



Minutes
Strategic Planning Committee
March 9, 2023

Committee members present: Dave Donelson, Mike O'Malley and Wayne Williams

Staff members present: Monica Indrebo, David Padgett, David Longrie, Mike Francolino, Natalie Watts, Al Wells, Christian Nelson, Travas Deal, Lisa Barbato, Tristan Gearhart, Abigail Ortega, Kerry Baugh, Renee Adams, Brett Jackson, Matt Dudden, Leslie McKiernan, Larry Dunn and Joe Awad

City of Colorado Springs staff members present: David Beckett, Rhea Hendrixson, Bethany Burgess, Mari Deminski, Sally Barber and Renee Congdon

Citizens present: None

Call to Order

Chair Dave Donelson called the meeting to order at 4:00 p.m.

Review Minutes

The minutes from the Feb. 9, 2023, Strategic Planning Committee meeting were reviewed for posting and approved.

Compliance Reports

Ms. Natalie Watts, Manager of Strategic Planning and Governance, reviewed the 2022 ER: 1-3 Board Expected Results Scorecard and 2022 Balanced Scorecard Metrics. Notable low and high scores were highlighted and discussed in detail by respective Subject Matter Experts.

Clean Heat Plan (CHP) Update

Ms. Mari Deminski, Senior Attorney from the City Attorney's Office, reviewed the regulations for the Clean Heat Plan from Senate Bill 21-264 and clarified that emission reductions will need to be measured and verified as part of the process. The Clean Heat Plan must be submitted to the Air Pollution Control Division no later than Aug. 1, 2023 for verification.

Mr. David Longrie, Engineering Manager, discussed the regularity considerations and differences between Investor-Owned Utilities (IOU) and Colorado Public Utilities Commission (PUC). Colorado Springs Utilities, as a municipal utility, must set rules for compliance within legislative provisions that should show awareness of PUC direction as applicable. Mr. Longrie provided a few examples of rules or direction the Board must set. The first example is on the cost cap, so Springs Utilities' proposed direction is 2% of 2.5% of 2015 billed revenue from full-service gas customers (dependent on plan year). The

second, is clarifying the definition of full-service gas customers, so the Springs Utilities proposed direction defined a full-service customer as a customer who receives sales service from a utility excluding Part 98 reporters, power plants served by the local distribution company under the Clean Energy Program and transportation customers.

Mr. Longrie addressed that the CHP must include a robust public process to educate and bring awareness to customers of the requirements and incentives available. Stakeholders will be able to provide feedback for consideration before submittal of the CHP. The public process will also be reported back in detail to the Colorado Department of Public Health and Environment (CDPHE).

Mr. Longrie reviewed some of the planned tools for emissions reduction to include energy efficiency, beneficial electrification, and cost-effective leak reduction on the distribution system. Potential future solutions for further emissions reductions include biomethane, green hydrogen and recovered methane.

In April 2023, public engagement on the CHP will begin.

Regional Water Agreements

Ms. Jenny Bishop, Engineer IV, reviewed the three Regional Water Agreements for Donala, Triview and Security, and explained the agreements are managed under Board Policy I-7, which requires regional service contracts to provide a net benefit to Utilities and its ratepayers, appropriately balancing costs and risks, and recognizing historic and planned investments. It also requires an evaluation of impacts to system reliability, level of service, and resource availability based on a 10-year planning horizon.

Ms. Bishop reported on the agreement terms and conditions which include a 25-year term, and consent to convey, treat, and deliver water already owned by the entities. Springs Utilities may amend or renegotiate the agreement if the delivery requests exceed limits in the agreements or a different type of service is needed, or Springs Utilities may interrupt service if needed. There will be no negative impact to Springs Utilities. The Regional Water Service Financials are consistent with Regional Tariffs and Utilities Rules and Regulations Tariff. There will be approximately \$2.4 million in revenue each year once Triview begins receiving deliveries.

Next steps include presenting the agreements to the Utilities Board in March 2023 and then submitting agreements for consideration by City Council later in March 2023.

Plan for future meeting: April 13, 2023

The next meeting will address the I-12 Environmental Stewardship compliance report, the Water Integrated Resource Plan Update, Electric and Gas Integrated Resource Plan Update, and conservation.

Adjournment

The meeting adjourned at 5:06 p.m.