



**Minutes**  
**Utilities Policy Advisory Committee (UPAC)**  
**Wednesday, June 7, 2023**  
**Blue River Boardroom, 5<sup>th</sup> 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.