado State Procurement Code, Colorado Springs Utilities Procurement Code and Procurement procedures assuring legal and fiscal compliance with competitive acquisition practices, conflict of interest, favoritism and procurement from local vendors.*
9. *Inform the Utilities Board of significant financial impacts on the Municipal Government.*

Mr. Gearhart also reviewed the by exception item, Financial Forecast Dashboard: Executive Summary - Variance Analysis for the year ended Dec. 31, 2022, as it relates to the (I-2). He said this financial dashboard serves as an objective, easily readable analysis of the significant financial activities for the year-end Dec. 31, 2022.

Mr. Gearhart said the 2022 year-end total uses of funds is \$1.4 billion, a decrease of \$105.3 million or 7% from the 2022 approved budget. He said this decrease is a result of lower fuel operations and maintenance, capital projects, non-fuel operations and maintenance and franchise fees.

### **1. Electric Cost Adjustment (ECA)/Gas Cost Adjustment (GCA) Monitoring Update**

Mr. Scott Shirola, Pricing and Rates Manager, provided natural gas prices as of April 1, 2023, and highlighted prices during the heating season (November – March). He concluded with electric cost adjustment (ECA) and gas cost adjustment (GCA) projections for April 2023.

### **2. EIRP (Electric Integrated Resource Plan) Update**

Mr. David Longrie, Engineering Manager, said House Bill 19-1261 was adopted in May 2019 to reduce statewide greenhouse gas (GHG) emissions from 2005 levels:

- 26% by 2025
- 50% by 2030
- 90% by 2050

- To accomplish these goals, the utility sector is required to reduce emissions 80% by 2030.

Mr. Longrie said House Bill 21-1266 was adopted in July 2021 to clarify Clean Energy Plan (CEP) rules and timeframes. He said in June 2022, Springs Utilities voluntarily submitted a CEP to demonstrate 80% GHG reduction by 2030 and provide “safe harbor” from any additional reductions. He also reviewed a load forecast from 2023 to 2050.

Mr. Longrie explained resource adequacy for planning reserve margin and effective load carry capacity. He also explained generation resources – specifically power plant retirements:

- 2025 – Birdsall I and II (32 megawatts)
  - From 2035 in 2020 EIRP
- 2027 – Birdsall III (22 megawatts)
  - From 2035 in 2020 EIRP
- 2029 – Nixon I (195 megawatts)
  - No change

Mr. Longrie also reviewed potential new resources, a portfolio comparison, and proposed new resources through 2030. He concluded with timelines and processes for the Clean Heat Plan (CHP)/Electric Integrated Resource Plan (EIRP) and new resource acquisition procurement.

### **3. By Exception:**

- Financial Monitoring Update
- Enterprise Risk Management Report
- Year-to-Date Water Revenue
- Financial Forecast Dashboard

There were no additional comments.

### **4. Plan for Future Meeting: Monday, May 15, 2023**

The Finance Committee agreed to cancel future February and November meetings and instead, schedule longer Finance Committee meetings during budget season. The Finance Committee also agreed to present “By Exception” materials as needed instead of monthly.

### **5. Adjournment:** The meeting adjourned at 2:43 p.m.