

AGENDA

Monday, December 12, 2022

1:00 p.m. or as soon as City Council Work Session has concluded

Join on your computer or mobile app

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Or call in (audio only)

[+1 720-617-3426,,279610630#](tel:+17206173426,279610630)

- | | | | |
|------------------|-----------|--|---|
| 1:00 p.m. | 1. | Call to Order | Chair Wayne Williams |
| 1:05 p.m. | 2. | <p>Executive Session</p> <p>In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Act, C.R.S. § 24-6-402(4)(b) and Utilities Board Bylaw Rules 10(c)(2), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session. The issue to be discussed involves consultation with the City Attorney and retained counsel for the purpose of receiving legal advice on a specific legal question related to a water law issue.</p> | <p>Bethany Burgess,
Division Chief
– Utilities,
Office of the
City Attorney</p> |

The City Attorney’s Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

1:35 p.m.	2.	Invocation and Pledge of Allegiance		
1:45 p.m.	3.	Consent Calendar These items will be acted upon as a whole, unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)	Chair Wayne Williams	
		3a. Approval of Minutes: November 16, 2022 3b. Resolution of Appointment for New UPAC Alternate Member Scott Smith 3c. (E-2.3) 2023 Policy Governance Monitoring Report Frequency and Method 3d. (P-1.2) 2023 Annual Board Agenda Planning Calendar 3e. (P-5.4) 2023 Committee Work Plans	Chair Wayne Williams	Approval
1:55 p.m.	5.	Customer Comments <ul style="list-style-type: none"> • During the customer comment period, comments are accepted for any topic not on the agenda. • Comments for specific agenda items will be taken following the presentation of the item and the Board’s discussion. • Comments will be limited to three minutes per speaker, per item. • Following the comments from customers that have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment. 	Chair Wayne Williams	Information
2:05 p.m.	6.	Compliance Reports: (I-1) Pricing of Services: G-5, G-6 E-2 CEO Responsibilities <ul style="list-style-type: none"> • Water Outlook 	Travas Deal, Acting Chief Executive Officer	Monitoring
2:15 p.m.	7.	Items Called Off Consent Calendar		
2:25 p.m.	8.	(P-5.4) 2022 Utilities Board and Committee Accomplishments	Natalie Watts, Strategic	Discussion

			Planning and Governance Manager	
2:35 p.m.	9.	Amendment to Water Rights Purchase and Sale Agreement	Abby Ortega, General Manager of Water Resources and Demand Management	Discussion
2:45 p.m.	10.	An Ordinance Pertaining to the Extension of Water Service	Lisa Barbato, Chief Systems Planning and Projects Officer Abby Ortega, General Manager of Water Resources and Demand Management	Discussion
3:15 p.m.	11.	CEO Recruitment Update	Board of Directors	Approval
3:45 p.m.	12.	Board Member Updates	Board of Directors	Information
3:55 pm.	13.	Executive Session In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Act, C.R.S. § 24-6-402(4)(b), (f), and (g) and Utilities Board Bylaw Rules 10(c)(2), (6), and (7), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session. The issue to be discussed involves conferences with the City Attorney’s Office for the purpose of receiving legal advice on specific legal questions, a personnel matter, and consideration of documents protected by the mandatory nondisclosure provisions of part 2 of article 72 of	Bethany Burgess, Division Chief – Utilities, Office of the City Attorney	

title 24 of the Colorado Revised Statutes, all involving the Chief Executive Officer position.

The City Attorney's Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

**4:55
p.m.**

14. Adjournment

Chair Wayne
Williams

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, Nov. 16, 2022

Utilities Board members present via Microsoft Teams or Blue River Conference Room:

Chair Wayne Williams, Vice Chair Mike O'Malley, Dave Donelson, Randy Helms, Bill Murray, Nancy Henjum, Tom Strand, Stephannie Fortune and Yolanda Avila

Staff members present via Microsoft Teams or Blue River Conference Room: Aram Benyamin, Tristan Gearhart, Travas Deal, Lisa Barbato, Renee Adams, Mike Francolino, Travas Deal, Bethany Schoemer, Scott Shirola, Natalie Watts, Sean Frech, Melissa Brown, Shelly Dornick, Al Wells, Andie Buhl, Heather Harvey, Jonathan Liepe, Tara Russell and Abby Ortega

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: Mayor John Suthers, Jeff Greene, Bethany Burgess, Alex Ryden, Chris Bidlack, Tracy Lessig, Mari Deminski, Ryan Trujillo, Ben Bolinger, Renee Congdon, Marc Smith and David Beckett

Citizens present via Microsoft Teams or Blue River Conference Room: Rabbi Michael Schoening, Pam Zubeck, Gary Burghart, Scott Smith, Kevin Walker, Mike Ruebenson, Doug Quimby, Tim Seibert, Don Gravette and Pete Page

1. Call to Order

Chair Wayne Williams called the Utilities Board meeting to order at 11:32 a.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

2. Executive Session

Ms. Bethany Burgess, City Attorney – Division Chief, read the following language to enter Executive Session:

In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Act, C.R.S. § 24-6-402(4)(b), (e), and (f) and Utilities Board Bylaw Rules 10(c)(2), (5), and (6), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session. The issue to be discussed involves conferences with the City Attorney's Office for the purpose of receiving legal advice on specific legal questions, developing strategy for negotiations and instructing negotiators, and a personnel matter all involving the Chief Executive Officer position.

The City Attorney's Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

Ms. Burgess polled the Utilities Board and they voted unanimously to enter Executive Session at 11:37 a.m. They exited Executive Session and took a break at 1:03 p.m. The Utilities Board returned to Open Session at 1:30 p.m.

3. Invocation and Pledge of Allegiance

Rabbi Michael Schoening from the Olive Tree Messianic Synagogue delivered the invocation and Chair Williams led the Pledge of Allegiance.

4. Consent Calendar

3a. Approval of Minutes: October 19, 2022

3b. A Resolution Appointing Andrew Funchess to the Fountain Valley Authority Board

3c. A Resolution Appointing Natalie Lovell to the Fountain Valley Authority Board

3d. A Resolution Re-Appointing Bryan Babcock to the Homestake Steering Committee and the Aurora-Colorado Springs Joint Water Authority

Board Member Strand moved approval of the Consent Calendar and Board Member Murray seconded the motion. The Consent Calendar was unanimously approved.

5. A Resolution of Appreciation for Outgoing CEO Aram Benyamin

Chair Williams read the Resolution of Appreciation for Outgoing Chief Executive Officer, Aram Benyamin. He moved approval of the resolution and Vice Chair O'Malley seconded the motion. It was unanimously approved.

Each Board Member thanked Mr. Benyamin for his leadership and service to the community.

Mr. Scott Smith expressed thanks to Mr. Benyamin on behalf of the Housing and Building Association (HBA).

Mr. Jeff Greene, City Chief of Staff, expressed gratitude for working with Mr. Benyamin and wished him luck with his future endeavors.

Mr. Benyamin expressed appreciation for his family, staff and members of the Utilities Board for supporting him throughout his duration at Springs Utilities.

6. Customer Comments

There were none.

7. Compliance Reports

- I-10 Treatment of Staff
- I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 – Q3
- E-2 CEO Responsibilities
 - Water Outlook

Chair Williams explained that compliance reports are on the agenda by exception and asked if there were any questions. There were none.

8. Items Called Off Consent Calendar

None

9. An Ordinance Pertaining to the Extension of Water Service

Ms. Abby Ortega, General Manager of Water Resources and Demand Management, explained issues/drivers, uncertainties and monthly water storage amounts and percentages of capacity based on the current situation of the Colorado River. She also explained the current City Code, 7.6.203: Conditions for Annexation, and proposed ordinance language.

Ms. Ortega defined surplus and the margin of risk tolerance:

- Current proposal is 130% of current usage
- Gives a longer-term consideration of risks
- In line with other water providers

Ms. Ortega also defined Reliably Met Demand (RMD), which is the maximum annual demand that can reliably be met by the water system while maintaining the three Level of Service (LOS) criteria through selected risks over a 10-year period. She said LOS must:

- Maintain at least 1.5 years of demand in storage 90% of the time
- Maintain a minimum of one year of demand in storage 100% of the time
- Ensure water for indoor use 100% of the time

Ms. Ortega said the water system performance and the resulting yield is reliant on water rights (legally available), hydrology (physically available) and infrastructure, which is a calculated RMD of 95,000 acre-feet (AF).

Ms. Ortega explained how Springs Utilities defines usage (i.e. demand) as potable water distribution system deliveries as measured by water available to the system. She said for consideration of surplus, Springs Utilities is evaluating several

alternatives`. Ms. Ortega explained customer usage patterns and trends for water and concluded with Colorado River contingency planning – specifically, based on supply and demand options:

- Increased water conservation and efficiency
- Diversification of water supplies
- Pursue additional storage

The Utilities Board took a break at 3:26 p.m. and reconvened at 3:44 p.m.

Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, reviewed customer feedback about the water ordinance. She said the customer survey was conducted from Oct. 24, 2022 – Nov. 10, 2022. She explained the demographics of respondents, questions asked by Springs Utilities, and customer themes based on the survey responses.

Customer comment:

Mr. Kevin Walker provided input from the perspective of the HBA about future annexations based on the water ordinance.

Mr. Mike Ruebenson and Mr. Doug Quimby expressed concerns about the water ordinance and how it impacts developers. They explained alternatives for the Utilities Board and City Council to consider.

Mr. Tim Seibert discussed future housing developments and how the water ordinance impacts them.

10. Electric and Gas Cost Adjustments Update

Mr. Scott Shirola, Pricing and Rates Manager, explained the natural gas prices as of Nov. 1, 2022 and highlighted prices during the heating season (November – March). Mr. Alex Baird, Fuels and Powers Purchasing Manager, reviewed changes in natural gas production, prices, and Liquefied Natural Gas exports from 2001 to present day.

Mr. Shirola reviewed Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) projections for November 2022. He concluded with seasonal residential bill impacts, sample total monthly bills, and customer financial assistance programs.

The Utilities Board agreed to put this item on Consent for the Nov. 22, 2022 City Council meeting.

11. Colorado Springs Underground Damage Prevention Safety Program Update

Ms. Melissa Brown, Energy Regulatory and Compliance Manager, introduced Ms. Shelly Dornick, Regulatory and Compliance Program Manager, and Mr. Sean Frech, Senior Regulatory and Compliance Specialist, who oversee the Underground Damage Prevention Safety Program at Springs Utilities.

Ms. Dornick reviewed the history of the Underground Damage Prevention Safety Program at Springs Utilities. She said the program centers around educational efforts within the community, and reviewed attendee lists over the years. Ms. Dornick reviewed total damages per 1,000 locate tickets from 2020 – 2022. Ms. Dornick concluded with audit results from the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA):

- On Sept. 9, 2022, the PHMSA conducted an evaluation of the Colorado Division of Oil and Public Safety’s and the City of Colorado Springs’ enforcement of the Colorado excavation damage prevention law.
- Based on this evaluation, PHMSA has determined that the enforcement of Colorado’s excavation damage prevention law is “adequate.”
- Additional observations:
 - The Colorado State Safety Commission was advised to model their remediation process after the Colorado Springs process.
 - Colorado received a near perfect score.

12. 2023 Proposed Strategic Plan and Enterprise Scorecard

Chair Williams requested the proposed 2023 Strategic Plan and Scorecard be by exception only. Board Member Murray moved approval of the 2023 proposed Strategic Plan and Enterprise Scorecard and Board Member Helms seconded the motion. It was unanimously approved.

13. Continuation of Executive Session, if needed

Chair Williams deferred continuation of Executive Session.

14. Appointment of Acting Chief Executive Officer

Board Member Henjum moved approval of appointing Mr. Travas Deal, Chief Operations Officer, as acting Chief Executive Officer effective Dec. 1, 2022. Board Member Donelson seconded the motion, and it was unanimously approved.

15. Compensation for Acting Chief Executive Officer

Vice Chair O’Malley moved approval of compensating the acting CEO an additional 10% salary raise on top of his current salary. Board Member Strand seconded the motion, and it was unanimously approved.

Customer comment:

Mr. Pete Page provided input on behalf of the Colorado Springs Utilities Retirement Association about the organization’s CEO recruitment process – specifically, candidate selection.

Mr. Deal provided a brief update about stolen work vehicles and employee safety.

The Utilities Board took a break at 5:27 p.m. and returned at 5:58 p.m.

16. Chief Executive Officer Recruitment Process

Ms. Renee Adams, Chief Administrative and Human Resources Officer, reviewed the job search goals for Springs Utilities' CEO, as well as the proposed applicant requirements. The Utilities Board reviewed and discussed changes to the job description.

Board Member Donelson moved approval of the Utilities Board using an internal recruitment process. Vice Chair O'Malley seconded the motion, and it was unanimously approved.

Vice Chair O'Malley moved approval of the CEO job posting to be both internal and external. Board Member Donelson seconded the motion, and it was unanimously approved.

Vice Chair O'Malley moved approval of the CEO job description language as presented or as modified at the dais. Board Member Strand seconded the motion, and it was unanimously approved.

Vice Chair O'Malley moved approval of the CEO salary range—\$450,000/yr. - \$520,000/yr.—be included in the job posting. Board Member Helms seconded the motion, and it was unanimously approved.

Vice Chair O'Malley moved approval of the outlined timeline that was presented for the CEO recruitment and selection process. Board Member Strand seconded the motion, and it was unanimously approved.

The Utilities Board agreed to the tiered ranking system for CEO candidates and requested to see all applications. Staff will rank the candidates based on the criteria the Board approved into three levels: Tier I, Tier II and Tier III.

17. Board Member Updates

The Utilities Board discussed changing the date of the December Utilities Board meeting, as well as its agenda.

Board Member Henjum shared feedback from Vice Chair O'Malley's District 6 Townhall, and thanked staff for coordinating it.

Chair Williams provided an update from the County Commissioners meeting he and Ms. Barbato attended on Monday, Nov. 14, 2022. He also thanked staff for their continuous hard work.

18. Adjournment

The meeting adjourned at 6:50 p.m.

Board Memo Agenda Item

Staff Report

Date: Dec. 12, 2022
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: A Resolution of Appointment for Scott Smith as Alternate Member of Utilities Policy Advisory Committee (UPAC)

NARRATIVE:

Desired Action: Approval (on Consent)

Executive Summary: A vacancy for an alternate member for the Utilities Policy Advisory Committee (UPAC) needs to be filled. Pursuant to UPAC Bylaws, vacancies will be filled by Utilities Board appointment. Based on a candidate application and interview process, Utilities Board Chair Wayne Williams and Vice Chair Mike O'Malley and UPAC Chair Gary Burghart recommend Scott Smith to fill the vacant alternate member position.

The UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities.

The Utilities Board may appoint alternate UPAC members to gain experience and observe UPAC's seven regular (voting) members' deliberations and actions. The UPAC Bylaws provide that the UPAC, when considering all its members, shall comprise balanced professional, business, and community perspectives.

Benefits: N/A

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff that supports these two bodies.

Alternatives: The Utilities Board may fill the vacancy with either a different alternate member or another eligible candidate.

Submitter: Kerry Baugh	Email address: kbaugh@csu.org
Division/ Department: Strategic Planning and Governance	Phone number: 719-668-3810
	Date submitted: Nov. 29, 2022

SPG Staff Use Only: Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	ITEM NO. 3
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RESOLUTION #22-14

**A RESOLUTION OF THE COLORADO SPRINGS
UTILITIES BOARD APPOINTING SCOTT SMITH AS AN ALTERNATE COMMITTEE MEMBER OF
THE
UTILITIES POLICY ADVISORY COMMITTEE (UPAC)
EFFECTIVE January 1, 2023**

WHEREAS, the Utilities Policy Advisory Committee (UPAC) is composed of residents appointed by the Utilities Board; and

WHEREAS, the UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities; and

WHEREAS, an alternate member vacancy currently exists, and

WHEREAS, Scott Smith is eligible and willing to accept appointment as an alternate member.

NOW, THEREFORE, BE IT RESOLVED BY THE COLORADO SPRINGS UTILITIES BOARD:

Scott Smith is hereby appointed as an alternate committee member of the Utilities Policy Advisory Committee effective January 1, 2023.

Dated at Colorado Springs, Colorado this 12th day of December 2022.

BY _____
Wayne Williams, Chair of the Utilities Board

ATTEST:

_____ Travas Deal, Acting Secretary

Utilities Policy Advisory Committee Members

Categories and Terms

As of November 30, 2022

All regular members begin with one, three-year term. The member may be reappointed by the Utilities Board for up to two additional three-year terms. No member may consecutively serve more than three, three-year terms. Vacancies will be filled for the unexpired term by Utilities Board appointment. The Utilities Board may fill any vacancy with either an alternate or another selected candidate.

Up to two Committee members may reside outside of the corporate limits of the City of Colorado Springs, so long as either (1) the member resides within Springs Utilities service area for at least one utility service, or (2) the member resides in El Paso County and works at business or organization premises located inside the corporate limits of the City of Colorado Springs.

The Committee, when considering all of its members, shall comprise balanced professional, business and community perspectives.

Regular Members	Original Appt.	Exp. Of Term	Re Appt.	Exp. Of Term	Re Appt.	Exp. Of Term	Re Appt.	End of Eligibility
Burghart	9/30/17	9/30/20	9/30/20	9/30/23			N/A	9/30/26
Barrett	10/17/18	9/30/20	9/30/20	9/30/23			N/A	9/30/26
Dussing	5/01/21	9/30/22	9/30/2022	9/30/2025				9/30/30
Borden	9/30/21	9/30/24						9/30/30
Danner	9/30/21	9/30/24						9/30/30
Francis	9/30/21	9/30/24						9/30/30
Schonbachler	9/30/22	9/30/23						9/30/31
Alternate Members								
Cahill	9/30/21	N/A						
Smith	1/1/2023	N/A						

Board Memo Agenda Item

Staff Report

Date: Dec. 12, 2022

To: Utilities Board

From: Travas Deal, Acting Chief Executive Officer

Subject: Policy Governance Compliance Report Frequency and Method (G-3)

NARRATIVE:

Desired Action: Approval (on Consent)

Executive Summary: The Strategic Planning Committee reviewed the Policy Governance Compliance Report Frequency and Method (G-3) at the Nov. 10, 2022 meeting. The schedule for compliance report review and method of inspection is determined by the Utilities Board.

The Utilities Board/Chief Executive Officer Partnership Expectations (E) 2.3 policy states: “The Chief Executive Officer supports the Utilities Board responsibility of organizational oversight by providing policy compliance reports in Utilities Board meeting materials following a schedule and procedure approved annually by the Utilities Board.” The frequency and method of inspection is described in the attached Excellence in Governance Compliance Report Frequency and Method Guideline (G-3).

Benefits: N/A

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: Colorado Springs Utilities Board and employees

Alternatives: The Board may retain or change the policy on frequency and method of inspection of monitoring reports at the Dec. 12, 2022 Utilities Board meeting or any time during the year through Board action.

Submitter: Monica Indrebo	Email address: mindrebo@csu.org
Division/ Department: Strategic Planning and Governance	Phone number: 719-668-3815
	Date submitted: Oct. 31, 2022

SPG Staff Use Only: Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	ITEM NO. 3
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GUIDELINES

Guideline:	Compliance Report Frequency and Method (G-3)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Organizational Oversight (E-2.3)	Revision Date:	December 12, 2022
		Revision Number:	2

Compliance Report Frequency and Method

<u>Policy</u>	<u>Method</u>	<u>Frequency</u>
I - 1 Pricing of Services	Internal	Annual
I - 2 Financial Condition and Activities	Internal City Auditor	Quarterly Annual
I - 3 Financial Planning and Budgeting	Internal	Annual
I - 4 Risk Management	Internal City Auditor External	Semi-Annual Annual Years ending in 0 or 5
I - 5 Economic Development	Internal	Annual
I - 6 Infrastructure	Internal	Semi-Annual
I - 7 Water Supply Management	Internal	Annual
I - 8 Asset Protection	Internal City Auditor	Semi-Annual Annual
I - 9 Treatment of Customers and Customer Information	Internal	Annual
I - 10 Treatment of Staff	Internal	Annual
I - 11 Compensation and Benefits	Internal	Annual
I - 12 Environmental Stewardship	Internal	Annual
I - 13 Community Investment	Internal	Annual
I - 14 Enterprise Innovation	Internal	Annual

Board Memo Agenda Item

Staff Report

Date: Dec. 12, 2022

To: Utilities Board

From: Travas Deal, Acting Chief Executive Officer

Subject: (P-1.2) 2023 Annual Board Agenda Planning Calendar

NARRATIVE:

Desired Action: Approval (on Consent)

Executive Summary: The Strategic Planning Committee reviewed the 2023 Utilities Board Agenda Planning Calendar at their Nov. 10, 2022 meeting. The 2023 Utilities Board Agenda Planning Calendar includes dates for Utilities Board meetings; scheduled compliance reports; CEO Performance Evaluations; ECA/GCA reports; and the 2023 budget and rate schedule. Additional committee and Utilities Board meetings may be scheduled in 2023. The Agenda Planning Calendar will include any changes the Board makes in the compliance report frequency and method of inspection.

Benefits: N/A

Board Policy: (P: 1-5) Committee Purpose, Structure and Operation (G-2)

Cost/Budget: N/A

Affected Parties: Colorado Springs Utilities Board and employees

Alternatives: The Board may make changes to the 2023 Agenda Planning Calendar or approve as drafted.

Submitter: Monica Indrebo	Email address: mindrebo@csu.org
Division/ Department: Strategic Planning and Governance	Phone number: 719-668-3815
	Date submitted: Oct. 31, 2022

SPG Staff Use Only: Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	ITEM NO. 3
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2023 Utilities Board Agenda Planning Calendar

Utilities Board Meeting Date	Compliance Reports and Policy Reviews	Other Reported Information
January 18, 2023	C-2 Utilities Board Annual Evaluation (Annual) I-6 Infrastructure (SP) (Semi-annual) E-2 UB/CEO Expectations (Monthly)	ECA/GCA Quarterly Filing Discussion Updates as needed: UPAC assignments
February 22, 2023	I-4 Risk Management (F) (Semi-annual) I-5 Economic Development (SP) (Annual) I-13 Community Investment (SP) (Annual) E-2 UB/CEO Expectations (Monthly)	Updates as needed: UPAC assignments
March 22, 2023	ER: 1-3 Board Expected Results Scorecard (P) (Semi-annual) I-4 Risk Management (F) (Annual City Auditor Rprt) I-8 Asset Protection (F) (Semi-annual) E-2 UB/CEO Expectations (Monthly)	Year-end CEO Performance Executive Session Updates as needed: UPAC assignments
April 19, 2023	I-2 Financial Conditions & Activities (F) (Quarterly October-December) I-12 Environmental Stewardship (SP) (Annual) E-2 UB/CEO Expectations (Monthly)	ECA/GCA Quarterly Filing Discussion Updates as needed: UPAC assignments
May 17, 2023	I-2 Financial Condition & Activities (F) (Quarterly January-March) I-2 Financial Condition & Activities (F) (Annual City Auditor Report) I-8 Asset Protection (F) (Annual City Auditor Report) E-2 UB/CEO Expectations (Monthly)	Updates as needed: UPAC assignments
June 21, 2023	E-2 UB/CEO Expectations (Monthly)	ECA/GCA Quarterly Filing Discussion ECC/GCC Annual Filing Discussion Updates as needed: UPAC assignments
July 19, 2023	I-3 Financial Planning & Budgeting (F) (Annual) I-6 Infrastructure (SP) (Semi-annual) E-2 UB/CEO Expectations (Monthly)	Financial Planning/Budgeting Presentation Updates as needed: UPAC assignments

Utilities Board Meeting Date	Compliance Reports and Policy Reviews	Other Reported Information
August 16, 2023	I-2 Financial Condition & Activities (F) (Quarterly Apr-June) I-14 Enterprise Innovation (SP) (Annual) I-4 Risk Management (F) (Semi-annual) I-8 Asset Protection (F) (Semi-annual) E-2 UB/CEO Expectations (Monthly)	Preliminary 2024 Budget and Rates Presentation Updates as needed: UPAC assignments
September 20, 2023	I-7 Water Supply Management (SP) (Annual) I-9 Treatment of Customers and Customer Information (SP) (Annual) ER: 1-3 Board Expected Results Scorecard (P) (Semi-annual) E-2 UB/CEO Expectations (Monthly)	ECA/GCA Quarterly Filing Discussion Mid-year CEO Performance Executive Session Updates as needed: UPAC assignments
October 18, 2023	I-10 Treatment of Staff (P) (Annual) I-11 Compensation & Benefits (P) (Annual) E-2.8 Emergency CEO Succession (P) (Annual) E-2 UB/CEO Expectations (Monthly)	Updates as needed: UPAC assignments
November 22, 2023	I-2 Financial Condition & Activities (F) (Quarterly July-September) E-2 UB/CEO Expectations (Monthly)	ECA/GCA Quarterly Filing Discussion Updates as needed: UPAC assignments
December 20, 2023	I-1 Pricing of Services (F) (Annual) ER: 1-3 2023 CEO Performance Plan and Board Expected Results (BER) Scorecard (All committees) E-2.3 2023 Compliance Report Frequency & Method (Annual) P-1.2 2024 Annual Planning Calendar (SP) P-5.4 2024 Committee Work Plans (All committees) E-2 UB/CEO Expectations (Monthly)	Updates as needed: UPAC assignments

Board Memo Agenda Item

Staff Report

Date: Dec. 12, 2022
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: (P-5.4) 2023 Committee Work Plans

NARRATIVE:

Desired Action: Approval (on Consent)

Executive Summary: The Utilities Board Strategic Planning Committee, Finance Committee, Personnel Committee, Program Management Review (PMR) Committee and Economic Development Subcommittee 2022 work plans were approved by the Utilities Board in 2021. The draft 2023 committee work plans were reviewed by each committee in October and November. Committees do not have approval authority over operations or activities but are authorized to provide information and recommendations to the Utilities Board.

Benefits: The Utilities Board directs the work plans of each Board committee.

Board Policy: (P: 1-5) Committee Purpose, Structure and Operation (G-2)

Cost/Budget: N/A

Affected Parties: Colorado Springs Utilities Board and employees

Alternatives: Approve or modify 2023 Utilities Board committee work plans.

Submitter: Andie Buhl	Email address: abuhl@csu.org
Division/ Department: Strategic Planning and Governance	Phone number: 719-668-5917
	Date submitted: Nov. 28, 2022

SPG Staff Use Only: Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	ITEM NO. 3
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Colorado Springs Utilities
It's how we're all connected

2022 Utilities Board and Committee Accomplishments

Natalie Watts, APR, MBA

Manager – Strategic Planning and Governance



Economic Development Sub-Committee

2023 Work Plan

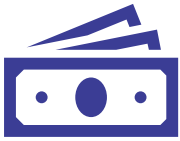
Wayne Williams (Chair); Nancy Henjum

Board appointed citizens and customers: Bob Cope, Cecilia Harry, Jariah Walker, Ramon Alvarez, and Crystal LaTier

City Auditor – Jacqueline Rowland (Ex Officio)

Focus Areas

- Economic Development Related Utilities Rules, Regulations and Tariffs
 - Interruptible rate
 - Multi-residence master metering
 - Economic Development Rates
 - Affordable Housing and roof top solar
 - Common variances into policy
- Economic Development Policies
- Review organizational performance and compliance with Economic Development (I-5) and Community Investment (I-13) Excellence in Governance Policies and report compliance
- Replace Economic Development grant funding with partnership agreements
- Work with City and Colorado Springs Utilities to support and accomplish economic development goals
- Review of key projects and collaboration with community partners
 - Colorado Springs Utilities Office of Economic Development
 - City Economic Development
 - Chamber of Commerce / EDC
 - Community Projects: Urban Renewal, Affordable Housing and Smart Cities efforts
 - El Paso County
- Confirm Office of Economic Development's Role, Strategic Goals and Initiatives
 - Align with Chamber and EDC strategic initiatives and target industries
 - Certified Site ready programming
 - Advance small business services
 - Support DSM & Conservation programming
 - Update marketing materials and web presence
 - Continued support of Affordable Housing Initiatives
- Work with prospective, new and existing commercial and industrial customers to promote communication and collaboration



Finance Committee

2023 Work Plan

Nancy Henjum (Chair); Tom Strand; Bill Murray; Dave Donelson

Focus Areas

- Strategic Rate Design
- Utilities Board Financial Orientation
- 2023 Board Expected Results Scorecard
- Risk Management Roles and Responsibilities
- Gas Hedging Update
- UPAC Assignment Support
- Governmental Accounting Standards Board (GASB) Updates

Ongoing

- Sales and Load Forecasts
- Annual Budget, 5-year Financial Outlook and Rate Case
- Monthly Financial Forecast

Ongoing

- ECA/GCA Quarterly Filings, Annual ECC/GCC Update
- Annual Plan of Finance and 2023 Financing Activity
- Enterprise Risk Management Report
- Excellence in Governance Policy Compliance Reports:
 - Pricing of Services (I-1)
 - Financial Conditions and Activities (I-2)
 - Financial Planning and Budgeting (I-3)
 - Risk Management (I-4)
 - Asset Protection (I-8)
 - Community Investment (I-13)
 - ECA/GCA Monitoring (E-2)



Personnel Committee

2023 Work Plan

Yolanda Avila (Chair); Tom Strand; Randy Helms; Wayne Williams

Focus Areas

- Board Member Candidate Engagement and New Board Member Orientation
- 2023 Employee Engagement Survey
- 2023 Labor and Benefits Monitoring
- 2024 Labor and Benefits Planning
- 2024 CEO Competencies and 2024 CEO Scorecard Measures
- Affirmative Action Plan and Workforce updates
- Select Strategic Initiative Updates
 - Human Resources Integrated Plan
 - Safety
 - Workforce Development
- Excellence in Governance Policy Compliance Reports:
 - Board Expected Results–Scorecard (ER-1:1-3)
 - Treatment of Staff (I-10)
 - Compensation and Benefits (I-11)
 - Emergency CEO Succession (E-2.8)



Program Management Review Committee

2023 Work Plan

Tom Strand (Chair); Randy Helms; Bill Murray

2023 Focus Areas

- **Detailed quarterly review of Projects/ Program (Safety, Scope, Schedule/Financial Status, and Areas of Concern)**
 - Projects to be determined and included in the Enterprise Scorecard
- **2023 Dashboard of projects/programs**
- **Review of Contracts issued over \$500,000**
- **Selected Project / Program review by exception:**
 - Significant projects by service
 - Unique projects
 - High public visibility
 - Risk impact to organization
 - Regulatory project schedule
- **Committee tours**



Strategic Planning Committee

2023 Work Plan

Dave Donelson (Chair); Wayne Williams; Mike O'Malley; Stephannie Fortune

Focus Areas

- UPAC Cost Recovery Mechanisms Assignment
 - Strategic initiative updates
 - Resource planning updates
 - 2024 Strategic Plan
 - 2024 Enterprise Balanced Scorecard
 - Economic Development Subcommittee Review
- Excellence in Governance Policy Compliance Reports:
 - Policy Governance Monitoring Report Frequency and Method (E-2.3)
 - Annual Board Agenda Planning Calendar (P-1.2)
 - Economic Development (I-5)
 - Infrastructure (I-6)
 - Water Supply Management (I-7)
 - Treatment of Customers and Customer Information (I-9)
 - Environmental Stewardship (I-12)
 - Community Investment (I-13)



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Date: December 12, 2022

To: Utilities Board

From: Travas Deal, Acting Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Pricing of Services (I-1)**

Desired Action: Compliance

Compliance: The Acting CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	November 1, 2021 – October 31, 2022
Policy Title (Number):	Pricing of Services (I-1)	Reviewing Committee:	Finance
Monitoring Type:	Internal	Monitoring Frequency:	Annual
Guidelines:	Rate Design (G-5); Electric and Gas Cost Adjustments (G-6)		

The Chief Executive Officer shall direct that pricing practices result in rates that are just, reasonable and not unduly discriminatory. Accordingly, the CEO shall:

- 1. Establish pricing practices that result in revenues that are sufficient to provide safe, reliable utility services to Colorado Springs Utilities citizens and customers.*

Colorado Springs Utilities prepares an annual revenue requirement for each separate regulated service to determine that revenue generated from current effective rates are sufficient to support all the budgeted expenses while maintaining strong financial metrics for the following year.

- 2. Establish pricing practices that maintain financial viability of each separate regulated service.*

All rate proceedings adhere to state statues and City Code utilizing industry accepted pricing principles and methodology that demonstrate just and reasonable pricing that is not unduly discriminatory. Non-fuel base rate adjustments are

submitted to City Council for approval and supported by cost-of-service studies forecasted to provide sufficient revenue to support non-fuel expense recovery.

The cost adjustment and capacity charge rate structures establish rates sufficient to recover fuel-related costs. Electric Cost Adjustment (ECA), Electric Capacity Charge (ECC), Gas Cost Adjustment (GCA) and Gas Capacity Charge (GCC) rate adjustments are submitted to City Council for approval and forecasted to provide sufficient revenue to support fuel expense recovery.



Date: December 12, 2022

To: Utilities Board

From: Travas Deal, Acting Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report**
Utilities Board/Chief Executive Officer Partnership Expectations (E-2)

Desired Action: Monitoring

EXPECTATIONS	
Category:	Utilities Board/Chief Executive Officer Partnership Expectations
Policy Number:	E: 2 (Chief Executive Officer Responsibilities)

December 2022 Water Outlook using data as of November 30, 2022

Locally, temperatures were below average, and precipitation was below average in November. Demands were more than last year at this time.

2022 Demands: November use averaged 44.6 million gallons per day (MGD), which was about 1.7% more than last November. Year to date demand is averaging 66.6 MGD, which is 1.8% more than last year at this time. Temperatures in November were below the thirty-year average at 36.6 degrees Fahrenheit, which was 2.9 degrees below normal. Year to date temperatures have averaged 53.4 degrees Fahrenheit, which is 1.1 degrees above normal. Total precipitation for November was 0.24 inches, which was 64.9% of normal. Year to date precipitation is 13.05 inches, which is 83.2% of normal.

Current Reservoir Levels: Local storage is currently at about 37,053 acre-feet (56% of capacity). The 1991-2021 average is 74% of capacity. Rampart Reservoir is at 56% of capacity, and Pikes Peak storage is at 57% of capacity. System wide, total storage is about 185,600 acre-feet (72% of capacity). Last year at this time, total system wide storage was 72% of capacity. It was about 72% at this same time in 2020, about 81% of capacity in 2019, about 74% of capacity in 2018, about 85% of capacity in 2017, about 78% of capacity in 2016, about 81% of capacity in 2015, about 77% of capacity in 2014, and about 55% in 2013. The 1991-2021 average system wide storage for the end of November is 74% of capacity.

Water Supply Outlook: Drought status persists across most Colorado. The 12-week Evaporative Drought Demand Index (EDDI) shows increased evaporative demand, particularly in

eastern Colorado. The three-month climate outlook continues to predict much higher chances of above-average temperatures and higher chances of below-average precipitation. The La Niña winter forecast may favor drier weather in Southwest U.S. and wetter weather to the north. We continue to closely monitor hydrologic conditions, demand, and storage to maximize available water supply.

Operational Notes: Total system storage is at 72% of capacity and holds about 2.6 years of demand, which is slightly below average for the end of November. Local storage contains about 192 days of demand. McCullough Wastewater Treatment Plant (WTP) is still offline for scheduled maintenance.



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Water Outlook

Justin Zeisler, P.E.

Water Resources Engineer, Water Conveyance

December 1, 2022



Local Weather Conditions as of November 30, 2022

Precipitation (Inches of Moisture)

- November 2022 – 0.24 in. (64.9% of normal)
- 2022 YTD Total – 13.05 in. (83.2% of normal)

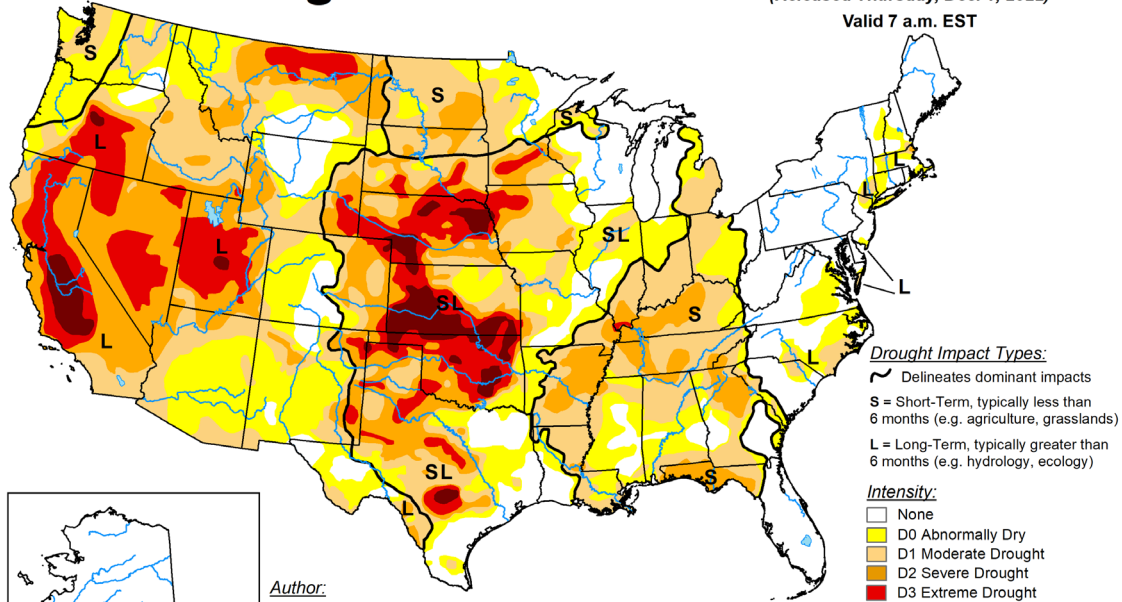
Average Temperature (Degrees F)

- November 2022 – 36.6 Deg. (2.9 deg. below normal)
- 2022 YTD Average – 53.4 Deg. (1.1 deg. above normal)



U.S. Drought Monitor

November 29, 2022
 (Released Thursday, Dec. 1, 2022)
 Valid 7 a.m. EST



Drought Impact Types:
 ~ Delineates dominant impacts
 S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
 L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

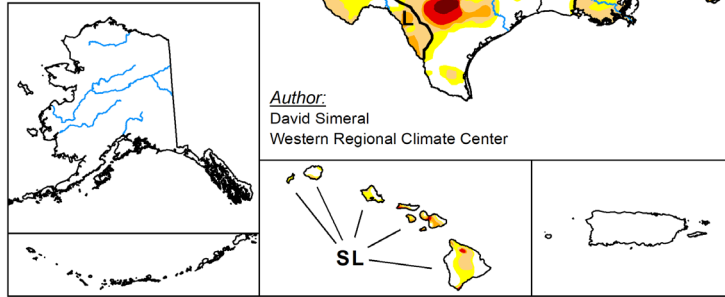
Intensity:
 None
 D0 Abnormally Dry
 D1 Moderate Drought
 D2 Severe Drought
 D3 Extreme Drought
 D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



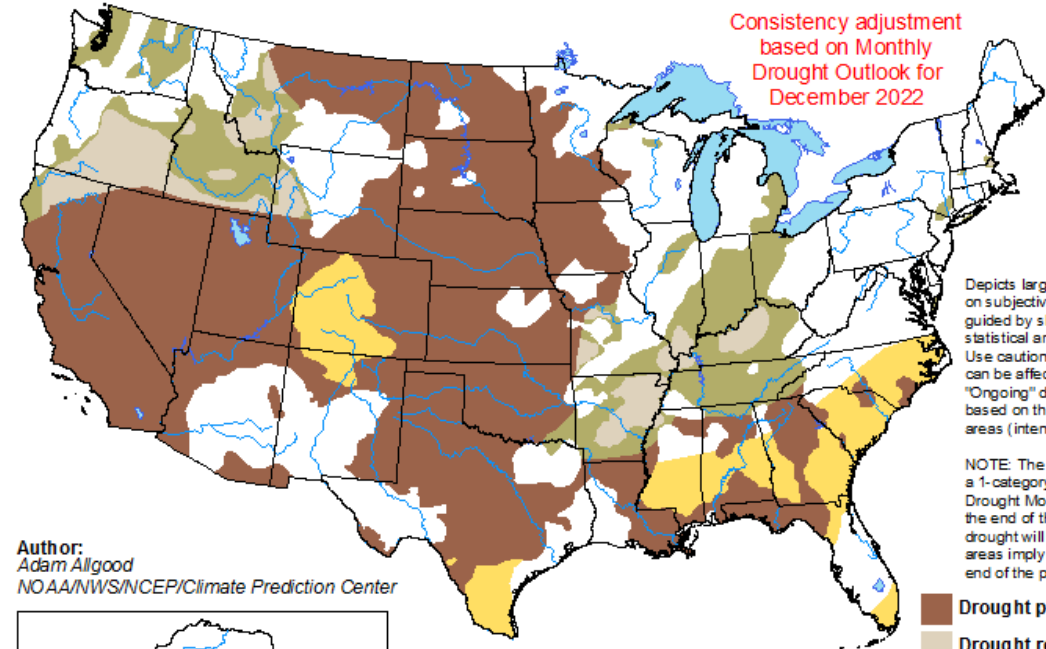
droughtmonitor.unl.edu

Author:
 David Simeral
 Western Regional Climate Center



U.S. Seasonal Drought Outlook Drought Tendency During the Valid Period

Valid for December 1, 2022 - February 28, 2023
 Released November 30, 2022



Consistency adjustment
 based on Monthly
 Drought Outlook for
 December 2022

Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- Drought persists
- Drought remains but improves
- Drought removal likely
- Drought development likely

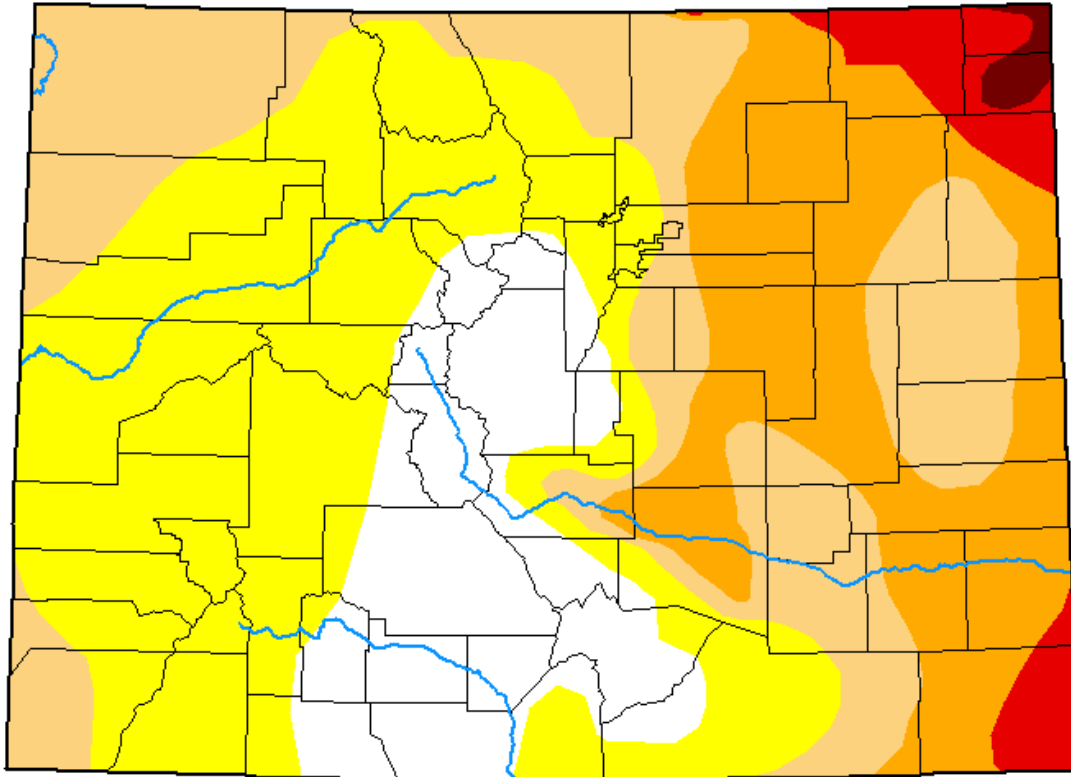
Author:
 Adam Allgood
 NOAA/NWS/NCEP/Climate Prediction Center









<http://go.usa.gov/3eZ73>

U.S. Drought Monitor Colorado

November 29, 2022
(Released Thursday, Dec. 1, 2022)
Valid 7 a.m. EST



Intensity:

-  None
-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

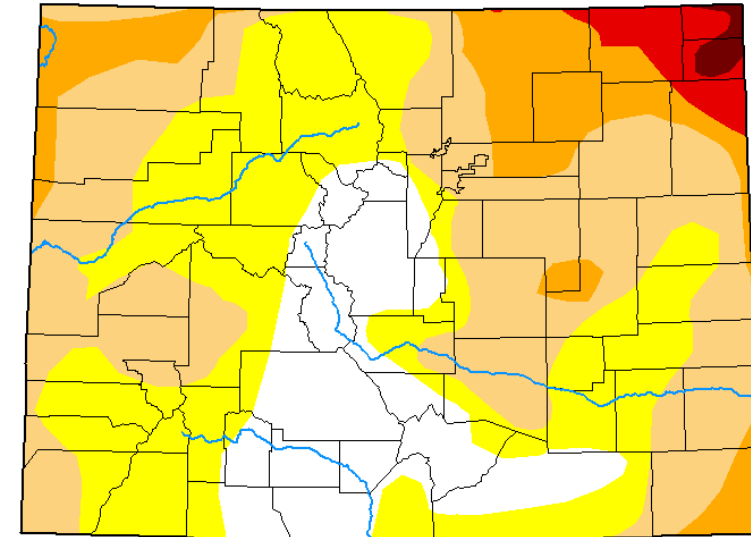
Author:

David Simeral
Western Regional Climate Center

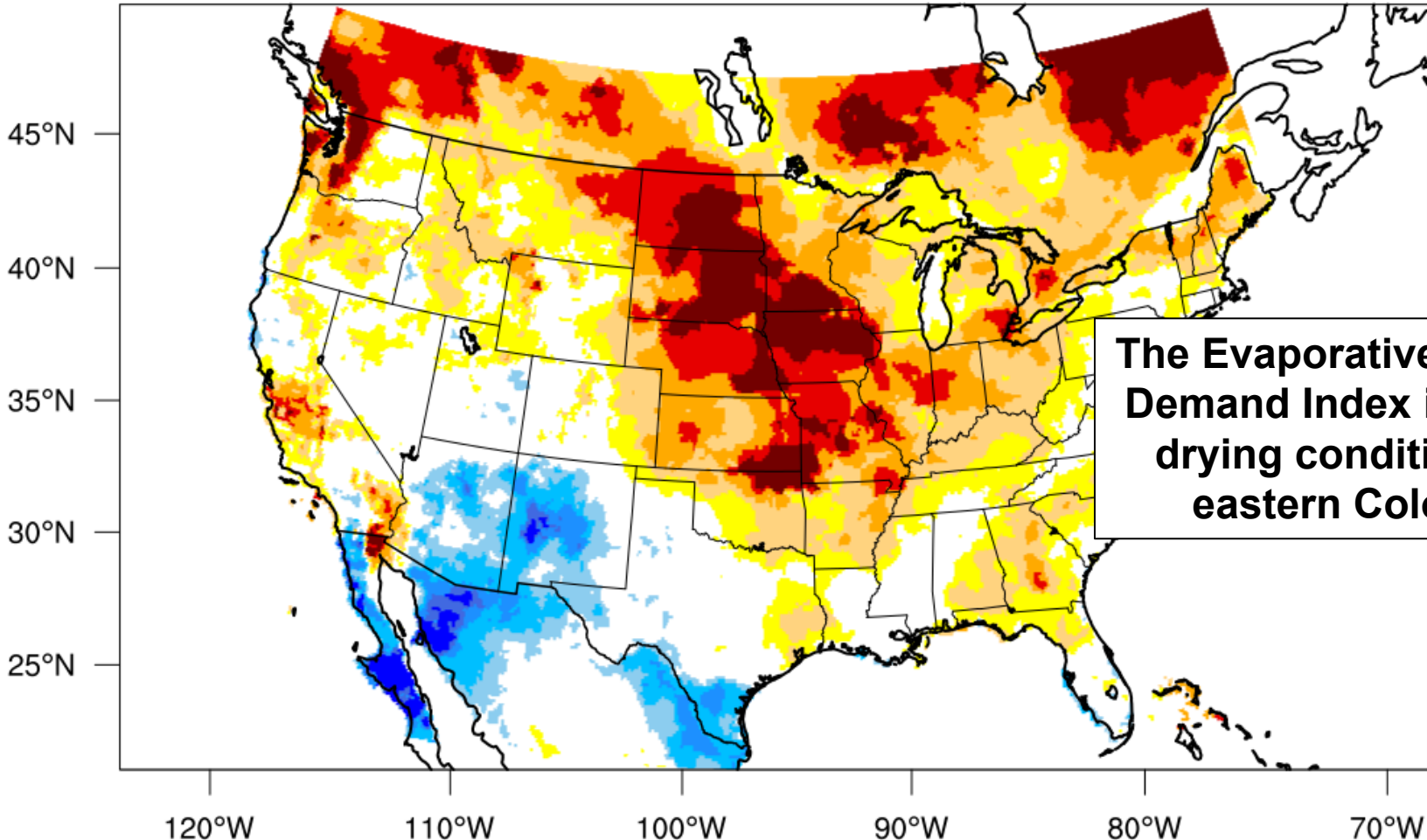


droughtmonitor.unl.edu

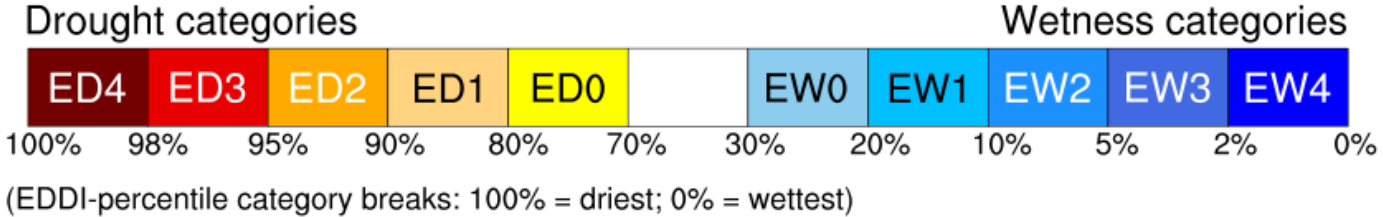
Last Month: October 25, 2022



12-week EDDI categories for November 26, 2022



The Evaporative Drought Demand Index indicates drying conditions for eastern Colorado





2022 Demands

November 2022

- Averaged 44.6 MGD
- 1.7% more than October 2021

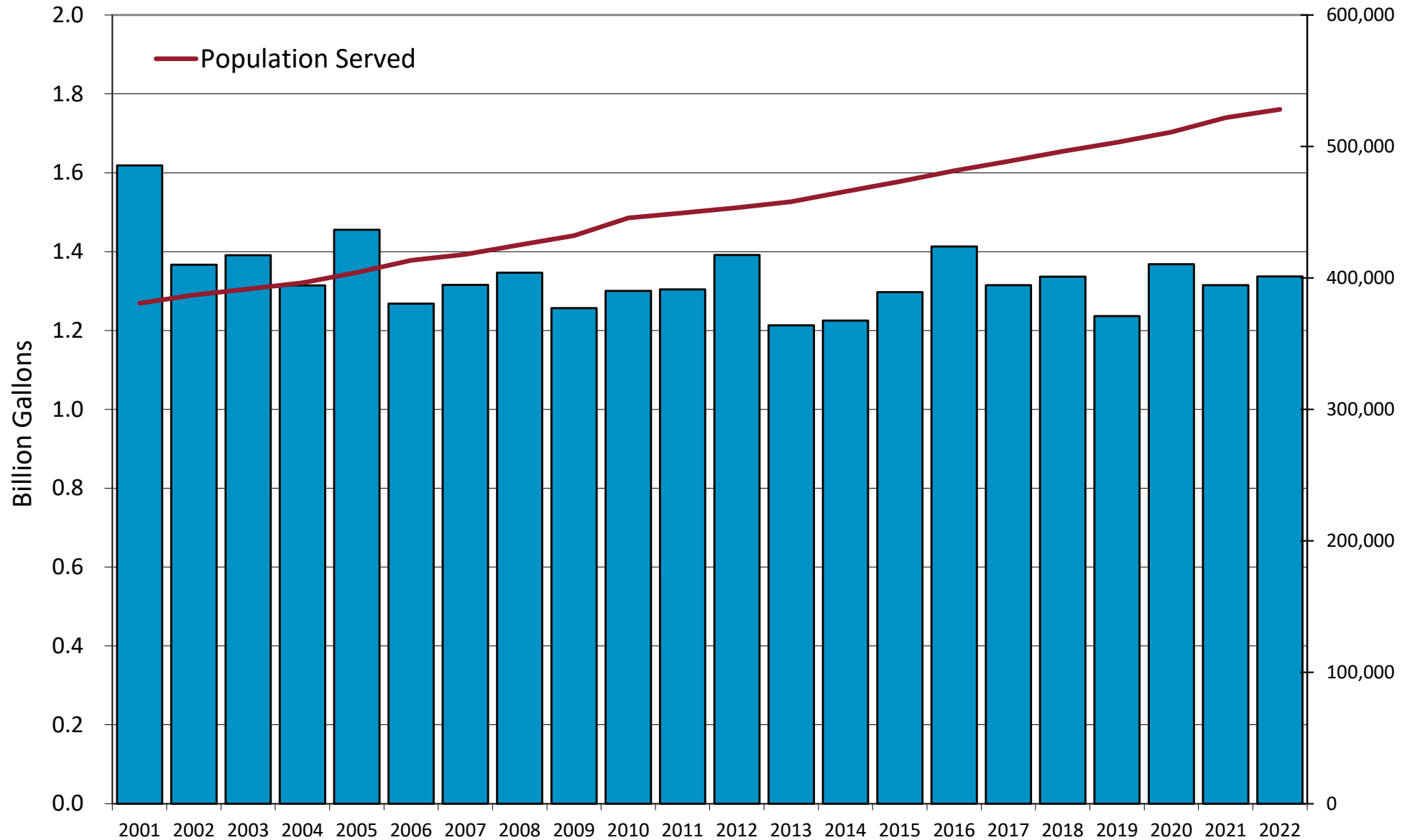
2022 Year to Date

- Averaging 66.6 MGD, 22.2 BG total
 - 1.8% more than 2021
 - 0.39 Billion Gallons more than 2021

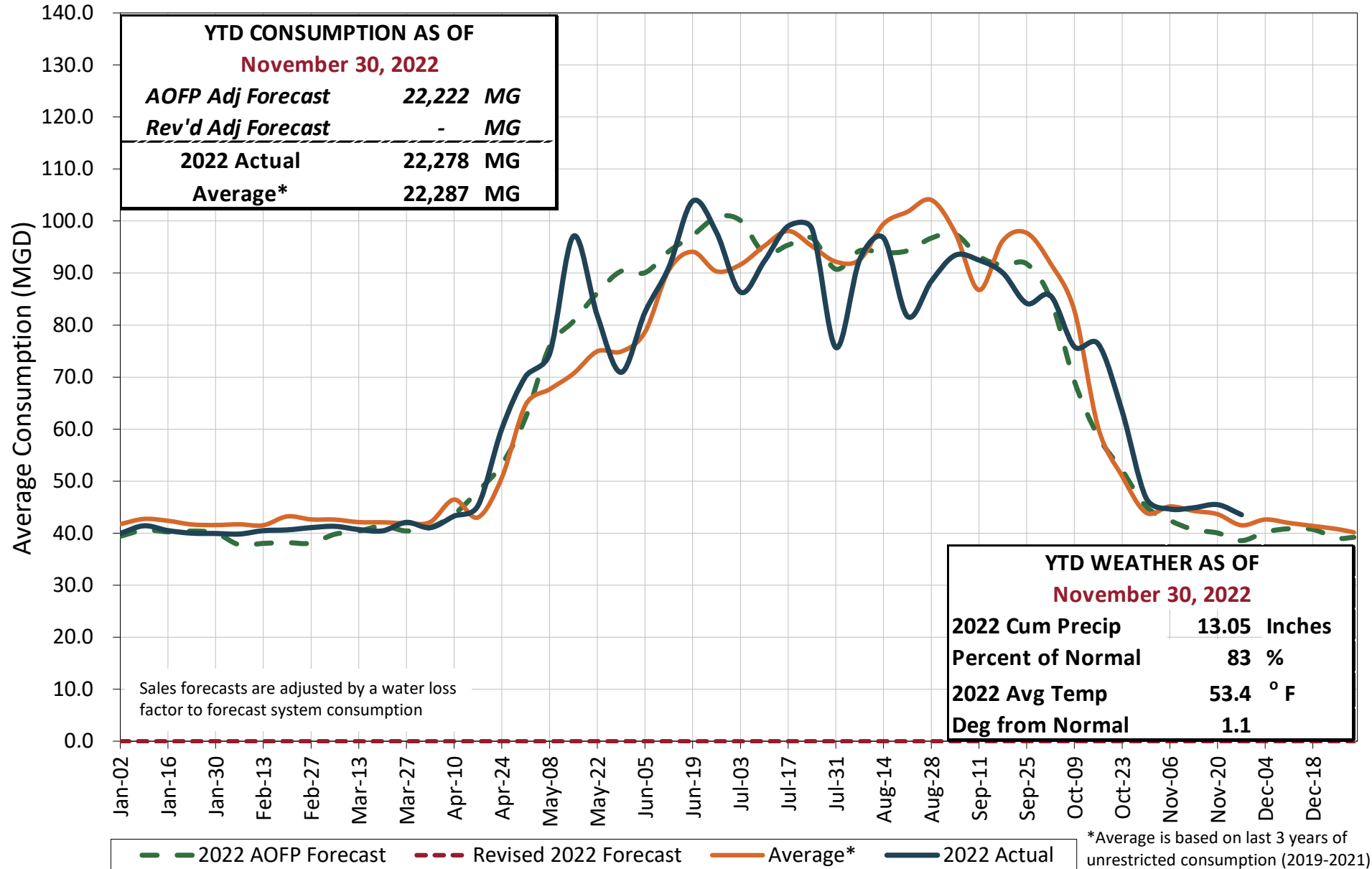




Monthly Water Use for November



2022 Actual Consumption (Weekly Data)





Reservoir Levels

November 30, 2022

- Pikes Peak 57 %
 - 91-21 Avg. 65 %
- Rampart 56 %
 - 91-21 Avg. 67 %
- Local Total 56 %
 - 91-21 Avg. 67 %
- System Total 72 %
 - 91-21 Avg. 74 %



Upper Blue Reservoir

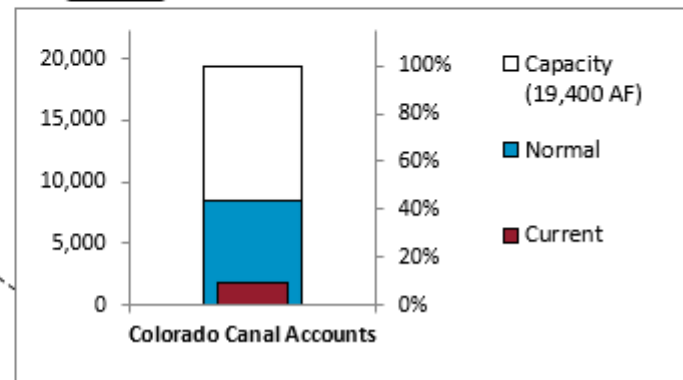
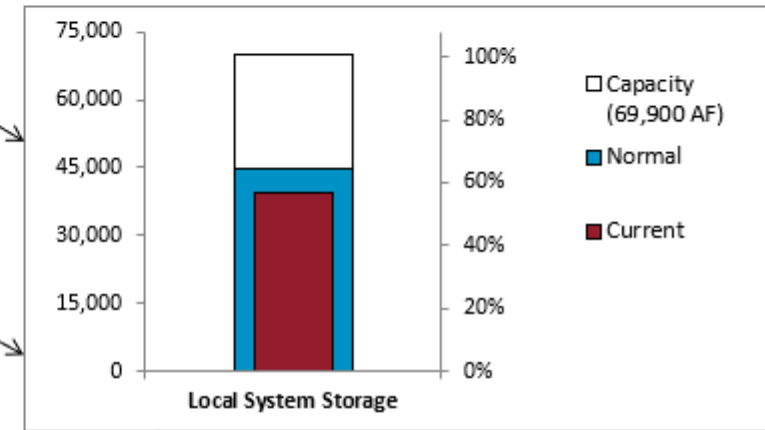
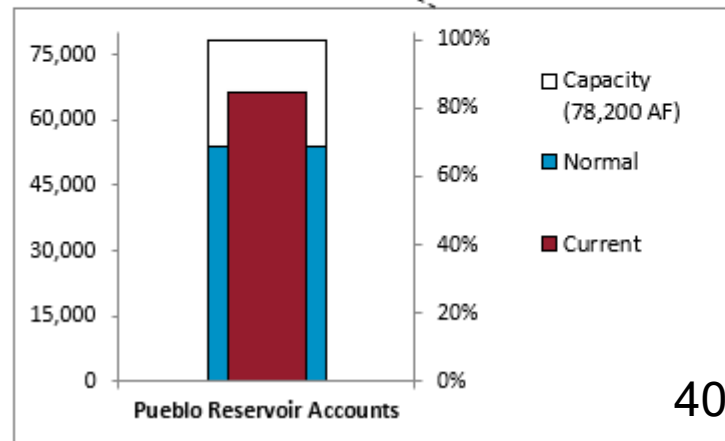
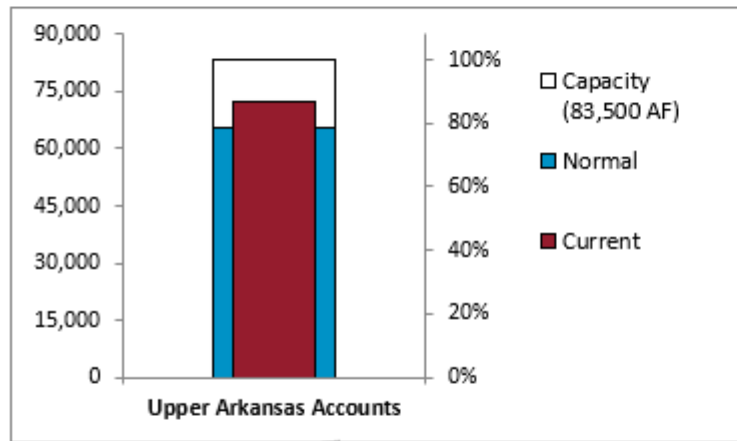
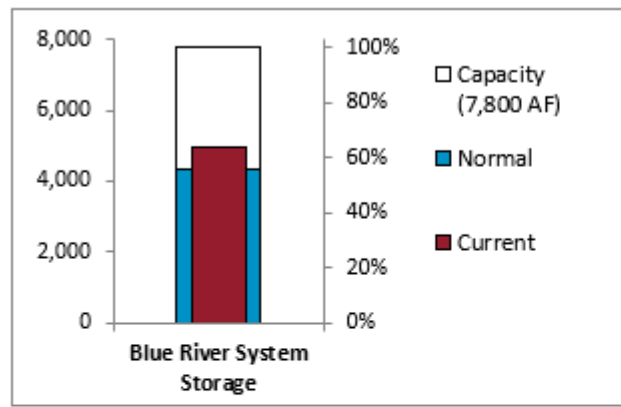


Colorado Springs' System Wide Storage:

November 30, 2022 **185,600 af**
71.7 %

2001-2021 avg **176,900 af**
68.4 %

Average YTD Demand **66.5 MGD**

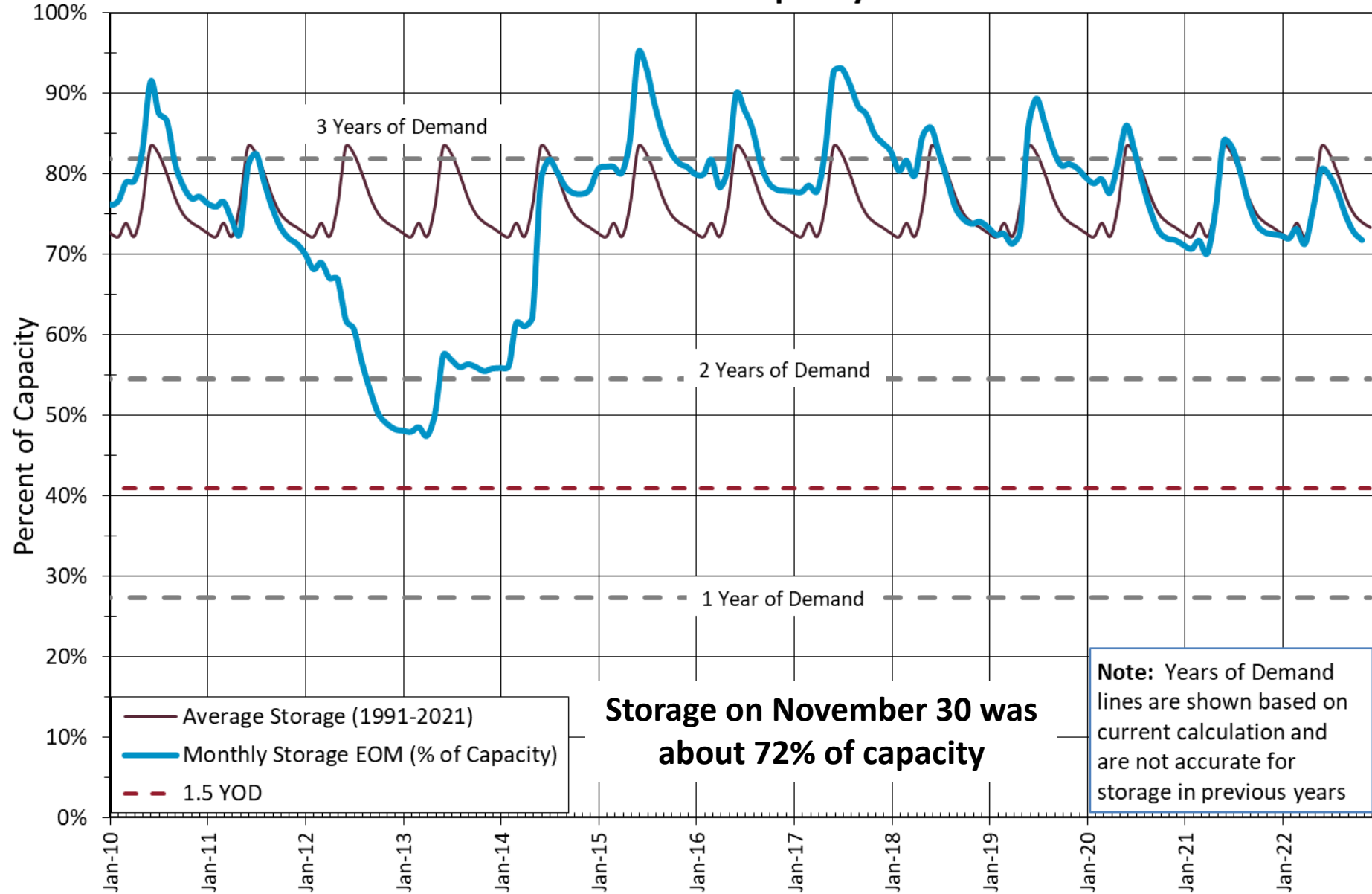


MAX. 20 MGD

MAX. 68 MGD



Monthly Storage Percent of Capacity





2022 Regional Water Contracts

Donala Water & Sanitation District

- Through November 30, 2022: Conveyed 130.5 AF for \$502,713
- Premium to Municipal Government: \$83,785

Security Water District

- Through November 30, 2022: Conveyed 17.0 AF for \$90,846
- Premium to Municipal Government: \$15,141

Outside Service Area Augmentation Leases - PF, LLC (Seven Falls), Emerald Valley Ranch

- Through November 30, 2022: Leased 4.0 AF for \$2,196
- Premium to Municipal Government: \$366

Total 2022 YTD Revenue from Regional Contracts: \$595,754





Water Outlook

- Situation Outlook Summary
 - System-wide storage at 72% of capacity, slightly below our long-term average
 - About 2.6 years of demand in storage, based on the past 3 years of demand
 - Have 192 days of demand in local storage
- Drought conditions persist, and the 12-week EDDI shows increased evaporative demand, particularly in eastern Colorado
- Three-month outlook predicts
 - Much higher chances of above-average temperatures across Colorado
 - Higher chances of below-average precipitation across Colorado
 - Forecasting a third consecutive La Niña winter, which tends to favor drier weather in southwest U.S. and wetter weather to the north
- We continue to monitor hydrologic conditions, demand, and storage to maximize available water supply



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Board Memo Agenda Item

Staff Report

Date: Dec. 12, 2022

To: Utilities Board

From: Travas Deal, Acting Chief Executive Officer

Subject: (P-5.4) 2022 Utilities Board and Committee Accomplishments

NARRATIVE:

Desired Action: Discussion

Executive Summary: Provided are 2022 accomplishments for each Utilities Board committee:

- Finance Committee
- Personnel Committee
- Program Management Review (PMR) Committee
- Strategic Planning Committee
- Economic Development Subcommittee

Benefits: N/A

Board Policy: (P: 1-5) Committee Purpose, Structure and Operation (G-2)

Cost/Budget: N/A

Affected Parties: Colorado Springs Utilities Board and employees

Alternatives: N/A

Submitter: Andie Buhl	Email address: abuhl@csu.org
Division/ Department: Strategic Planning and Governance	Phone number: 719-668-5917
	Date submitted: Nov. 28, 2022

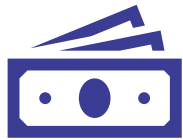
SPG Staff Use Only: Consent Calendar	Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 8
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Economic Development Sub-Committee 2022 Accomplishments ✓

Focus Areas Completed

- 2022 Economic Development Partner Funding Allocations
- 2022 Economic Development Initiatives
- Excellence in Governance Policy and Compliance Report review
 - Economic Development (I-5)
 - Community Investment (I-13)
- Affordable Housing Initiatives review
- Attraction, retention and expansion efforts review
- Prospect Evaluation Scoring Matrix
 - Community Factors – jobs, industry, and economic alignment
 - Utility Factors – financial benefit and resource requirement



Finance Committee 2022 Accomplishments ✓

Focus Areas

- Governmental Accounting Standards Board (GASB) Updates
- 2023 Board Expected Results Scorecard
- Rate Modernization
- Risk Management Roles and Responsibilities
- Open Access Transmission Tariff (OATT)
- Natural Gas Hedging Policy and Activities Update
- UPAC Assignment Support

Ongoing

- Sales and Load Forecasts
- Annual Budget, 5-year Financial Outlook and Rate Case
- Monthly Financial Forecast
- ECA/GCA Quarterly Filings, Annual ECC/GCC Update and ELG Supply Charge
- Days Cash Liquidity Modeling
- Annual Plan of Finance and 2022 Financing Activity
- Enterprise Risk Management Report
- Excellence in Governance Policy Compliance Reports:
 - Pricing of Services (I-1)
 - Financial Conditions and Activities (I-2)
 - Financial Planning and Budgeting (I-3)
 - Risk Management (I-4)
 - Asset Protection (I-8)
 - Community Investment (I-13)
 - ECA/GCA Monitoring (E-2)



Personnel Committee 2022 Accomplishments ✓

Focus Areas Completed

- Strategic Initiative Updates
 - Human Resources Integrated Plan
 - Safety and Health: Occupational Health Clinic and Industrial Hygiene Process Improvements
- Excellence in Governance Policy
Compliance Reports:
 - Board Expected Results–Scorecard (ER-1:1-3)
 - Treatment of Staff (I-10)
 - Compensation and Benefits (I-11)
 - Emergency CEO Succession (E-2.8)
- Enterprise Scorecard Deep Dive: Relationships - Customer Satisfaction: Residential and Business
- Affirmative Action Plan and Workforce Composition
- 2022 Labor and Benefits Monitoring
- 2023 Labor and Benefits Planning
- 2023 CEO Competencies and 2023 CEO Scorecard Measures
- 2022 Pulse Survey Action Plans for Leadership
- CEO Market Compensation and Benefits Market Pricing Study
- Review of Board Policies (G-4), (E1.2:1-7) (G-2) (P-5:3), (G-9)



Program Management Review Committee

2022 Accomplishments ✓

2022 Focus Areas

- **Detailed review (Safety, Scope, Schedule/Financial Status, and Areas of Concern)**
 - Sustainable Energy Portfolio
 - Infrastructure Coordination with City
 - Gas Distribution Integrity Management Program (DIMP) and Compliance Projects
 - Advanced Metering Infrastructure
 - Fiber Optics/Communications Network
 - Clear Springs Ranch Resource Recovery Facility (CSRRRF) Biogas Utilization North Monument Creek Interceptor
- **Dashboard review of 50+ additional high-profile projects/programs from the 2022 Annual Operating Financial Plan (AOFP)**
- **Review of Contracts Issued Over \$500,000**



Strategic Planning Committee 2022 Accomplishments ✓

Focus Areas Completed

- UPAC assignments: Water acquisition funding
- Strategic initiative report-outs (customer technology modernization and sustainable water plan)
- Community Focus Fund (CFF) grants program funding recommendations
- Recommended changes to Community Support (G-11)
- 2022 Enterprise Balanced Scorecard updates (changes to bill comparison)
- Recommended Clean Energy Plan resolution to Utilities Board
- 2023 Strategic Plan
- 2023 Enterprise Balanced Scorecard
- Economic Development Subcommittee Review
- Excellence in Governance Policy Compliance Reports:
 - Policy Governance Monitoring Report Frequency and Method (E-2.3)
 - Annual Board Agenda Planning Calendar (P-1.2)
 - Economic Development (I-5)
 - Infrastructure (I-6)
 - Water Supply Management (I-7)
 - Treatment of Customers and Customer Information (I-9)
 - Environmental Stewardship (I-12)
 - Community Investment (I-13)

Board Memo Agenda Item

Staff Report

Date: Dec. 12, 2022
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: Amendment to Water Rights Purchase and Sale Agreement

NARRATIVE:

Desired Action: Discussion

Executive Summary: Colorado Springs Utilities entered into a Purchase and Sale Agreement (“PSA”) to acquire 80 shares in the Fort Lyon Canal Company (“FLCC” Shares), which will yield an average of 80 acre-feet per year and the right to use an additional 105 shares 3 out of every 10 years (the “Water Sharing Shares”) from Thad and Sierra Wertz, as well as water delivery easements on the property. City Council approved the acquisition on Oct. 11, 2022 through Resolution 150-22.

The Wertz’s have requested an amendment the PSA to remove the Water Sharing Shares from the transaction. Springs Utilities’ staff is in support of the proposed amendment. If approved, the cost of the acquisition would be reduced to \$520,000, which is \$204,750 less than originally approved price of \$724,750 purchase price.

Benefits: This project is consistent with policy direction contained in Springs Utilities’ 2017 Integrated Water Resource Plan and the Colorado Water Plan to pursue municipal water supply in a way that maintains the viability of agriculture in communities of the Lower Arkansas Basin.

Board Policy: I-7 Water Resource Management

Cost/Budget: The cost for this acquisition was \$724,750 and will be reduced to \$520,000 if City Council approves the proposed resolution.

Affected Parties: Existing and future customers of Colorado Springs Utilities

Alternatives: Approve or not approve Colorado Springs Utilities bringing a resolution approving the requested amendment to City Council for consideration on the consent calendar on Jan. 10, 2023.

Submitter: Debra Mazza	Email address: dmazza@csu.org
Division/ Department: System Planning & Projects and Water Resources Management	Phone number: 719-668-8016
	Date submitted: Nov. 29, 2022

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 9

Board Memo Agenda Item

Staff Report

Date: Dec. 12, 2022
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: An Ordinance Pertaining to the Extension of Water Service

NARRATIVE:

Desired Action: Discussion

Executive Summary: Staff will review material associated with a proposed ordinance requiring that extensions of Colorado Springs Utilities' water service boundary be approved by a supermajority vote of Councilmembers present and supported by a written record demonstrating that: (1) the City's water rights are sufficient to meet at least 130% of all water service obligations, including existing demand and the projected demand for water services within the proposed extension of services, and the area shares at least 25% contiguity with the City boundary; (2) a unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or (3) the area is entirely contained within the City limits, or the area is owned or leased by the City, or the extension of water service to the area has a de minimis impact on the overall City's water rights.

Benefits: Providing increased assurance that the City's water rights will meet existing and anticipated water service obligations.

Board Policy: I-7 Water Resource Management

Cost/Budget:

Affected Parties: Owners of property not currently located within the City's existing boundaries who are not currently receiving water service from Colorado Springs Utilities.

Alternatives: N/A

Submitter: Abby Ortega	Email address: ajortega@csu.org
Division/ Department: Systems, Planning and Projects/ Infrastructure and Resource Planning	Phone number: (719) 668-8748
	Date submitted: Dec. 7, 2022

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 10



Colorado Springs Utilities
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Ordinance Defining Water Surplus

Lisa Barbato, System Planning and Projects Officer

Abby Ortega, Infrastructure and Resource Planning General Manager

December 12, 2022

Current City Code and Proposed Ordinance

7.6.203: CONDITIONS FOR ANNEXATION:

Paragraph C. There is a projected available water **surplus** at the time of request;

Paragraph D. The existing and projected water facilities and/or wastewater facilities of the City are expected to be sufficient for the **present and projected needs for the foreseeable future** to serve all present users whether within or outside the corporate limits of the City;

PROPOSED

Provides a definition for adequate “surplus” required under 7.6.203C

“The City’s water rights are sufficient to meet at least 130% of all water service obligations, including existing demand and the projected demand for water services within the proposed extension of services, and ...”

When to Apply?

- We need a clear process for defining and evaluating available surplus water supplies
 - Subject to first-come first serve policy, we have an obligation to serve properties once annexed into the City
 - Later review creates additional risk for both the City and developer
 - Need equality in application of policy to all annexation requests
 - Need a buffer or “surplus” between existing demand and proposed extension of services
 - Uncertainty around future supplies and administration
 - Surplus contemplates future-in-city development and protection from extreme drought

Recommend that the evaluation happen at the time of annexation

Definition of Surplus

- A “Surplus” should not result in excess resource development
 - Development of new resources should not excessively exceed forecasted need
 - Must balance timing of investments and cost recovery
 - Future acquisitions and infrastructure investments need to keep pace with growth/development
- Methodology - quantify
 - Risk based measure
 - Based on margin of variability and estimated in-city growth

Recommend 130% of existing usage defined as 5-year unrestricted average usage (*weather normalized data*)

Proposed Ordinance Language

- *Based on October 20, 2022 draft*

- B. 1. The City's available water supply is sufficient to meet at least 130% of existing usage (calculated using a ~~three (3)~~ **five (5)** year rolling average **of weather normalized usage data**) and the projected demand for water services within the proposed extension(s) of services, and not less than 25% of the perimeter of the area is contiguous.
2. A unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or
3. The area is an enclave (as defined by State law), or the area is owned or leased by the City, or extension of water service to the area will have a de minimis impact on the overall City's available water supply.



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Codify Reservation of Resources

Arguments For

- 130% standard at time of annexation is a clear and specific measure
- Adds additional safeguard for water resources and unexpected changes to supply
- Reserves resources for in-city development

Arguments Against

- Reserves resources for in-city development that may not happen as expected
- May not be flexible to adjust to changing conditions
- Could result in over-development of resources or infrastructure
- Would not realize revenue benefits from reserved portion

ORDINANCE NO. 22-_____

AN ORDINANCE CREATING SECTION 305 (SERVICE; EXTENSION LIMITATION) OF PART 3 (WATER SERVICE) OF ARTICLE 4 (WATER CODE) OF CHAPTER 12 (UTILITIES) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, PERTAINING TO THE EXTENSION OF WATER SERVICE

WHEREAS, persistent drought in the western United States and Colorado River Basin have placed a risk of future constraints on the City's water supply; and

WHEREAS, the City Council recognizes that enclaves and irregularly shaped boundaries create an inefficient delivery of municipal services which should be avoided; and

WHEREAS, the City Council has legislative discretion over water services within and outside of the City, as set forth in City Charter section 6-70 (Utility Rates) and Part 2 (Annexations) of Article 6 (Planning Commission and Annexations) of Chapter 7 (Planning, Development, and Building); and

WHEREAS, the City Council adopts this ordinance to reasonably limit the extension of water services.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. Section 305 (Service; Extension Limitation) of Part 3 (Water Service) of Article 4 (Water Code) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended, is created to read as follows:

12.4.305: SERVICE; EXTENSION LIMITATION:

A. Due to increasing demands on the City's water supply, and to ensure that the City's water rights will meet existing and anticipated water service obligations, extending water service into any area not within either the existing City limits or the water service boundary as of the effective date of this section is subject to the recommendation of approval by the Utilities Board and approval by City Council.

B. City Council approval shall require a vote of a supermajority of at least 66% of the Councilmembers present finding that the proposed water extension is warranted based on a substantiated and written record demonstrating that:

1. The City's available water supply is sufficient to meet at least 130% of existing usage (calculated using a three (3) year rolling average) and the projected demand for water services within the proposed extension of services, and not less than 25% of the perimeter of the area is contiguous with the City (as defined by State law); or

2. A unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or

3. The area is an enclave (as defined by State law), or the area is owned or leased by the City, or extension of water service to the area will have a de minimis impact on the overall City's available water supply.

C. This section shall apply to any extension of Utilities water services notwithstanding any provision to the contrary.

Section 2. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by Charter.

Section 3. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on first reading and ordered published this ____ day of _____, 2022.

Finally passed: _____
Council President

ATTEST:

Sarah B. Johnson, City Clerk

CAO: _____
COS: _____

Board Memo Agenda Item

Staff Report

Date: Dec. 12, 2022
To: Utilities Board
From: Renee Adams, Chief Administrative and Human Resources Officer
Subject: Chief Executive Officer Recruitment Process

NARRATIVE:

Desired Action: Approval

Executive Summary: On Nov. 16, 2022, the Utilities Board approved the recruitment process for the Chief Executive Officer (CEO) position following Aram Benyamin's retirement from Colorado Springs Utilities.

Under City Code § 12.1.104, it is the Utilities Board's responsibility to hire the CEO. Springs Utilities' staff is seeking further direction from the Utilities Board concerning community stakeholder input. Staff will also be providing a high-level update on the timeline so far.

Benefits: Additional direction on the recruitment process for a new CEO will ensure a successful hiring process.

Board Policy: Board Policy UBA: 1-4 states that pursuant to City Code § 12.1.104, the Utilities Board has the following administrative authorities.

- UBA-1: Hire, set the salary, evaluate, and terminate the Chief Executive Officer.

Cost/Budget: N/A

Affected Parties: Utilities Board Members, employees and customers of Colorado Springs Utilities

Alternatives: N/A

Submitter: Renee Adams	Email address: radams@csu.org
Division/ Department: Administrative and Human Resources Division	Phone number: 719-668-7325
	Date submitted: Nov. 29, 2022

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 11

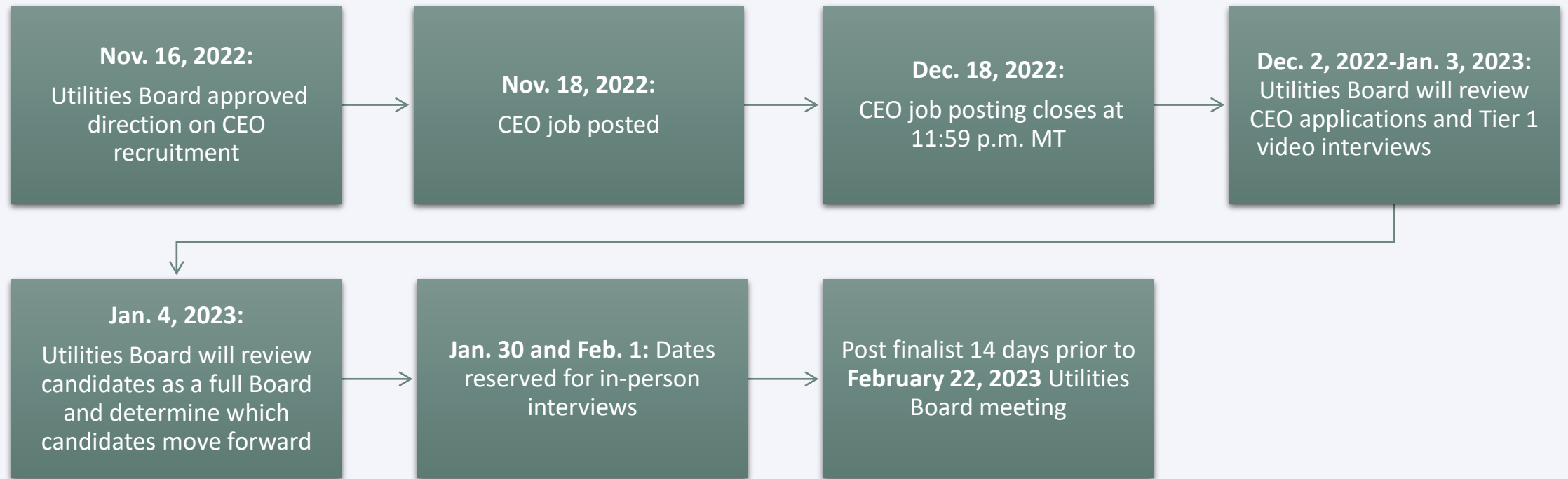


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CEO Recruitment Update

Utilities Board Meeting
December 12, 2022

Updated CEO Recruitment Timeline



Community Public Input

Decision Points

- Does the Utilities Board wish to include a community stakeholder component to the CEO recruitment process?
- If yes, where and how will their involvement be included in the process?



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