



Minutes
Program Management Review (PMR) Committee
Colorado Springs Utilities Board
Rosemont Conference Room/Microsoft Teams
Thursday, Feb. 15, 2024

Committee members present via web conference or in the Rosemont Conference Room:
Committee Chair Michelle Talarico, David Leinweber and Randy Helms

Board members present via web conference of in the Rosemont Conference Room:
Nancy Henjum

Staff members present via web conference or in the Rosemont Conference Room:
Lisa Barbato, Tristan Gearhart, Mike Francolino, Somer Mese, Renee Adams, Joe Awad, Dave Padgett, Jacqueline Nunez, Jessie Marshall, Natalie Watts, Marcela Espinoza, Bethany Schoemer, Nicole Means, Kevin Binkley, Jessica Davis, Sarah LaBarre, Mark Peters, Gina Smith, Steve Duling, Crystal Cooley and Rich Norton

City of Colorado Springs staff members present via web conference or in the Rosemont Conference Room: Renee Congdon, Linda Helsley and David Beckett

Citizens present: None

1. Call to Order and Review Minutes

The meeting convened at 2:30 p.m. and Chair Michelle Talarico read a statement regarding the Colorado Open Meetings Law and City Charter and stated that public comment would not be a part of the meeting.

The minutes from the Nov. 8, 2023, Program Management Review Committee meeting were accepted for posting.

2. Sustainable Energy Portfolio

Ms. Jessie Marshall, Project Manager IV, gave an overview of the Sustainable Energy Plan (SEP). She explained the portfolio is a set of projects necessary to achieve the Utilities Board's direction as described in the Electric and Gas Integrated Resource Plans (IRP). Ms. Marshall discussed the acquisition of three request for proposals (RFP) and explained the timeline of the acquisition of new energy resources for 2024 through 2028.

Mr. Joe Awad, System Planning and Projects General Manager, discussed maintaining reliability in energy projects, including transmission substations, transmission lines, gas supply upgrades and the Drake demolition.

Committee Member Helms asked for an update on what to expect at the Drake Power Plant once the demolition has concluded. Board Member Henjum asked a question regarding Environmental Protection Agency (EPA) sampling at the site of Drake.

Mr. Awad reviewed the budget of the Sustainable Energy Plan (SEP). The total capital budget is roughly \$507 million, and the operation and maintenance (O&M) budget is roughly \$22 million. Committee Member Helms asked for the number of substations in the city, and Mr. Awad explained Colorado Springs Utilities has more than 50 substations.

Mr. Awad assessed the risks associated with the SEP, including price increases for labor and material, the availability of materials and labor resources, rate impacts, long lead times on equipment and material, regulatory and legislative drivers, system outage coordination and gas supply, among other reasons. Mr. Dave Padgett, General Manager of Project and Program Management, explained the reason for increases in demand for gas and transmission. Mr. Awad reviewed safety for Q4 of 2023. Lastly, Mr. Awad reviewed the next steps for new energy acquisition and energy projects.

3. Gas Distribution Integrity Management Program (DIMP) Construction Metrics Q4 2023

Mr. Mark Peters, DIMP Program Manager, gave an overview of the gas system. Springs Utilities has five gate stations receiving gas from the Kinder Morgan pipeline, with 2,530 miles of main piping, 176,000 miles of service lines and 223,000 metering points.

Mr. Peters explained to the committee that DIMP requirements come from federal regulations. The required elements of a program for all gas distribution operations include identifying threats, evaluating and ranking risks, identifying and implementing measures to reduce risk and other aspects. He reviewed the 2023 DIMP schedule wrap up and 2024 targets.

An area of concern for the program is regulatory clarity. Springs Utilities has been audited and has yet to see the results. The Colorado Public Utilities Commission (PUC) reviews our audits, and the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) provides the final overview. Ms. Crystal Cooley, Manager of Energy Control Operations Maintenance, discussed safety as it relates to DIMP.

4. 2023 Q4 Project Dashboard Review and Draft 2024 Project Dashboard

Mr. Steve Duling, Manager of Project Management, highlighted aspects of the dashboard, including energy projects, fiber, gas projects, water service projects for pumping stations, portable water tanks and the Clear Springs Ranch biogas project.

Ms. Gina Smith, Manager of Advanced Utilities Technology, reviewed the Advanced Metering Infrastructure (AMI) project. Springs Utilities is 54% complete for all system upgrades, and the organization is on track to complete electric and gas metering updates by the end of the year. Metering for water will continue into 2025.

Ms. Jessica Davis, Information Technology Manager, provided an update on the Infor project, which is planned to go live in July of this year. There was 96% accuracy with the first test for payroll, which Ms. Davis explained is a great result for their first test.

Mr. Awad addressed the various project managers and project designers attending the meeting online and thanked them for their work on projects.

5. Supply Chain Outlook

Mr. Rich Norton, Supply Chain General Manager, reviewed the global factors that impact the supply chain, including COVID-19, the Russian and Ukraine war, natural disasters, geopolitical instability and cybersecurity threats. He explained that lead times have improved in some respects, whereas specialized parts have longer timelines.

Mr. Norton reviewed the status of price. He has seen overall pricing coming down as volatility stabilizes, compared to the previous two years. Mr. Norton reviewed the current labor market. State unemployment rates have remained strikingly low. Consequently, in RFPs they are putting heavier ratings on a contractor's ability to have the adequate labor. Mr. Norton explained the actions his team has taken, including improving long-term planning, increasing the number of manufacturers, leveraging other utility companies, leveraging use of standard materials, assessing opportunities to hold more inventory, improving purchasing parameters and leveraging the distribution network.

6. Detailed Work Plan

Mr. Mike Francolino, Chief Enterprise and Customer Services Officer, reviewed the 2024 committee detailed work plan. He discussed his conversation with Committee Chair Talarico on the importance of utilizing tours to educate committee members. He explained this will build Board Members' experience and knowledge and help increase communication with their constituents.

Board Member Henjum asked which tours staff recommends for the upcoming year. Mr. Padgett listed several project sites that would be beneficial depending on the progress of the work. Ms. Lisa Barbato, Systems Planning and Projects Officer, recommended a tour of wastewater in the east side of the city. Mr. Francolino recommended doing the wastewater tour in August.

7. Closing Remarks and Adjournment

There were no closing remarks. The meeting adjourned at 3:56 p.m. The next meeting is May 21, 2024.