



Minutes
Utilities Policy Advisory Committee (UPAC)
Wednesday, March 2, 2022
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 Gary Burghart, Vice Chair Larry Barrett, Rex Adams, Hilary Dussing, Chris Francis, Katherine Danner, Michael Borden, and Alternate Member Ruth Ann Schonbachler

Committee members excused: Scott Callihan

Staff members present in the boardroom or via Microsoft Teams: Cindy Newsome, Natalie Watts, Kerry Baugh, Al Wells, Kim Gortz, Pat Wells, Thad Clardy, Joe Marcotte, Pattie Benger, Abigail Ortega and Christian Nelson

City of Colorado Springs staff present in the boardroom or via Microsoft Teams: David Beckett

1. Call to Order

Chair Gary Burghart called the meeting to order at 8:03 a.m.

2. Approval of February 2, 2022 UPAC Meeting Minutes

Vice Chair Larry Barrett motioned, and Committee Member Michael Borden seconded the motion to approve the February 2, 2022 meeting minutes. The minutes were unanimously approved with a voice vote.

3. Citizen Comment

None

4. Water Acquisition Funding Assignment

Ms. Kim Gortz, Water Planning Resource Supervisor, provided a recap of the February 2 UPAC meeting work session, including water acquisition guiding principles. She then provided an overview of resource requirements, funding structures and cost of resources, including water rights and system development costs for peer utilities. Ms. Gortz explained various types of funding mechanisms and responded to questions from Vice Chair Barrett regarding collection amounts of the Water Resource Fee and history of water acquisition costs.

Ms. Gortz and Ms. Pattie Benger, Public Affairs Specialist, responded to committee member questions regarding the Water Resource Fee, clarifying that the fee only applies to developers in relation to growth. Ms. Gortz responded to committee member

questions regarding tap fees and development fees, the Water Reserve Fund in relation to the Water Resource Fee and growth.

Mr. David Beckett, Senior Attorney, Office of the City Attorney, clarified that the Water Resource Fee were part of the 2022 Rate Case, approved by the City Council on Nov. 23, 2021.

Ms. Gortz discussed the guidelines provided by the Integrated Water Resource Plan (IWRP). She then responded to Chair Burghart's question regarding updates to the IWRP, finally reviewing funding frameworks and water acquisition funding considerations.

Mr. Thad Clardy, Principal Pricing Analyst, explained the alignment of funding and rate making principles, including resource efficiency, equitability for all customers, revenue stability, customer bill stability and customer satisfaction. Mr. Clardy then discussed inherent tradeoffs of different approaches.

Committee members requested additional information regarding revenue raised by development fees, tap fees and the amount needed for water rights acquisition.

Mr. Pat Wells, General Manager, Resource and Demand Management, responded to committee member questions regarding system planning based on growth and resiliency.

Ms. Gortz concluded with next steps for the Water Acquisition Funding assignment.

5. Committee Member General Discussion

Chair Burghart commented that all customers are affected by water availability and climate and that he supports efforts to build our water portfolio and to act quickly to acquire water rights.

Mr. Christian Nelson, Public Affairs Lead, responded to Chair Burghart's question regarding public input around the Water Acquisition Fund. He discussed public process and education regarding the water system.

6. Adjournment

Chair Burghart adjourned the meeting at 9:31 a.m.

Next meeting: Wednesday, April 6, 2022 at 8:00 a.m.