



**Utilities Policy Advisory Committee (UPAC)
Wednesday, July 5, 2023, 8:00 a.m. – 10:30 a.m.**

Blue River Board Room, 121 S. Tejon Plaza of the Rockies or Microsoft Teams

Join on your computer or mobile app

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Or call in (audio only)

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Agenda

- | | | |
|-------------------|--|------------|
| 8:00 a.m. | 1. Call to Order | |
| 8:05 a.m. | 2. Approval of June 7, 2023 UPAC Meeting Minutes | Decision |
| 8:10 a.m. | 3. Cost Recovery Mechanisms Assignment | |
| 10:15 a.m. | 4. Citizen Comment
Citizens can provide comment in person, by joining the meeting from computer or by phone using the link above. If you would like to speak during the citizen comment period, please sign up to speak through BoardSubmissions@csu.org prior to the meeting. | Discussion |
| 10:20 a.m. | 5. Committee Member General Discussion | |
| 10:25 a.m. | 6. Resolution of Appreciation for Ruth Ann Schonbachler | |
| 10:30 a.m. | 7. Adjournment | |

Next meeting: Aug. 2, 2023

Note: UPAC Bylaws, Rule 6: Customer and Public Comment: (b) At the discretion of the Chair, or the majority of the Committee Members present, customers and members of the public will be allowed to comment or ask questions concerning items discussed at regular meetings or concerning matters discussed at special meetings. Comments or questions by individuals will be limited to five minutes each, and all customer or public comments will not exceed twenty minutes on any agenda item unless time is extended by the Chair or majority of the Committee Members present.



Minutes
Utilities Policy Advisory Committee (UPAC)
Wednesday, June 7, 2023
Blue River Boardroom, 5th floor, 121 S. Tejon St., Colorado Springs, CO
and Microsoft Teams Virtual Meeting

Committee members present in the boardroom or via Microsoft Teams: Chair Larry Barrett, Vice Chair Hilary Dussing, Gary Burghart, Katherine Danner, Chris Francis, Ruth Ann Schonbachler, Scott Callihan and Scott Smith

Committee members excused: Michael Borden

Staff members present in the Boardroom or via Microsoft Teams: Al Wells, Monica Indrebo, Christian Nelson, Todd Sturtevant, Natalie Watts, Tara McGowan, Scott Shirola, Tristan Gearhart, Travas Deal, Justin Fecteau, Kyle Wilson, Pattie Benger, Tim Benedict, Matt Dudden, Matthew Thieme, Thad Clardy, JerrieAnn LaLond, Danielle Nieves, Gabe Caunt, Andie Buhl and Leslie Smith

City of Colorado Springs staff present in the boardroom or via Microsoft Teams: David Beckett, Chris Bidlack, Nancy Henjum, Dave Donelson, Steve Rossoll, Lynette Crow-Iverson and Michelle Talarico

Citizens Present: Greg Barbuto, Lee Fadil, Lisa Corbett, Joe Loidolt, Dave Dazlich and Kevin Walker

1. Call to Order

Chair Larry Barrett called the meeting to order at 8:01 a.m. and called the roll.

2. Approval of May 3, 2023, UPAC Meeting Minutes

Committee Member Dussing made a motion to approve the May 3, 2023 meeting minutes and Committee Member Danner seconded the motion. The motion carried unanimously.

3. Cost Recovery Mechanisms Assignment: Background

Mr. Scott Shirola, Manager of Pricing and Rates, reviewed the purpose of the cost recovery assignment, which is to provide a recommendation to the Utilities Board on whether Colorado Springs Utilities should revise and/or establish a new cost recovery policy. New regulations, changes in customer behavior, industry transformation and community planning and growth changes has spurred the need for this assignment.

Public Input Recap

Mr. Christian Nelson, Public Affairs Lead, provided an overview of the stakeholder input process, which involved the city of Colorado Springs Planning and Community Development, City of Colorado Springs Economic Development Office, the Housing and Building Association, and the Pikes Peak Association of Realtors. Mr. Nelson reported no solicited feedback has been received other than in coordination with the different city departments and representatives from organizations in the City.

Draft Recommendation

Mr. Shirola reviewed the draft recommendation process beginning with an explanation of the scorecard metric. Based on the scorecard metric, the current and recommended system extension and capacity fees for electric, natural gas, water, and wastewater were scored for comparison and consideration.

Ms. Tara McGowan, Engineering and Design Manager, reviewed the incentives for infill, densification, redevelopment and utility efficiency. The incentives were discussed in detail with the committee. Committee member Danner made a motion to adopt all four incentive categories. Vice Chair Dussing seconded the motion and the motion passed unanimously.

Upon review of the cost recovery proposals with the scoring metrics applied on all utility services, the committee discussed each item in detail and moved into voting on recommendations.

Electric Service Cost Recovery

System Extension Fee

Vice Chair Dussing motioned to adopt cost recovery fee for system extension fees for the electric service. Committee Member Danner seconded the motion. The motion passed unanimously.

Capacity fee: Existing System

Committee Member Schonbachler motioned not to adopt a cost recovery fee for capacity: existing system. Committee Member Danner seconded the motion not to adopt the fee. The motion to not adopt this fee failed. Vice Chair Dussing motioned to adopt a cost recovery fee for capacity regarding the existing system. Committee Member Burghart seconded her motion. The committee voted three in favor and three opposed and the motion failed. UPAC voted for no capacity fee for the existing system under electric service.

Capacity fee: Planned Additions

Committee Member Burghart motioned to adopt a capacity fee regarding planned addition for the electric service. Vice Chair Dussing seconded the motion. The motion passed, four in favor and one opposed, to recommend a capacity fee for planned additions for the electric service.

Natural Gas Service Cost Recovery

System Extension Fees

Vice Chair Dussing motioned to adopt a cost recovery fee for the natural gas system extension. Committee member Smith seconded the motion. The motion to adopt a cost recovery fee for system extension of the Natural Gas service passed unanimously.

Capacity Fee: Existing System

Committee member Burghart motioned to adopt a capacity fee for the existing natural gas system. Vice Chair Dussing seconded the motion. The motion passed to adopt a capacity fee for the existing natural gas system.

Capacity Fee: Planned Additions

Committee member Burghart motioned to adopt a capacity fee for planned additions for the natural gas service. Committee member Schonbachler seconded the motion. The motion to adopt a capacity fee for planned additions to the natural gas service passed unanimously.

Water Cost Recovery

Capacity Fee: Planned Additions

Committee member Burghart motioned to adopt a capacity fee for planned additions for the water service. Committee member Danner seconded the motion. The motion to adopt a capacity fee for planned additions for water service passed unanimously.

Wastewater Cost Recovery

Capacity Fee: Planned Additions

Committee member Burghart motioned to adopt a capacity fee for planned additions for the wastewater service. Committee member Danner seconded the motion. The motion to adopt a capacity fee for wastewater service passed unanimously.

The committee took a recess from 10:11 a.m. to 10:21 a.m. MST.

Mr. Shirola discussed the review and design fee recommendation. At the May 3, 2023 UPAC meeting, a motion was approved recommending an update to review and design fees to fully recover appropriate costs, including updating existing fees to current costs and the addition of new fees for services currently provided without a fee.

Mr. Shirola provided an overview of the recommendation UPAC will make to the other committees and to the Utilities Board. The committee suggested clarifying language regarding the approved motions for water and wastewater.

Roadmap

Mr. Shirola reviewed the roadmap where the committee will present their recommendations to the Finance Committee and Strategic Planning Committee prior to presenting their recommendation to the Utilities Board. The committee presentations

will take place in June. In July, a finalized recommendation will be provided to the Utilities Board.

4. Citizen Comment

Mr. Joe Loidolt, Board Member from The Housing and Building Association, voiced concerns over public comment occurring after the committee already voted. Mr. Loidolt also raised an issue over the affordability impact to new home buyers who will be impacted by these new fees.

5. Committee Member General Discussion

Committee member Smith requested the opportunity to review several detailed financial documents. Staff will provide the financial information to all members of the committee.

Committee member Schonbachler reviewed the process of this assignment and the input previously received from stakeholders earlier on in the assignment.

Chair Barrett thanked staff for all their work on this assignment.

Ms. Watts, Strategic Planning and Governance Manager, provided two brief updates. The UPAC webpage on csu.org has been updated with headshots and bios of all the committee members. Ms. Watts thanked the committee for their collaboration on the special project. The second update is that the UPAC Administrator, Ms. Monica Indrebo, will be resigning at the end of June and Ms. Marcela Espinoza will take over beginning in July.

6. Adjournment

Chair Barrett adjourned the meeting at 10:38 a.m.

Next meeting: Wednesday, July 5, 2023, at 8:00 a.m.

RESOLUTION NO. 23-01

A RESOLUTION OF APPRECIATION FOR UTILITIES POLICY ADVISORY COMMITTEE MEMBER RUTH ANN SCHONBACHLER

WHEREAS, Ruth Ann Schonbachler was a valuable alternate and regular member of the Utilities Policy Advisory Committee (UPAC) since 2021; and

WHEREAS, Ms. Schonbachler brought to UPAC her many years of business experience to expertly lead multiple UPAC assignments and skillfully present UPAC's recommendations at Utilities Board meetings; and

WHEREAS, Ms. Schonbachler consistently provided excellent leadership and demonstrated integrity and commitment to the success of UPAC; and

WHEREAS, In her capacity as a UPAC member, Ms. Schonbachler showed true commitment to Colorado Springs Utilities, its customers and stakeholders, Colorado Springs residents and other important constituencies by dedicating countless hours to working on assignments; and

WHEREAS, Ms. Schonbachler brought valued insight, experience, energy, passion and dedication in carrying out her responsibilities as a UPAC member, resulting in a positive effect on this community.

NOW, THEREFORE, BE IT RESOLVED BY THE COLORADO SPRINGS UTILITIES POLICY ADVISORY COMMITTEE:

That the Utilities Policy Advisory Committee extends its appreciation and gratitude to Ms. Schonbachler for her faithful and outstanding service on the Utilities Policy Advisory Committee. We are better because of your efforts.

Dated at Colorado Springs, Colorado this 5th day of July, 2023.

By: _____

Larry Barrett, Utilities Policy Advisory Chair