



COLORADO SPRINGS UTILITIES BOARD
 MS Teams
 and Blue River Board Room
 Plaza of the Rockies
 121 S. Tejon Street
 South Tower, 5th Floor

AGENDA
Wednesday, May 18, 2022
1:00 p.m.
Join on your computer or mobile app
[Click here to join the meeting](#)
Or call in (audio only)
[+1 719-733-3651,,895987817#](#)

1:00 p.m.	1. Call to Order	Chair Wayne Williams	
1:05 p.m.	2. Invocation and Pledge of Allegiance		
1:10 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: April 20, 2022	Chair Wayne Williams	Approval
1:15 p.m.	4. Recognition: <ul style="list-style-type: none"> • Recognizing the Exemplary Performance of Senior Account Manager Steve Carr 		Information
1:25 p.m.	5. Customer Comments <ul style="list-style-type: none"> • Those who wish to comment may have submitted their name and topic or agenda item on the signup sheet or via the email address: boardsubmissions@csu.org or the signup sheet in the boardroom. 	Chair Wayne Williams	Information

- 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.

1:35 p.m.	<p>6. Compliance Reports:</p> <p>I-2 Financial Condition and Activities - Annual City Auditors Report G-7 (Annual external)</p> <p>I-8 Asset Protection - Annual City Auditors Report</p> <p>I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 – Q1</p> <p>E-2 CEO Responsibilities</p> <ul style="list-style-type: none"> • ECA/GCA Monitoring • Water Outlook • Supply Chain Update 	<p>Aram Benyamin, Chief Executive Officer</p>	Monitoring
1:45 p.m.	<p>7. Items Called Off Consent Calendar</p>		
1:50 p.m.	<p>8. Electric Infrastructure Grid Modernization Overview</p>	<p>David Longrie, Project Manager Supervisor</p>	Discussion
2:10 p.m.	<p>9. Resolution Approving Springs Utilities' Clean Energy Plan</p>	<p>Lisa Barbato, Chief System Planning & Projects Officer</p>	Approval
2:20 p.m.	<p>10. Board Policy Guideline Change: Community Support (G-11)</p>	<p>Matt Dudden, Interim Office of Economic</p>	Approval

Development and Stakeholder Relations Manager

Mike Francolino, Chief Customer & Enterprise Services Officer

2:35 p.m. **11.** Fiber Optic Network Expansion Update Brian Wortinger, Fiber Optics and Telecommunication Manager **Information**

2:55 p.m. **12.** Board Member Updates Board of Directors **Information**

3:00 p.m. **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)(a), (b), and (e) and Utilities Board Bylaw Rules 10(c)(1), (2), and (5), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session. The issue to be discussed involves the purchase and acquisition of real, personal, and other property interests, consultation with the City Attorney for the purpose of receiving legal advice and instructions, and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators regarding water rights acquisitions.

Bethany Burgess, Division Chief – Utilities, Office of the City Attorney

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.

4:00 **14.** Adjournment
p.m.

Chair Wayne
Williams

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, April 20, 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, Stephannie Fortune, Yolanda Avila, Nancy Henjum and Tom Strand

Staff members present via Microsoft Teams or Blue River Conference Room: Aram Benjamin, Travas Deal, Joe Awad, Andie Buhl, Natalie Watts, Tara Kelly, Scott Shirola, Al Wells, April Speake, Chrisitan Nelson, Mike Francolino, David Padgett, Renee Adams, Tristan Gearhart and Lisa Barbato

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: David Beckett, Jeff Greene, Chris Bidlack, Alex Ryden and Jacqueline Rowland

Citizens present via Microsoft Teams or Blue River Conference Room: Sam Masias

1. Call to Order

Chair Wayne Williams called the Utilities Board meeting to order at 1:00 p.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

Chair Williams provided a brief update about participants joining the Utilities Board meetings via Microsoft Teams and said moving forward, the chat feature will be disabled. He explained alternative methods for citizens to comment during Board meetings.

2. Invocation and Pledge of Allegiance

President Kamel Elwazeir of Islamic Society of Colorado Springs delivered the invocation and Chair Williams led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Minutes: March 16, 2022

Board Member Strand moved approval of the Consent Calendar and Vice Chair O'Malley seconded the motion. The Consent Calendar was unanimously approved.

4. Recognition

Wastewater Worker Appreciation Week and Peak Performance Awards through the National Association of Clean Water Agencies (NACWA)

Mr. Travas Deal, Chief Operations Officer, thanked Springs Utilities wastewater workers for their hard work and dedication to the organization. Mr. Bryan Babcock, Water and Wastewater Operations General Manager, explained what Wastewater Worker Appreciation Week is all about and expressed gratitude for his wastewater team.

Ms. Tara Kelly, Wastewater Operations Manager, explained how the organization has been a recipient of the Platinum Peak Performance Award from the National Association of Clean Water Agencies (NACWA) for five consecutive years for 100% compliance with our discharge permit for the Las Vegas Street Water Resource Recovery Facility. The award demonstrates 100% compliance with the Las Vegas Street Water Resource Recovery Facility's permits from 2016-2020.

American Water Works Association (AWWA) National Drinking Water Week

Mr. Babcock explained how his team assists with water works and each role that ensures water deliverability. He and Ms. Kelly thanked all departments who assist with this service. Chair Williams also expressed appreciation for the water teams at Springs Utilities.

5. Customer Comments

Mr. Sam Masias expressed concerns about distributed solar energy and commented about the need for a green energy tariff.

6. Compliance Reports

- I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 – Q4
- I-12 Environmental Stewardship
- E-2 CEO Responsibilities
 - Water Outlook

Ms. Kalsoum Abbasi, Water Planning Supervisor, discussed local weather conditions as of March 31, 2022. She gave an overview of a drought monitor update as of April 12, 2022 compared to Feb. 22, 2022. She said snowpack in the Arkansas River Basin is 85% of normal and snowpack in the Colorado River Basin is 99% of normal.

Ms. Abbasi explained the March 31, 2022 statewide SNOTEL map which shows that most watersheds in Colorado are near normal snow water equivalent (SWE), with the exception of the Yampa/White, which indicates slightly below average SWE. She said April yield forecast predicts 90% of average water collection system yield and described Lake Powell projections for April 2022.

Ms. Abbasi explained a graph showing total water usage of about 1.28 billion gallons in March 2022 compared to the same month back to 2001. She said Colorado Springs' system wide storage is about 187,500 acre-feet, or 72.5% of capacity, which is above the shorter-term (2001-2021) average of 68% for this time of year. Ms. Abbasi

concluded with a graph that explains Colorado Springs' system wide storage of about 188,700 acre-feet, or 73% of capacity, which is slightly below the longer-term (1991-2021) average of 74% for this time of year. This equates to about 2.7 years of demand in storage.

Mr. Pat Wells, Water Resources and Demand Management General Manager, explained how water dropping below specific elevation levels are significant because that impacts additional measures to be taken to protect power generation at Lake Powell. He said there are discussions between the upper and lower basin states to take additional precautions.

The Utilities Board requested to have monthly Water Outlook presentations through the summer of 2022.

Supply Chain Update

- Mr. Mike Francolino, Chief Customer and Corporate Services Officer, said inflationary pressures are impacting lead times so the organization has started strategic reserves and partnered with other utilities to combat this.

Fiber Update

- Mr. Aram Benyamin, Chief Executive Officer, said two shipments have arrived to move forward with the installation of fiber throughout the City.

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

7. Items Called Off Consent Calendar

None

8. Electric Cost Adjustment (ECA) Monitoring and Proposed Gas Cost Adjustment (GCA)

Mr. Scott Shirola, Pricing and Rates Manager, said April 30, 2022 is the completion of fuel expense recovery from the February 2021 windstorm. He explained the natural gas prices as of April 1, 2022 and emphasized how volatile the natural gas market is right now. He discussed ECA projections as of April 2022, which includes a recommendation of no rate change. He also explained the ECA projections April 2022 guidelines. Mr. Shirola said the recommendation is to not change the rate.

Mr. Shirola explained GCA projections as of April 2022 which includes a proposal to decrease rates. He provided a sample total monthly bill, with a proposed effective start date of May 1, 2022.

Mr. Shirola said customers can visit the organization's website for rebate programs and energy efficiency tips. The Utilities Board agreed to not put this item on consent at the Tuesday, April 26, 2022 City Council meeting.

Mr. Masias expressed concerns about how Springs Utilities stores natural gas. He urged Springs Utilities to look at ways to move away from fossil fuels and instead toward electrifying water heaters.

Mr. Tristan Gearhart, Chief Planning and Finance Officer, explained how we store natural gas and explained the financial process for this.

9. Open Access Transmission Tariff (OATT) Revision

Mr. Shirola provided background information about OATT. He said Springs Utilities is a transmission provider providing non-discriminatory wholesale high voltage service. He said the organization is transitioning out of the Joint Dispatch Agreement (JDA) and into the Western Energy Imbalance Service (WEIS). He explained benefits of this proposal, which include:

- WEIS broadens the pool of resources to serve aggregate demand.
- Increased granularity with five-minute real-time increments.
- Increased opportunity for financial benefit.

Mr. Shirola concluded with a summary of OATT revisions and the filing calendar timeline.

Mr. Masias reemphasized the importance of a green energy tariff and discussed the benefits of solar panels on commercial buildings.

Mr. Benjamin said a cost-of-service study needs to be done to consider solar panels on commercial buildings, so customers can prepare for the costs. He said the rates team at Springs Utilities are researching green power rates comparatively.

10. Community Focus Fund (CFF) Grants Program

Ms. April Speake, Public Affairs Lead, said Springs Utilities has been investing in the community for many years; however, community investments were not formalized until 1997 with the chartering of the Community Focus Fund (CFF) Program by a City Council resolution. The charter specified the ability to provide funding to local nonprofits in support of the overall CFF volunteer program. Original focus areas specified in the CFF program charter included:

- Seniors
- Youth
- Affordable housing
- Safety and health
- Education
- Environment
- Community

Ms. Speake explained how until 2014, the CFF Program grants were funded through Colorado Springs Utilities' revenues. In alignment with the CFF charter, the funds

came from revenue streams other than rate payer dollars such as sales of obsolete business equipment and vehicles. She said from 1998 to 2013, hundreds of local nonprofits and educational institutions received support for programs and projects that improved the lives of the citizens of the communities we serve. Ms. Speake explained that from 2014 to 2017, grant funding was not budgeted but resumed in 2018 under the original charter focus. She provided examples of other utilities supporting community investment.

Ms. Speake said community investment represents a positive return on investment for Colorado Springs Utilities. The organization is directly tied to this community and its success, and the organization's strength and vitality depend on the education, health, and welfare of the community in which Springs Utilities operates. She said nonprofit investment:

- Enhances our reputation as a trusted community partner.
- Demonstrates our commitment to the community which directly impacts customer satisfaction as measured by the J.D. Power and Associates studies.
- Supports the economic sustainability of local nonprofits, which are business customers and employers of many of the organization's residential customers.

Ms. Speake gave an overview of the most important causes for residential and business customers to support this funding based on a J.D. Power survey. She concluded with a summary overview:

- Approved CFF Grant funding in the amount of \$256,000 is in the 2022 budget.
- Springs Utilities is poised to move forward on Monday, April 25 with applications from local nonprofits.
- Nonprofits have been directed to check the Spring Utilities website for guidelines and application information.

11. Board Member Updates

There were none.

12. CEO Performance Executive Session – break until 3:05 p.m.

Mr. David Beckett, City of Colorado Springs Senior Attorney – Utilities Division, 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)(e), and Utilities Board Bylaw Rules 10(c)(5), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on the following matter: determining positions relative to matters that may be subject to negotiations and instructing negotiators regarding an intergovernmental agreement related to water rights.

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 matters may be discussed in Open Session or withdrawn from consideration.

Mr. Beckett polled the Utilities Board and they voted unanimously to enter Executive Session.

The Utilities Board took a break at 2:52 p.m. and entered Executive Session at 3:05 p.m.

The Utilities Board ended Executive Session at 3:21 p.m.

13. Adjournment

The meeting adjourned at 3:23 p.m.



Date: May 18, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: Recognizing the Exemplary Performance of Senior Account Manager Steve Carr

Desired Action: Information

Senior Account Manager Steve Carr spearheaded a three-year project which required working with every area of the organization. This project—the Intergovernmental Services Agreement (IGSA) with Fort Carson—was successfully executed on March 16, 2022.

As part of the IGSA, Colorado Springs Utilities will operate, maintain and repair Ft. Carson’s electric and gas distribution systems starting in January 2023. Steve sifted through hundreds of pages of requirements to determine the project scope.

Some of the major hurdles Steve had to resolve included a lack of technical system information, Covid vaccine requirements, Occupational Safety and Health Administration (OSHA) requirements and Army policy requirements.

This agreement is one of the first of its kind and demonstrates creative thinking and innovation. It provided an opportunity to demonstrate the community’s support for the military to high-ranking Washington officials.

Steve makes it easy for our customers to do business with our organization. He leverages the expertise of our employees to solve customer problems. He works with people across the organization to meet and exceed our customers’ expectations.

Steve has given exceptional service as the account manager for our military partners. His collaborative spirit brought together internal stakeholders and led to the completion of a very critical project for the Army. Our customers are lucky to have him working on their behalf each and every day.



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Jacqueline M. Rowland
City Auditor, CPA CFE PMP

22-12 Colorado Springs Utilities Board Instruction I-2, Financial Conditions and Activities, and I-8, Asset Protection

April 2022

Purpose

The purpose of this high level compliance review was to determine whether Colorado Springs Utilities (Utilities) complied with Utilities Board Instructions to the Chief Executive Officer, Policy I-2, Financial Condition and Activities, and I-8, Asset Protection. In addition to verifying management’s 2021 quarterly and semi-annual monitoring reports, our objectives included assurance that any known violations were reported to the Utilities Board.

Highlights

Based on our review, we conclude that Colorado Springs Utilities and the Chief Executive Officer were in compliance with Utilities Board Instructions to the Chief Executive Officer, Policy I-2, Financial Condition and Activities, and Policy I-8, Asset Protection. We identified one opportunity to strengthen reporting to governance.

The Office of the City Auditor (OCA) completed our review as directed by the Utilities Board. Under Policy Guidelines - G3 Compliance Report Frequency and Method, the OCA is required to monitor compliance with Policies I-2, Financial Condition and Activities, and I-8, Asset Protection annually.

Policy I-2 states “The Chief Executive Officer shall direct that financial condition and activities, and actual expenditures are consistent with Board expected results.” Policy I-8 states, “The Chief Executive Officer shall direct that enterprise assets are protected, adequately maintained, and not unnecessarily risked.” Our audit included verification of the accuracy and reliability of statements made in the monitoring reports prepared by Colorado Springs Utilities for the Utilities Board. Procedures included obtaining supporting documents, policies, reports, and data recalculations.

We would like to thank Utilities staff for their supportive cooperation during this review.

Management Response

Management was in agreement with our recommendation.

Opportunity for Improvement

1. Utilities Procurement Department should work with governance related to the I-2 provision 2 to:

- Clarify the definition of blanket contracts.
- Clearly specify stakeholder reporting needs related to the contracts over \$500,000 report.
- Consider policy updates, as needed.

City Council’s Office of the City Auditor

City Hall, 107 North Nevada Ave. Suite 205, Mail Code 1542, Colorado Springs CO 80901-1575

Tel 719-385-5991 Fax 719-385-5699 Reporting Hotline 719-385-2387

www.ColoradoSprings.gov

22-12 Colorado Springs Utilities Board Instruction I-2 Financial Conditions and I-8 Asset Protection

Opportunity 1

- Colorado Springs Utilities was in compliance with I-2 provision 2. However, I-2 report definitions for contracts over \$500,000 were complex and may not be well understood by stakeholders.

I-2 provision 2: Inform the Utilities Board of contracts that have been issued over \$500,000, not to include blanket contracts.

The I-2 report included contracts issued that exceeded \$500,000 as well as the first quarter that a contract exceeded \$500,000.

Utilities considered blanket contracts to be for goods or services that required multiple payments over a period of time. Blanket contracts were not included on the contracts over \$500,000 report.

Utilities business practice was to issue purchase orders or task orders as releases against blanket contracts. Any individual purchase order or release over \$500,000 against blanket contracts was included in the I-2 quarterly report.

Management Response

“Blanket Contracts” are currently defined via the “type” selected in our Procure to Pay system Maximo (system of record).

Utilities is prepared to modify or adjust the reporting on the I-2 report per direction from the Utility Board.

Utilities is also prepared to offer suggestions and alternatives to the \$500,000 presentation approach and to the I-2 itself.

Recommendation

Utilities Procurement Department should work with governance related to the I-2 provision 2 to:

- Clarify the definition of blanket contracts.
- Clearly specify stakeholder reporting needs related to the contracts over \$500,000 report.
- Consider any policy updates, as needed.



Date: May 18, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report
Financial Condition and Activities (I-2)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2022 – March 31, 2022
Policy Title (Number):	Financial Condition and Activities (I-2)	Reviewing Committees:	Finance; Program Management Review
Monitoring Type:	Internal; City Auditor	Monitoring Frequency:	Quarterly, Annually
Guidelines:	Local Vendor (G-7)		

The Chief Executive Officer shall direct that financial condition and activities and actual expenditures are consistent with Board Expected Results. Accordingly, the CEO shall:

1. *Operate within total appropriations for the fiscal year and inform the Utilities Board of:*
 - a. *Significant financial variances*
 - Fuel expenses are projected to be \$113.2 million or 31% over the approved budget primarily due to price increases and volatilities in the fuels market
 - Operating revenues are currently \$69.5 million or 16% over the approved budget mainly due to an increase in ECA and GCA related to recovery of higher fuel expense
 - Capital expenses are projected to be \$22.7 million or 6% over the approved budget primarily due to Temporary Natural Gas Generators scope changes
 - Non-fuel operating expenses are projected to be \$8.2 million or 2% over approved budget in part to labor and benefits salary structure adjustments (50th to 60th percentile) and in part to Arkansas River Exchange water leasing

- b. *Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater and common.*

As of the end of the first quarter of 2022:

- Operating and maintenance expenses are projected to exceed the approved budget by \$46.3 million or 20% in electric, \$69.9 million or 64% in gas, \$5.9 million or 8% in water and \$1.7 million or 8% in wastewater.
- Capital expenditures are projected to exceed the approved budget by \$47.3 million or 22% in electric, \$0.6 million or 1% in water, and \$0.8 million or 3% in common.

- c. *Budget transfers and canceled major capital projects over \$500,000 in the Approved Budget or new major capital projects not funded in the Approved Budget.*

In the first quarter of 2022, there were nine canceled capital projects, six in electric, one in gas, one in wastewater and one multi-service:

- Sustainable Energy Plan decarbonization projects on local distribution company (293199) - \$3,750,000
- Advanced Metering Infrastructure - operational device management (796636) - \$2,799,996
- Distributed energy strategy and energy roadmap projects (193865) - \$2,000,004
- Colorado Centre Metropolitan District Wastewater Capacity (495407) - \$1,374,324
- Kettle Creek 12.5kV feeder addition (193889) - \$999,996
- SIP -Bury 3,260' of existing overhead along S. Academy Blvd. and Hancock Expressway (173928) - \$957,636
- Nixon 1 cooling tower fan motors and motor controls (182867) - \$728,016
- Front Range air cooled condenser switchgear (193693) - \$699,996
- Fontanero 115kV under ground reconfiguration (193933) - \$660,000

In the first quarter of 2022, there were 10 new capital projects, five in electric, three in water and two common:

- System additions for new development (193974) - \$5,500,000
- North Slope - Crystal Dam Rehabilitation (394590) - \$3,507,999
- Central Substation (193642) - \$3,304,500
- Briargate 16-inch water line interconnect (394758) - \$2,300,000
- Nixon 3 turbine emergency major inspection and repair (193965) - \$2,288,119
- Financial system upgrade - Infor V11-3Q22 (596678) - \$2,236,966
- Nixon 1 pulverizer major component replacement (192985) - \$1,200,270
- Cyber Get Better (596673) - \$744,733
- Nixon transformer #2 and switchgear #2 replacement (193962) - \$698,436
- Homestake Missouri Tunnel Repairs (394759) - \$600,224

2. *Inform the Utilities Board of contracts that have been issued over \$500,000.*

In the first quarter of 2022, there were 25 new contracts initiated over \$500,000.

Service	Description	Type	Contract Amount
Multi Service	Pole vault project - critical materials	STANDARD	\$12,161,418
Multi Service	Fiber network communications HUT buildings	RELEASE	\$2,917,799
Electric Service	Nixon 3 emergency major inspection and repair. Repairs on combustion turbine and turbine generator.	RELEASE	\$1,820,818
Multi Service	Site/civil work for communications building (HUT)	RELEASE	\$1,565,186
Multi Service	LYSC.AP - special triton transformers	STANDARD	\$1,473,775
Multi Service	Customer payment options and kiosk pilot	RELEASE	\$1,468,780
Electric Service	Task order only - URP-0001 electric service line undergrounding	RELEASE	\$1,408,090
Multi Service	20-inch aro/fbe wo# 3789816 and 3787705	STANDARD	\$1,399,988
Water Service	Cathodic protection bundle 17	RELEASE	\$1,283,727
Electric Service	Nixon 3 emergency major inspection and repair. Repairs on combustion turbine and turbine generator.	RELEASE	\$1,195,649
Multi Service	Home Energy Assistance Program (HEAP) program 2022 program expenses	RELEASE	\$999,910
Electric Service	Green Mountain #10 transformer	RELEASE	\$930,288
Electric Service	Packaged air-cooled heat exchanger and pump skids	STANDARD	\$909,690
Multi Service	Infor subscription fee	RELEASE	\$864,000
Multi Service	2022 United States Geological Survey (USGS) joint funding agreements	STANDARD	\$812,740
Wastewater Service	2022 LCERP 114 CIP	RELEASE	\$801,058
Multi Service	Sr. Technical Architect - Amendment 02	RELEASE	\$775,000
Multi Service	JPSC.WH PURCHASE IRBY STOCK	RELEASE	\$772,315
Electric Service	Welding support for TNGG above ground piping installation - Drake Power Plant	RELEASE	\$745,470
Multi Service	Oracle Utilities CC&B licenses and support	RELEASE	\$673,118
Electric Service	SEP Horizon Substation control enclosure	RELEASE	\$661,909
Multi Service	LYSC	STANDARD	\$638,554

In the first quarter of 2022, there were three existing contracts increasing to over \$500,000.

Service	Description	Type	Contract Amount	
			Prior Qtr. Amount	Q1 Amount
Water Service	33 rd Street 20-inch raw water pipeline realignment D/B	STANDARD	\$217,908	\$3,108,331
Electric Service	Supply and install rebar for the Drake TNGGs	RELEASE	\$300,000	\$1,176,000
Water Service	Design build services for Academy corridor isolation valves replacement	STANDARD	\$184,117	\$550,886

- 3. Invest funds in accordance with Bond Ordinance requirements and Utilities Investment Plan.*

All cash and investments are in U.S. Treasury Notes, U.S. Agency securities, repurchase agreements, Local Government Investment Pools, and secured bank accounts that comply with Bond Ordinance investment requirements and the Colorado Springs Utilities Investment Plan.

- 4. Ensure controls are in place for receiving, processing, or disbursing funds and allow only bonded personnel access to material amounts of funds.*

Colorado Springs Utilities maintains adequate controls that are reviewed annually by an external auditor. Appropriate personnel have access to material amounts of funds. In addition, the City of Colorado Springs' Risk Management team has expanded insurance coverage of high-risk employees through a shared Crime Insurance Policy, which affords a financial backstop for employee theft, forgery, money order tampering, counterfeit money and other elements of potential fraud and misappropriation.

- 5. Ensure receivables are resolved within a reasonable grace period.*

Days Sales Outstanding (DSO) is the average number of days receivables remain outstanding before being collected. At the end of the first quarter of 2022, there was 20.9 of DSO.

- 6. Settle payroll and debts in a timely manner.*

These conditions have been achieved as of this monitoring report.

- 7. Ensure tax payments or other government ordered payments are timely and materially accurate.*

These conditions have been achieved as of this monitoring report.

- 8. Operate within Colorado State Procurement Code, Colorado Springs Utilities Procurement Code and Procurement procedures assuring legal and fiscal compliance with competitive acquisition practices, conflict of interest, favoritism and procurement from local vendors.*

Colorado Springs Utilities maintains written purchasing regulations that assure legal and fiscal compliance with competitive acquisition practices, avoid conflicts of interest, avoid favoritism and promote procurement from local vendors. Total spending associated with purchase orders and contracts with local area addresses is at 24.5% for the first quarter, with a target of 30%.

- 9. Inform the Utilities Board of significant financial impacts on the Municipal Government.*

During the first quarter of 2022, there were no significant financial impacts on the Municipal Government.



Date: May 18, 2022

To: Utilities Board

From: Aram Benyamin, 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)

The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance and operations to attain long-term organizational success and sustainability.

May 2022 Water Outlook using data as of April 30, 2022

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

2022 Demands: April use averaged 52.8 million gallons per day (MGD), which was about 9.9 percent more than last April. Year to date demand is averaging 43.7 MGD, which is 0.8 percent less than last year at this time. Temperatures in April were above the thirty-year average at 51.5 degrees Fahrenheit, which was 4.0 degrees above normal. Year to date temperatures have averaged 39.0 degrees Fahrenheit, which is 0.5 degrees above normal. Total precipitation for April was 0.01 inches, which was 0.7 percent of normal. Year to date precipitation is 1.60 inches, which is 56.1 percent of normal.

Current Reservoir Levels: Local storage is currently at about 52,362 acre-feet (79 percent of capacity). The 1991-2020 average is 72 percent of capacity. Rampart Reservoir is at 89 percent of capacity, and Pikes Peak storage is at 67 percent of capacity. System wide, total storage is about 184,100 acre-feet (71 percent of capacity). Last year at this time, total system wide storage was 70 percent of capacity. It was about 78 percent at this same time in 2020, about 71 percent of capacity in 2019, about 80 percent of capacity in 2018, about 78 percent of capacity in 2017, about 78 percent of capacity in 2016, about 80 percent of capacity in 2015, about 61 percent of capacity in 2014, and about 47 percent in 2013. The 1991-2021 average system wide storage for the end of April is 72 percent of capacity.

Water Supply Outlook: Severe drought conditions have resurged in eastern Colorado with hot and extremely dry April weather, and conditions mostly held steady in western Colorado. The 12-week Evaporative Drought Demand Index (EDDI) shows a mixed evaporative demand across most of Colorado and dryness in predominantly in eastern Colorado; Persistence of this signal summer could predict deepening drought. The three-month climate outlook predicts higher chances of above-average temperatures and higher chances of below-average precipitation across Colorado. Snowpack is slightly below average across northern Colorado and well below average in southern Colorado. Our April yield forecasting predicts 90% of average water collection system yield. We continue to monitor snowpack, demand, and storage to maximize available water supply.

Operational Notes: Total system storage is at 71 percent of capacity and holds about 2.6 years of demand, which is slightly below average for the end of April. Local storage contains about 264 days of demand.

Electric Cost Adjustment (ECA)

On Jan. 25, 2022, City Council approved the ECA rate of \$0.0364 per kWh effective Feb. 1, 2022. As of April 30, 2022, the ECA under-collection balance was \$13.6 million. The under-collection balance changed by \$1.4 million from the 15 million under collection balance reported in April. Colorado Springs Utilities continues to provide regular updates to the Utilities Board and will propose adjustments as appropriate.

Gas Cost Adjustment (GCA)

On April 26, 2022, City Council approved the GCA rate of \$0.4505 per Ccf effective May 1, 2022. As of April 30, 2022, the GCA under-collection balance was \$9.3 million. The under-collection balance changed by \$5.6 million from the \$14.9 million under collection balance reported in April. Colorado Springs Utilities continues to provide regular updates to the Utilities Board and will propose adjustments as appropriate.

Supply Chain Update

Material lead times continues to increase. Based on the Institute for Supply Management (ISM):

- Economic activity in the manufacturing sector grew in April, with the overall economy achieving a 23rd consecutive month of growth.
- The Backlog of Orders Index registered 56%, 4 percentage points lower than the March reading of 60%. The U.S. manufacturing sector remains in a demand-driven, supply chain constrained environment. A higher percentage indicates a higher manufacturing backlog. The higher percentage leads to increased lead times. We want to see this index continue to trend down.
- The Employment Index registered 50.9%, 5.4 percentage points lower than the March reading of 56.3%. An Employment Index above 50.5% is generally consistent with an increase in the Bureau of Labor Statistics (BLS) data on manufacturing employment. Employment levels, driven primarily by turnover and a smaller labor pool, remain the top issue affecting further output growth.
- To summarize from ISM, new manufacturing orders, production and employment are growing at a slower rate; supplier deliveries are slowing at a faster rate; backlogs are decreasing; customers' inventories remain at very low levels and prices continue to increase but at a slower rate.

General Statement: Material costs continue to increase but at a slower rate. Based on the Institute for Supply Management (ISM):

- The Prices Index registered 84.6%, a decrease of 2.5 percentage points compared to the March reading of 87.1%, indicating raw materials prices increased for the 23rd consecutive month but at a slower rate.
- In April, 17 of 18 industries reported paying increased prices for raw materials.

What actions are we taking?

- As we continue to experience increases in our material lead times and cost, here are some of the actions we are taking to address these challenges.
 - Assessing and adjusting our minimum/maximum inventory levels.
 - Requesting our core distributors hold more inventory.
 - Increasing the number of approved manufacturers and distributors.
 - Leveraging international sources of supply.
 - Leveraging our Large Public Power Council (LPPC) members, co-ops and Investor-Owned Utilities.
 - Leveraging market intelligence to validate supplier price increases.
 - Evaluating the opportunity of leveraging standard materials vs. materials manufactured specifically for Colorado Springs Utilities.
 - Improving the overall accuracy of our materials reservation system.
 - Improving overall cycle counts to ensure a high level of accuracy.
 - CEO Aram Benyamin issued letters of assistance to Governor Jared Polis, Colorado State Senators Michael Bennet and John Hickenlooper and Congressman Doug Lamborn regarding global supply chain disruptions impacting the availability and price of transformers.



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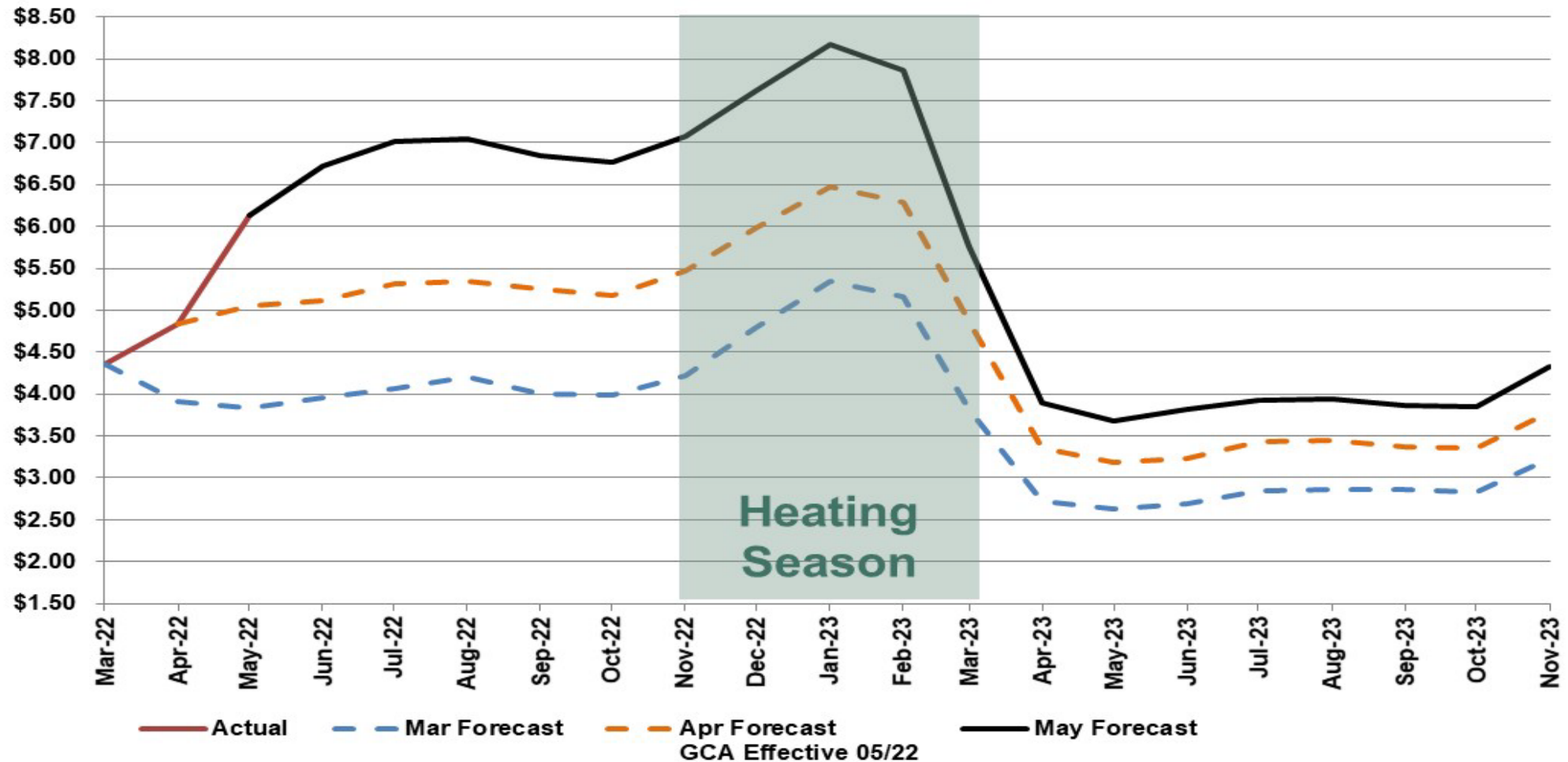
Electric Cost Adjustment Gas Cost Adjustment

Scott Shirola, Pricing and Rates Manager

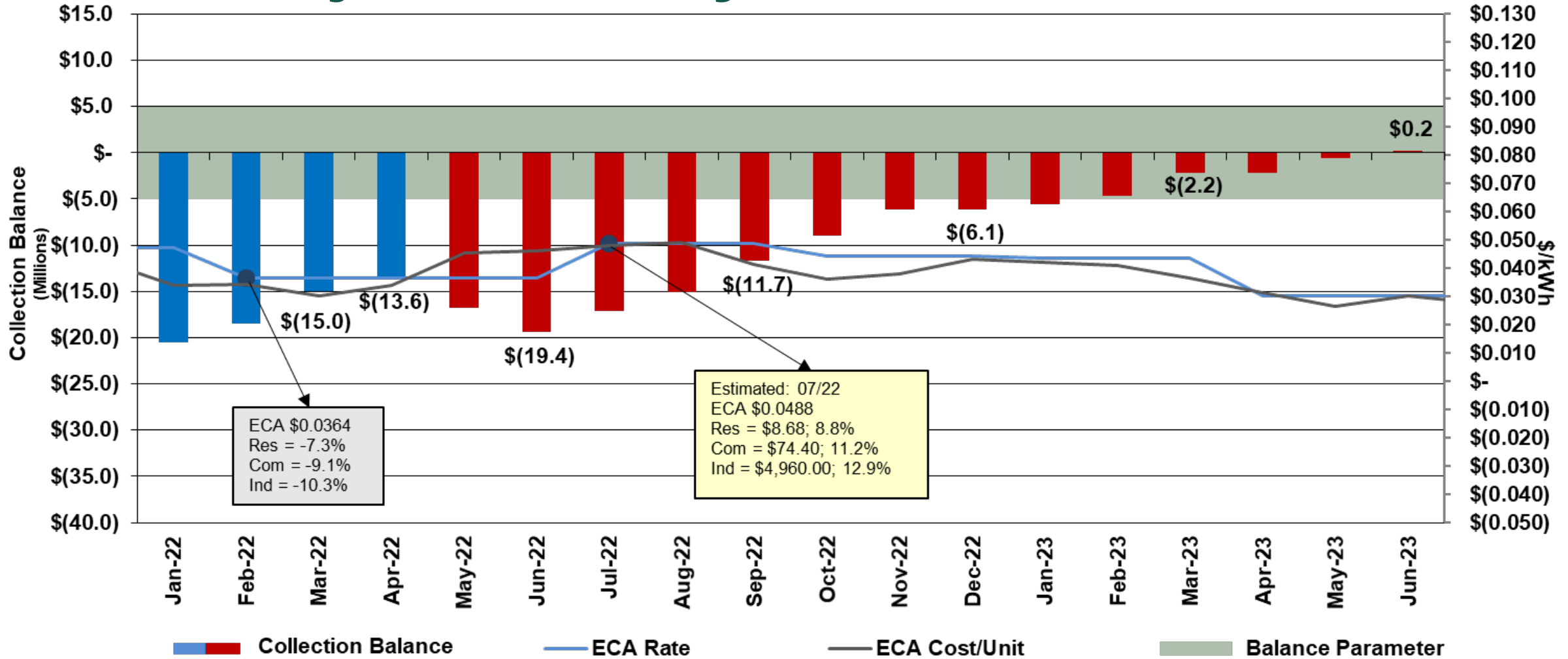
May 18, 2022

Natural Gas Prices as of May 1, 2022

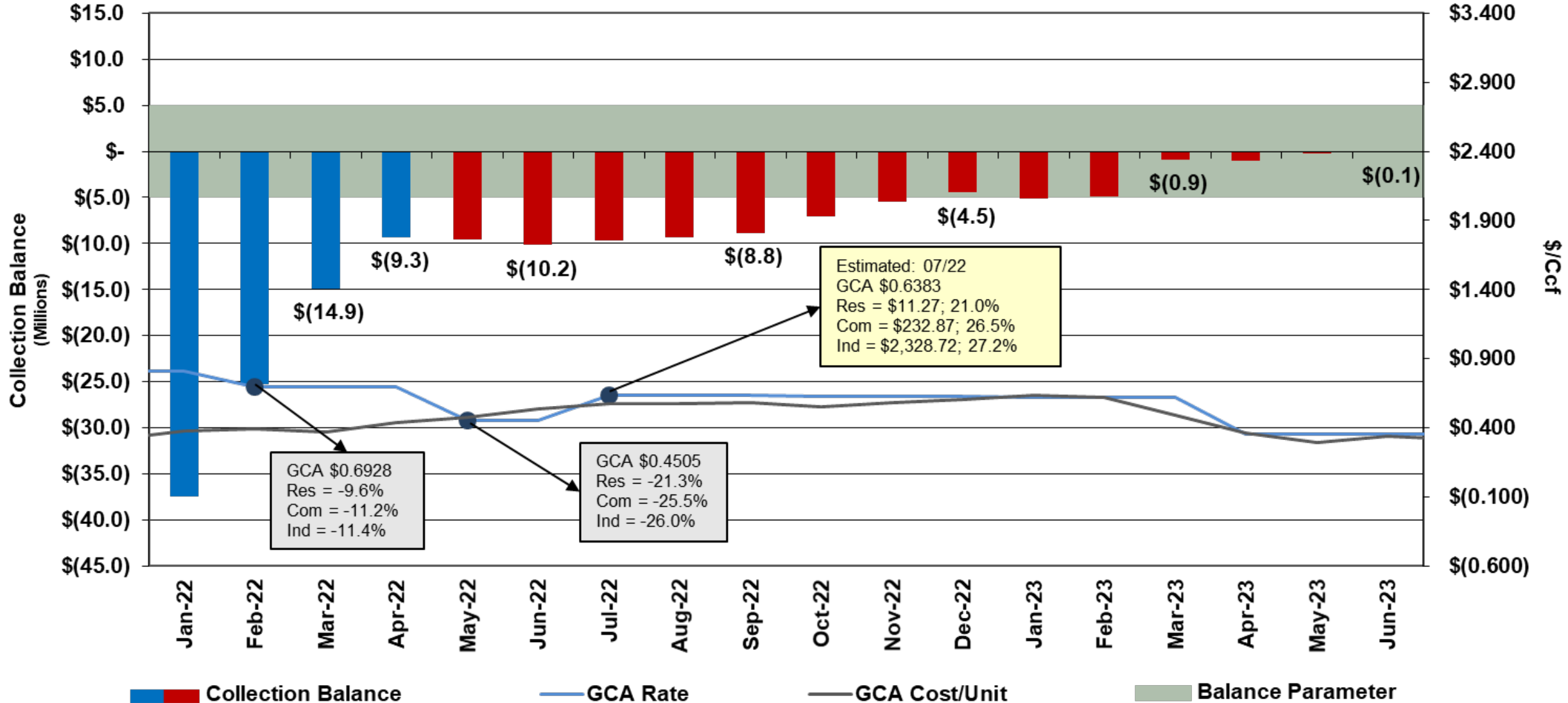
\$/Dth



ECA Projections May 2022



GCA Projections May 2022





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Water Outlook

Kalsoum Abbasi, P.E.

Water Planning Supervisor

May 18, 2022

Local Weather Conditions as of April 30, 2022

Precipitation (Inches of Moisture)

- April 2022 – 0.01 in. (0.7% of normal)
- 2022 YTD Total – 1.60 in. (56.1% of normal)

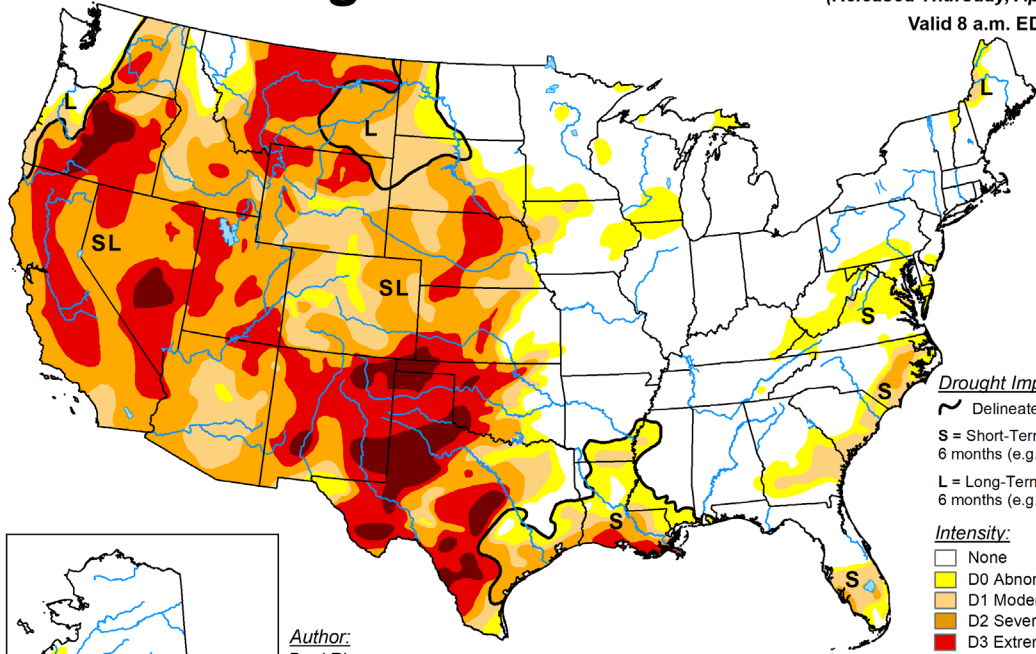
Average Temperature (Degrees F)

- April 2022 – 51.5 Deg. (4.0 deg. above normal)
- 2022 YTD Average – 39.0 Deg. (0.5 deg. above normal)



U.S. Drought Monitor

April 26, 2022
 (Released Thursday, Apr. 28, 2022)
 Valid 8 a.m. EDT



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:

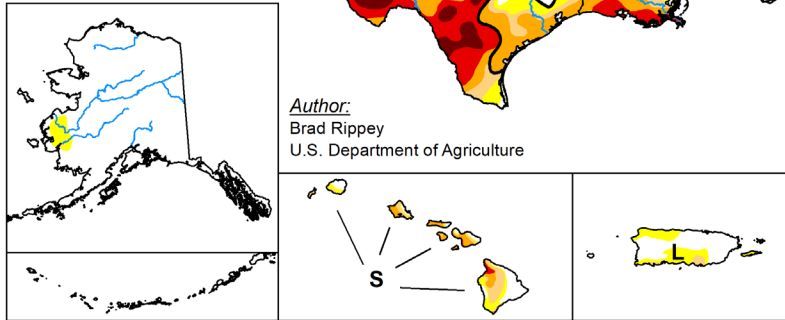
- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

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>



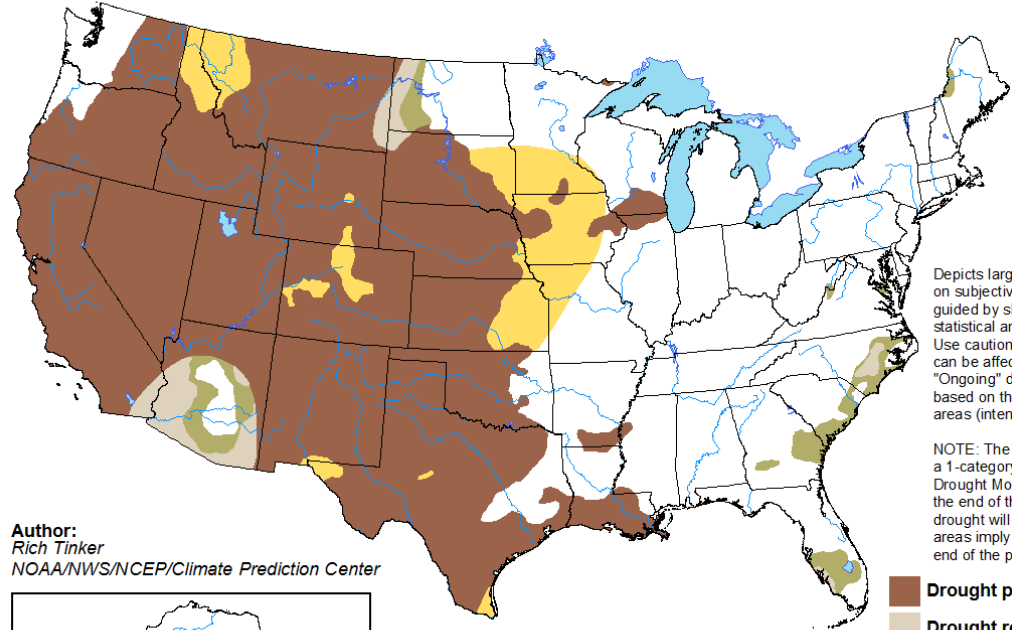
droughtmonitor.unl.edu

Author:
 Brad Rippey
 U.S. Department of Agriculture



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

Valid for April 21 - July 31, 2022
 Released April 21



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



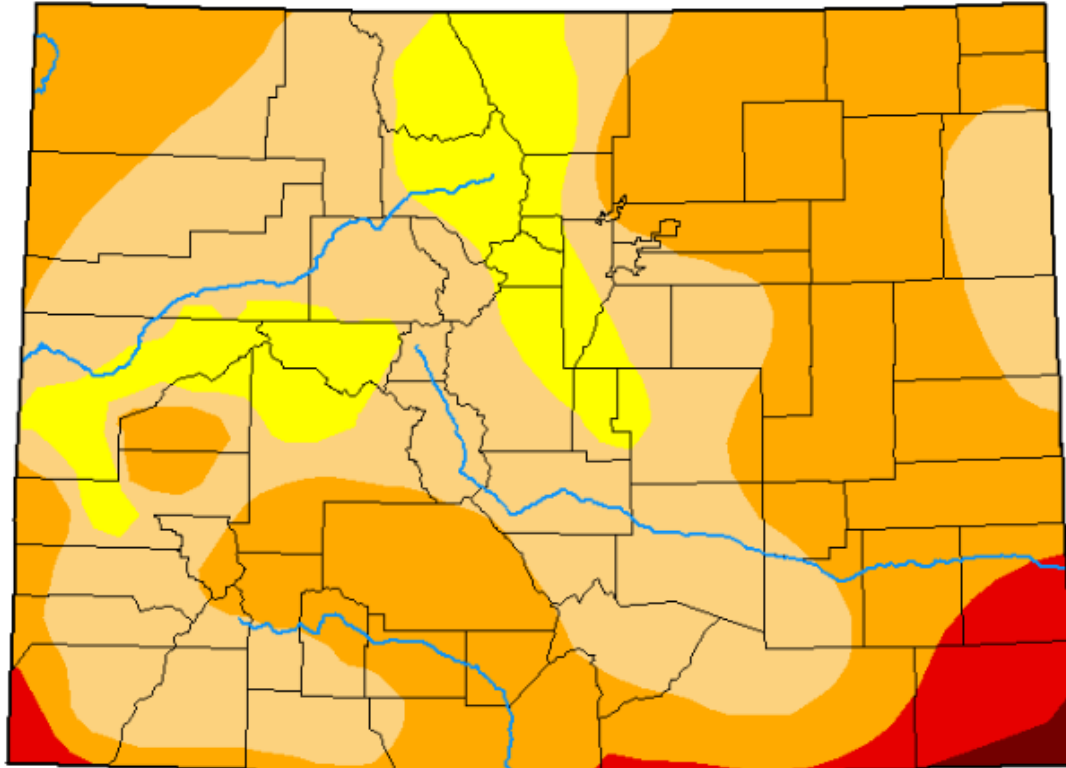
<http://go.usa.gov/3eZ73>

Author:
 Rich Tinker
 NOAA/NWS/NCEP/Climate Prediction Center









U.S. Drought Monitor Colorado

April 26, 2022
(Released Thursday, Apr. 28, 2022)
Valid 8 a.m. EDT



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>

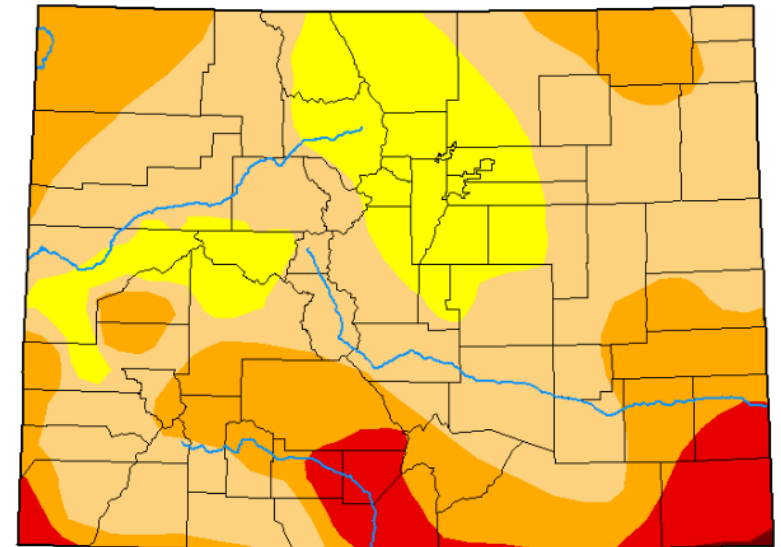
Author:

Brad Rippey
U.S. Department of Agriculture

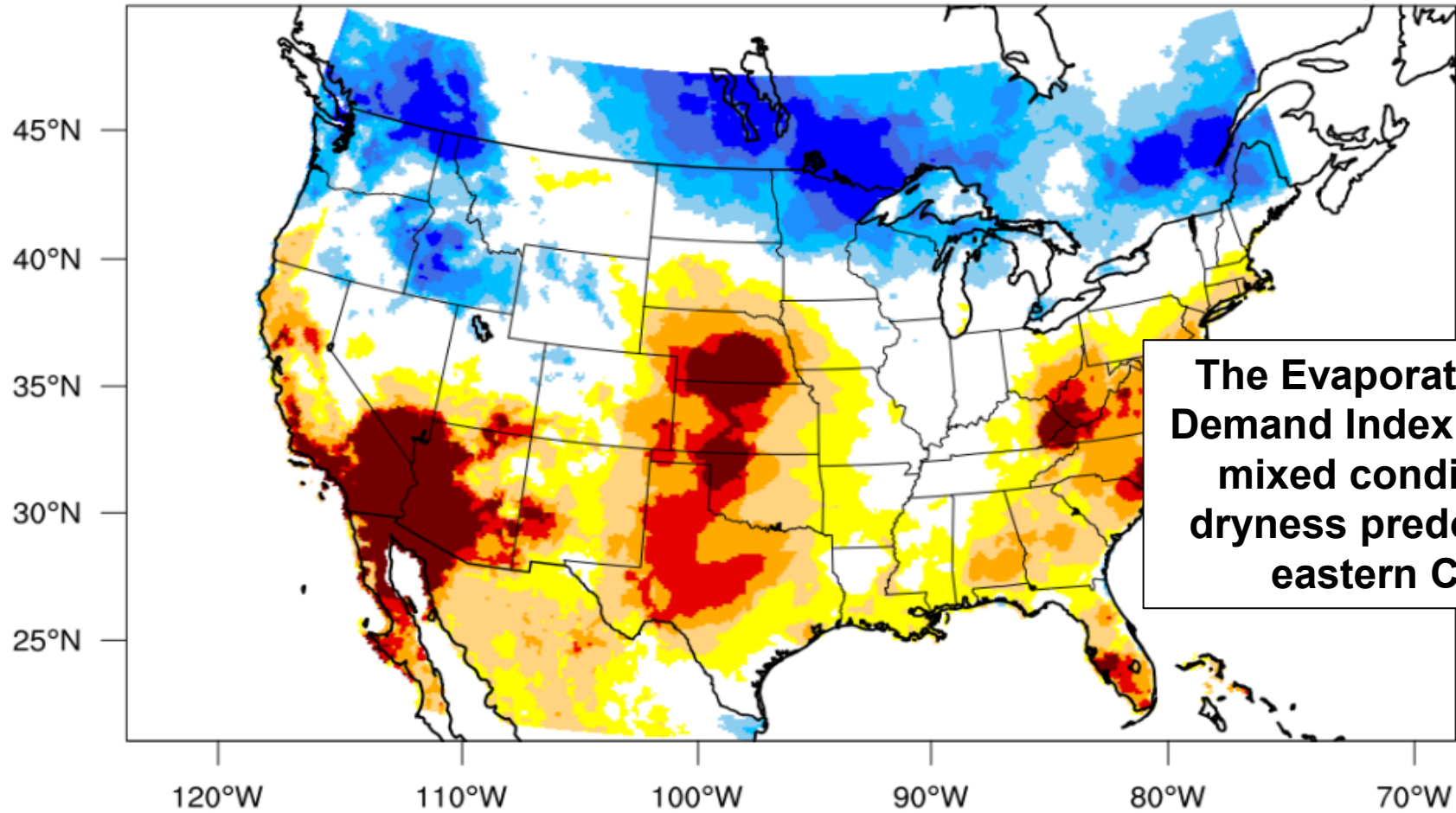


droughtmonitor.unl.edu

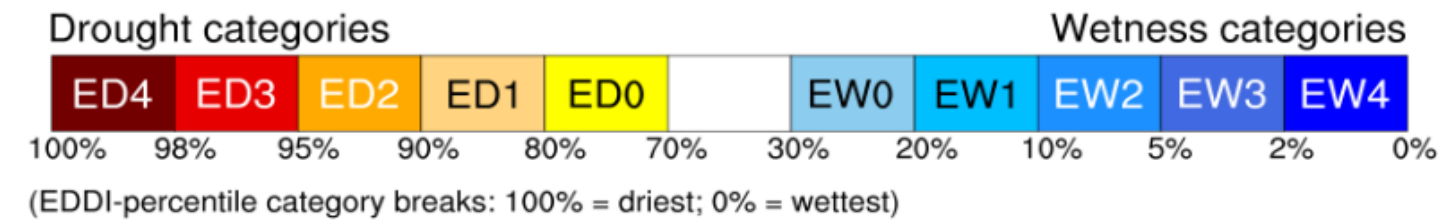
Last Month: March 29, 2022



12-week EDDI categories for April 28, 2022



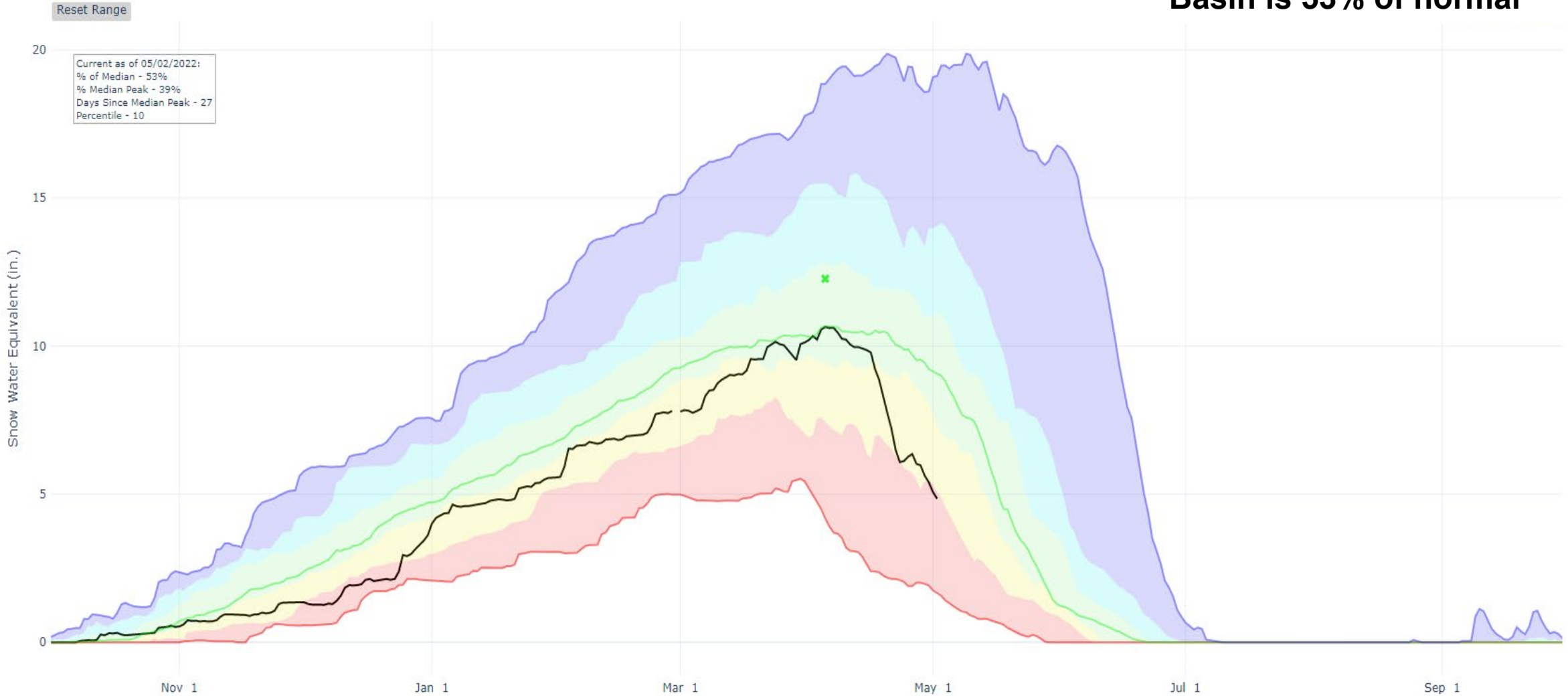
The Evaporative Drought Demand Index shows some mixed conditions, with dryness predominantly in eastern Colorado



Generated by NOAA/ESRL/Physical Sciences Laboratory

SNOW WATER EQUIVALENT IN UPPER ARKANSAS

Snowpack in the Arkansas River Basin is 53% of normal

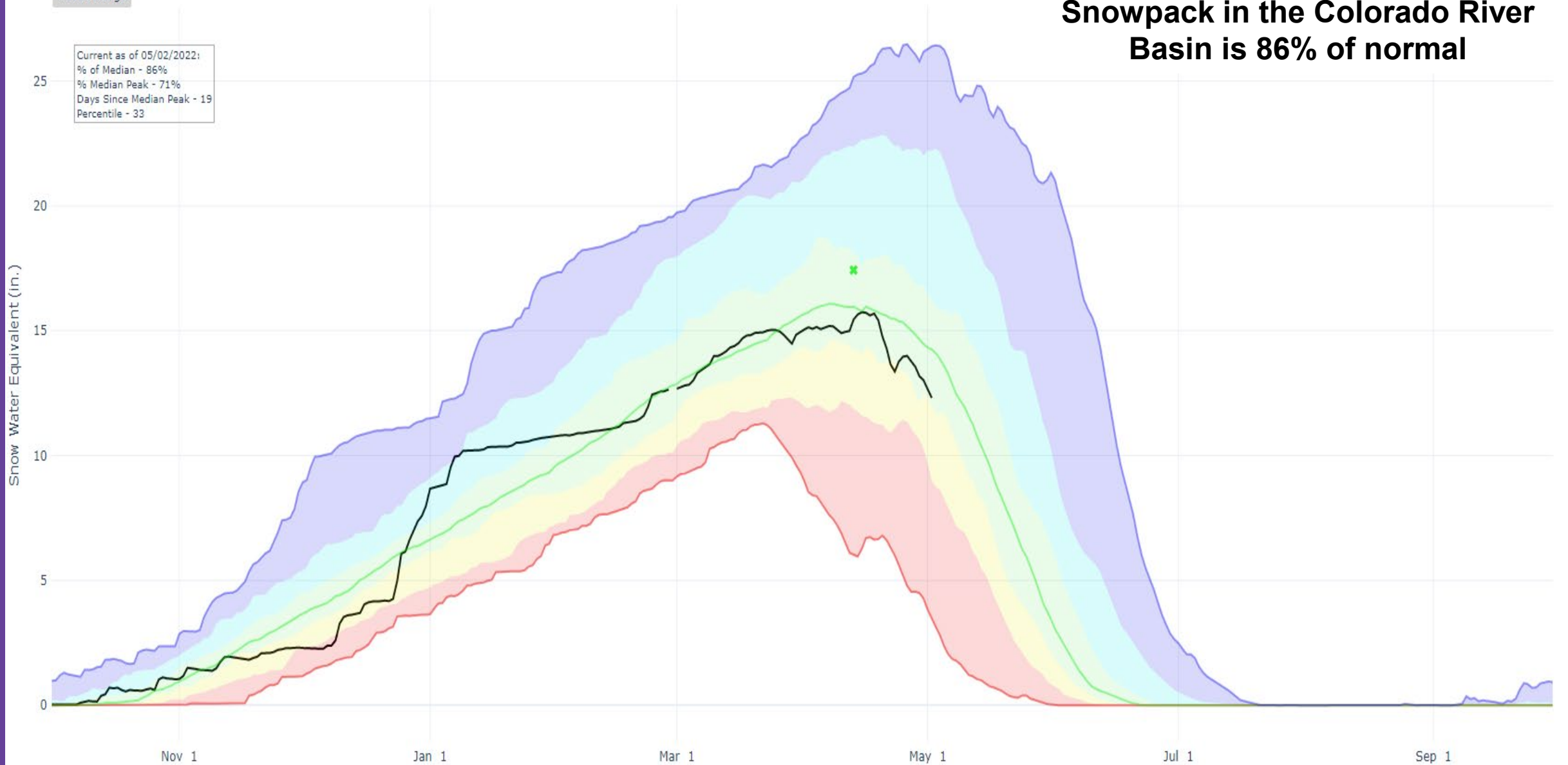


SNOW WATER EQUIVALENT IN COLORADO HEADWATERS

Reset Range

Current as of 05/02/2022:
% of Median - 86%
% Median Peak - 71%
Days Since Median Peak - 19
Percentile - 33

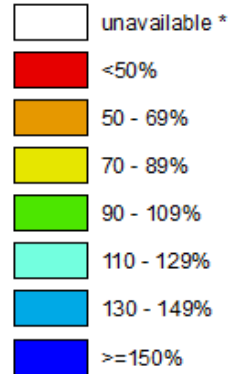
Snowpack in the Colorado River Basin is 86% of normal



Colorado
SNOTEL Current Snow Water Equivalent (SWE) % of Normal
Laramie and North Platte

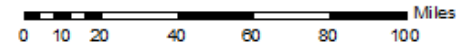
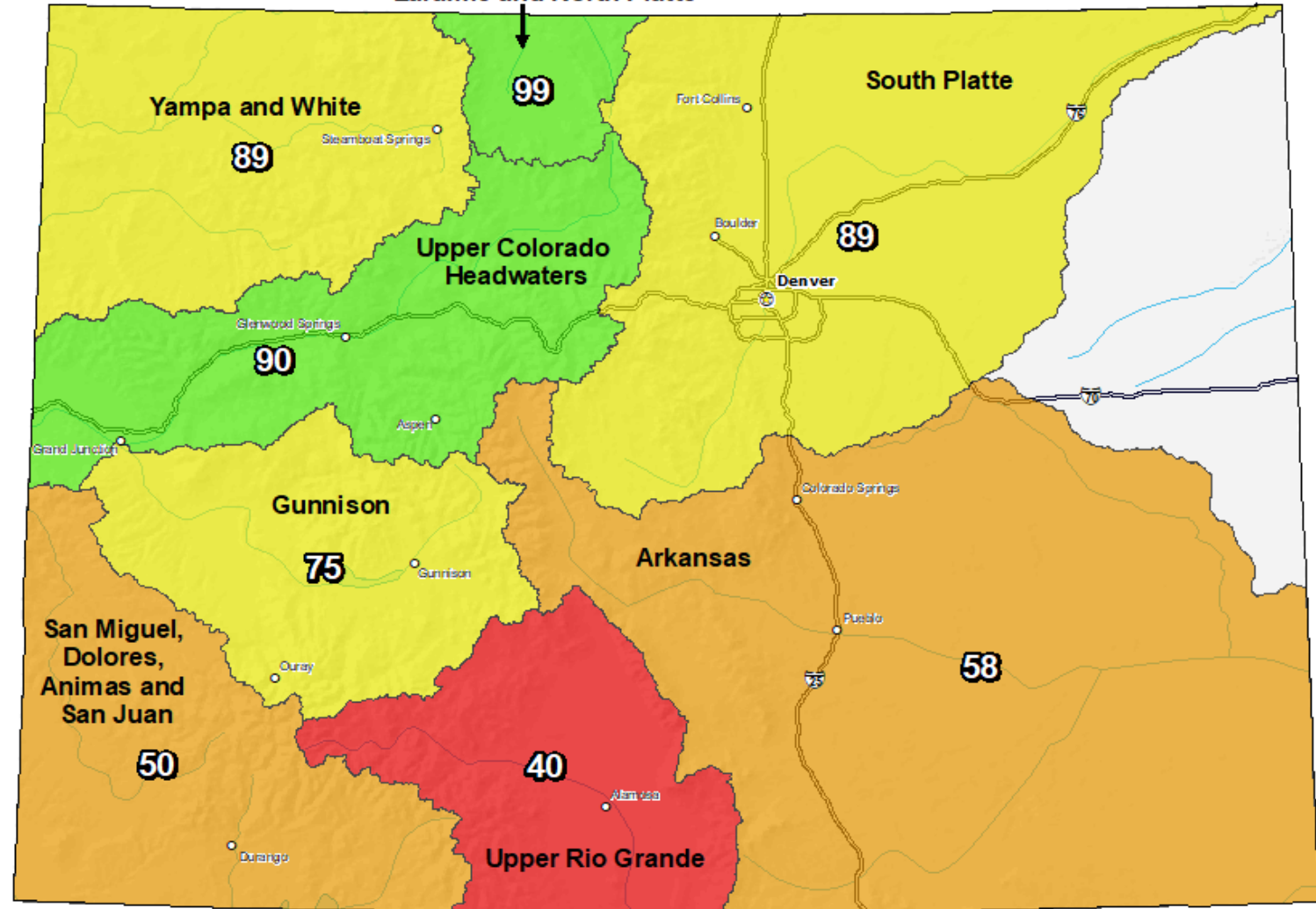
May 01, 2022

Current Snow Water Equivalent (SWE) Basin-wide Percent of 1991-2020 Median



* Data unavailable at time of posting or measurement is not representative at this time of year

*Provisional Data
 Subject to Revision*

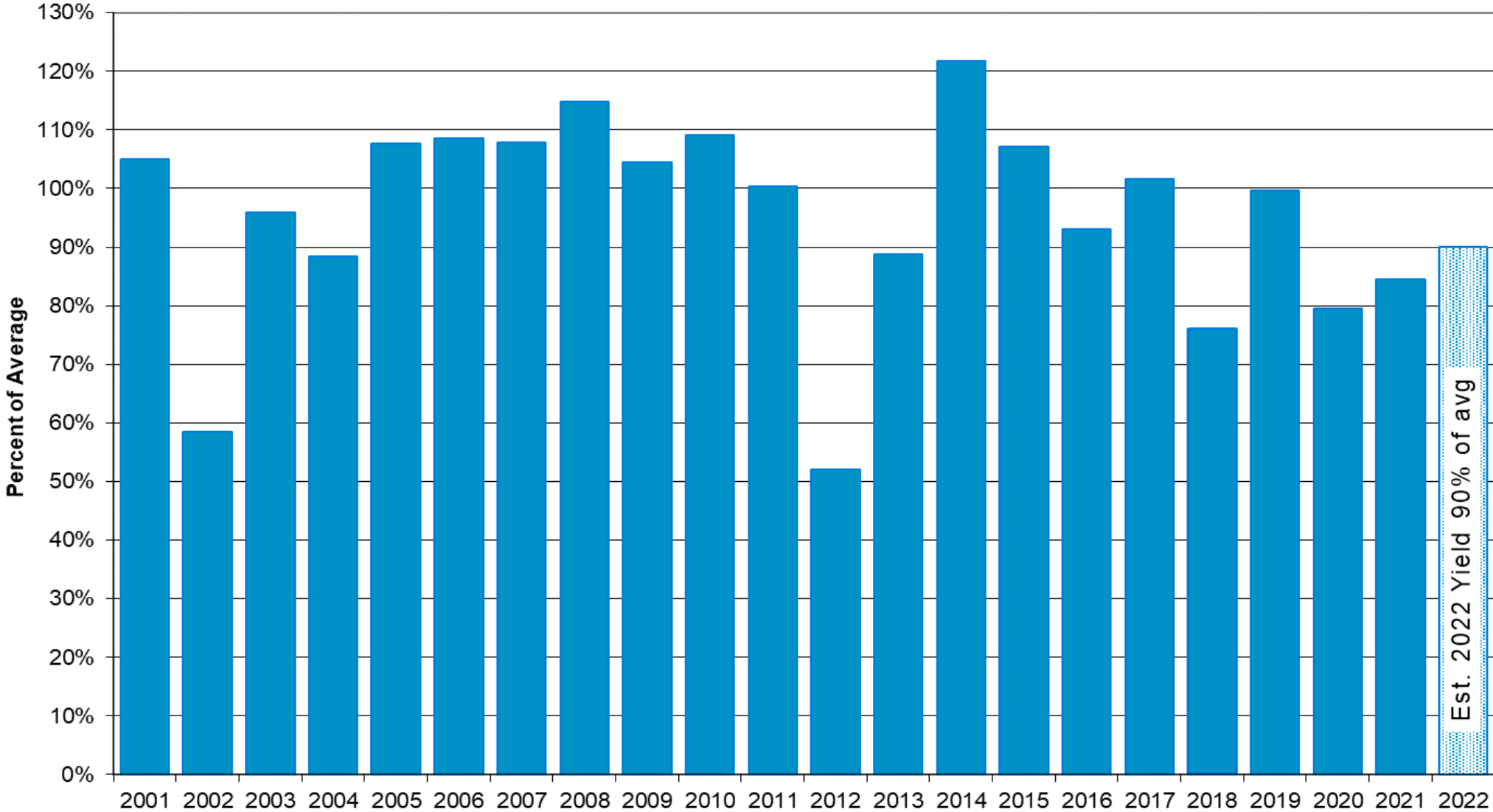


The snow water equivalent percent of normal represents the current snow water equivalent found at selected SNOTEL sites in or near the basin compared to the average value for those sites on this day. Data based on the first reading of the day (typically 00:00).

Prepared by:
 USDA/NRCS National Water and Climate Center
 Portland, Oregon
<https://www.nrcs.usda.gov/wps/portal/nrcs/home/>

Colorado Springs Water Yields 2001 - 2021

Percent of Average Yield



2022 Demands

April

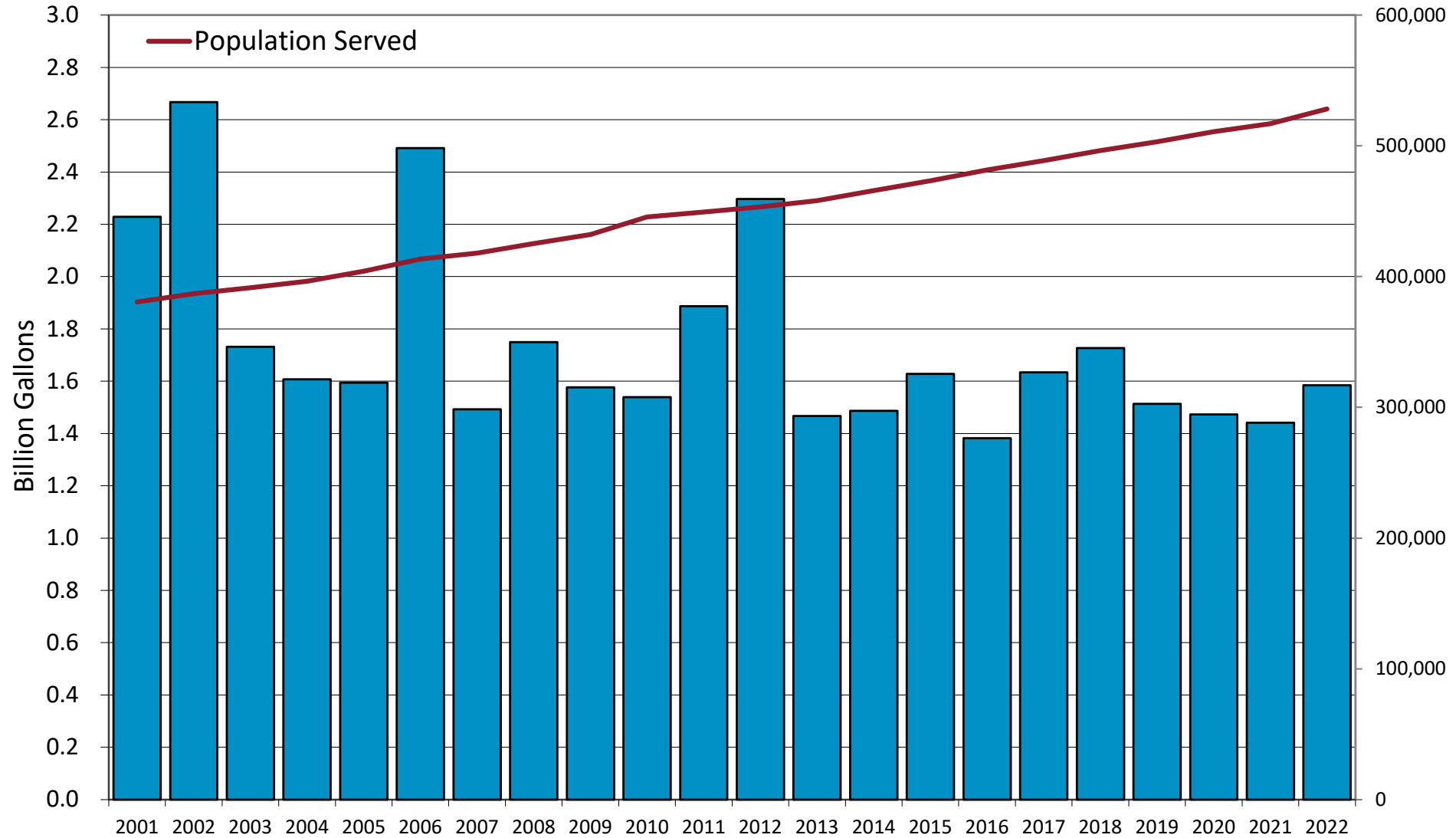
- Averaged 52.8 MGD
- 9.9% more than April 2021

2022 Year to Date

- Averaging 43.7 MGD, 5.3 BG total
 - 0.8% less than 2021
 - 0.04 Billion Gallons less than 2021



Monthly Water Use for April



Reservoir Levels

April 30, 2022

- Pikes Peak 64 %
 - 91-21 Avg. 67 %
- Rampart 89 %
 - 91-21 Avg. 89 %
- Local Total 79 %
 - 91-21 Avg. 80 %
- System Total 71 %
 - 91-21 Avg. 72 %



Colorado Springs' System Wide Storage:

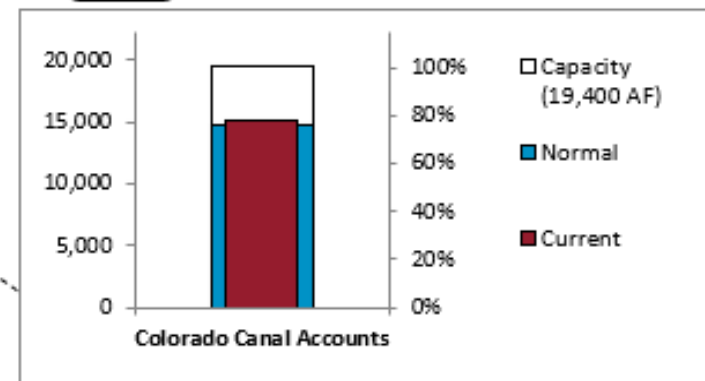
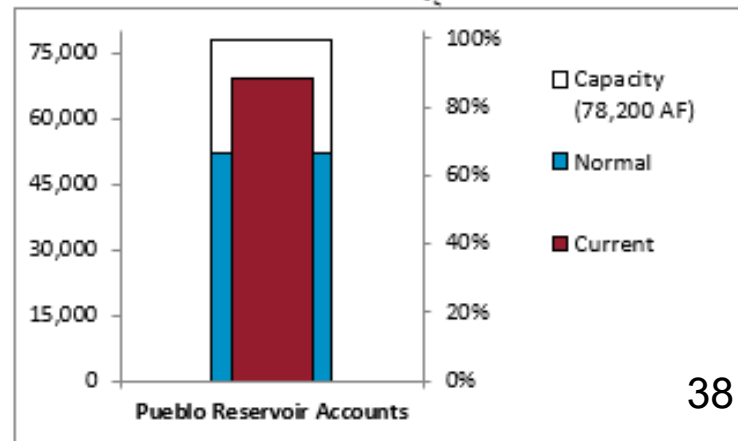
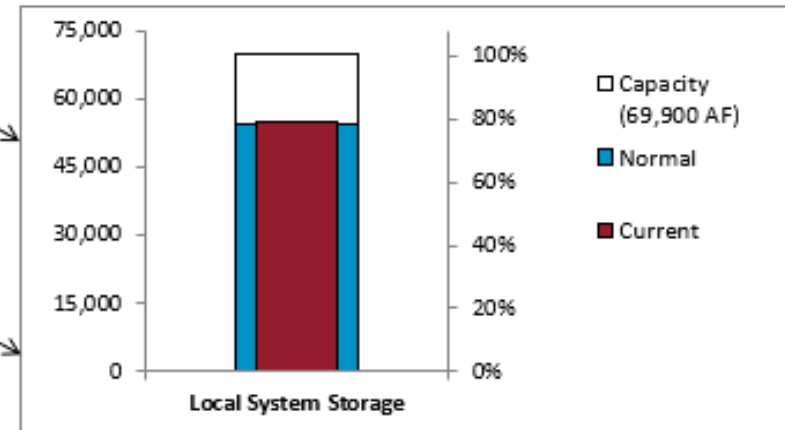
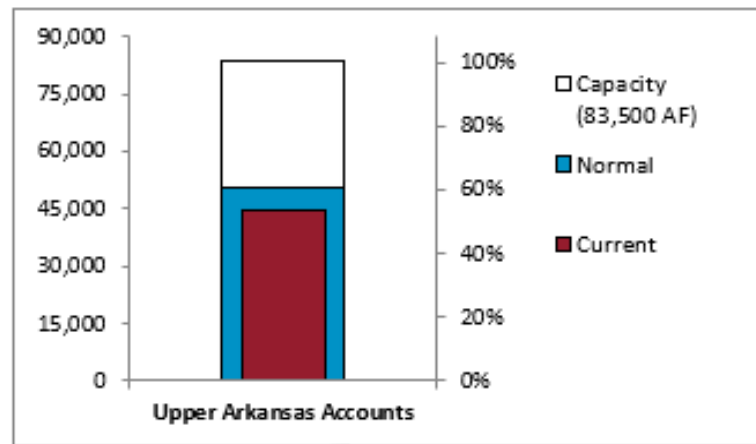
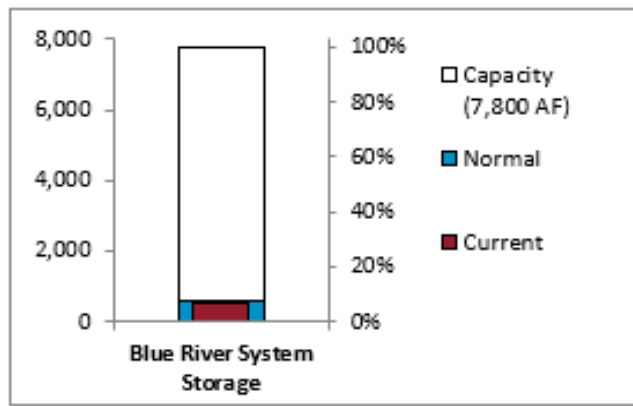
April 30, 2022 **184,100 af**

71.2 %

2001-2021 avg **172,600 af**

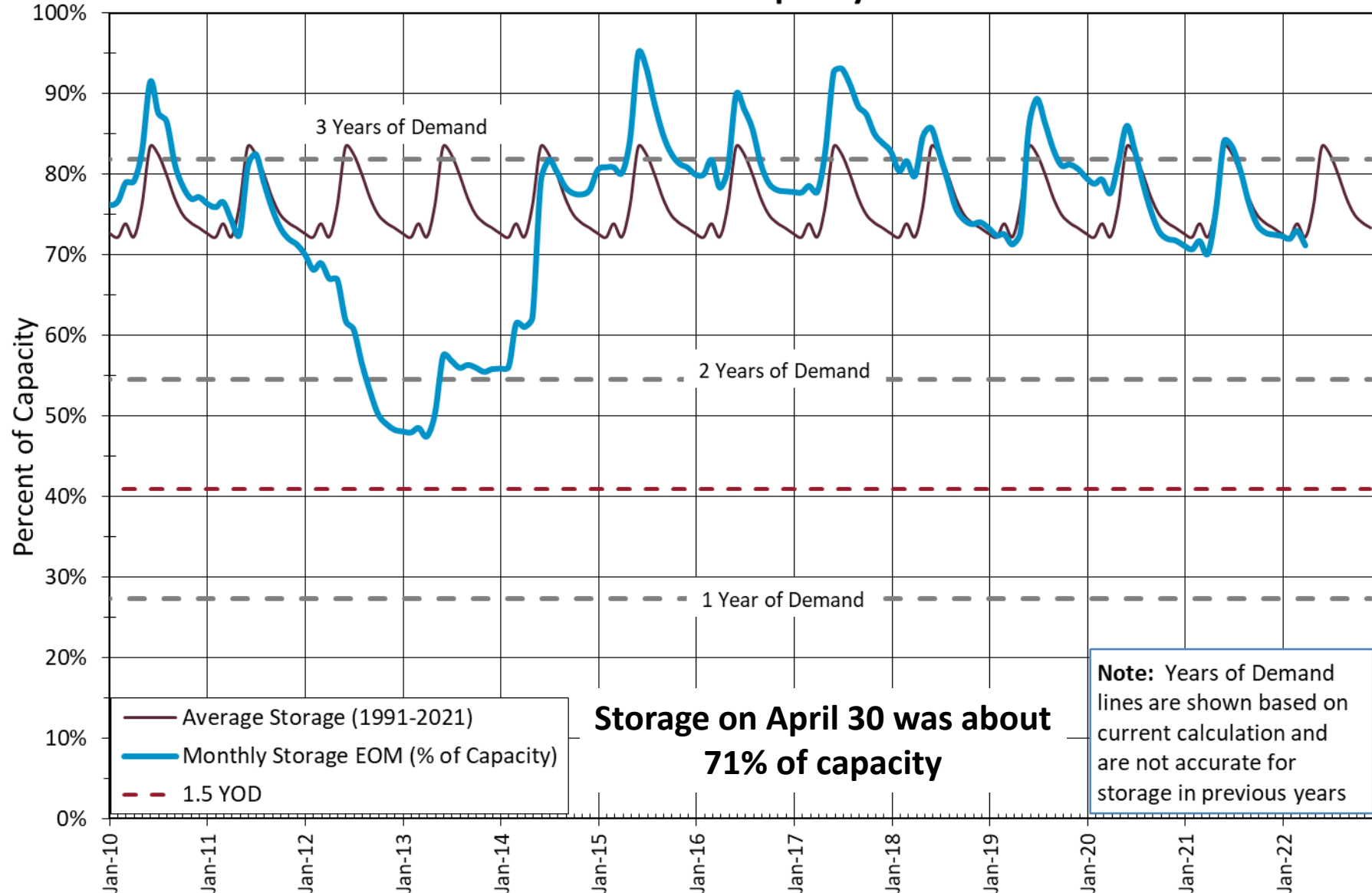
66.7 %

Average YTD Demand 43.7 MGD



38 of 84

Monthly Storage Percent of Capacity



**Storage on April 30 was about
71% of capacity**

2022 Regional Water Contracts

Donala Water & Sanitation District

- Through April 30, 2022: Conveyed 0.0 AF for \$14,587
- Premium to Municipal Government: \$2,431

Security Water District

- Through April 30, 2022: Conveyed 1.0 AF for \$14,767
- Premium to Municipal Government: \$2,461

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

- Through April 30, 2022: Leased 3.0 AF for \$1,647
- Premium to Municipal Government: \$274

Total 2022 YTD Revenue from Regional Contracts: \$31,000



Water Outlook

- Situation Outlook Summary
 - System-wide storage at 71% of capacity, slightly below our long-term average
 - About 2.6 years of demand in storage, based on the past three years of demand
 - Have 264 days of demand in local storage
- The 12-week EDDI shows dry evaporative demands in eastern CO and mixed ED in western CO; Conditions have degraded, and a resurgence the dry signal could predict a summer drought
- Three-month outlook predicts
 - Higher chances of above-average temperatures across Colorado
 - Higher chances of below-average precipitation across Colorado
- We continue to monitor snowpack, demand and storage to maximize available water supply



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Date: May 18, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: **Electric Infrastructure Grid Modernization Overview**

Desired Action: Informational

Previous Board Communications/Discussion: N/A

Executive Summary: Colorado Springs Utilities continues to modernize and improve the electric system to ensure safe, reliable, and competitively priced electric service. This presentation will provide an overview of key components of Springs Utilities' grid modernization efforts.

Background Information: The major components of Springs Utilities' grid modernization efforts are the Sustainable Energy Plan, infrastructure upgrades, Distributed Energy Resources (DER), energy markets and our fiber network.

The Sustainable Energy Plan focuses on building new generation to replace coal-fired plants. Infrastructure upgrades consist of expanding and adding transmission and substations to support the implementation of the approved 2020 Electric Integrated Resource Plan, to improve services and reliability and to address end-of-life assets and improve our level of service and system reliability.

Distributed Energy Resources focuses on small-scale generation and storage, and resiliency improvements through opportunities like microgrids. Access to the energy markets increase reliability and cost-effective operations through leveraging our own and external generation and transmission resources. Finally, the fiber network provides an operational communication network to enable fast and secure communication between all Springs Utilities' assets.

Options: N/A

Recommendations: N/A



Colorado Springs Utilities
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Electric Infrastructure Grid Modernization

Colorado Springs Utilities Board

May 18, 2022

Objectives

- Expand and enhance Springs Utilities' electric system to meet:
 - Future system growth
 - Environmental and regulatory changes
 - Customer renewable options
- Maintain reliability, public safety and competitive pricing

Major Components

- Sustainable Energy Plan
- Infrastructure Upgrades
- Distributed Energy Resources
- Market / Independent System Operator / Regional Transmission Organization
- Fiber Network

THE FUTURE OF OUR ENERGY SYSTEM

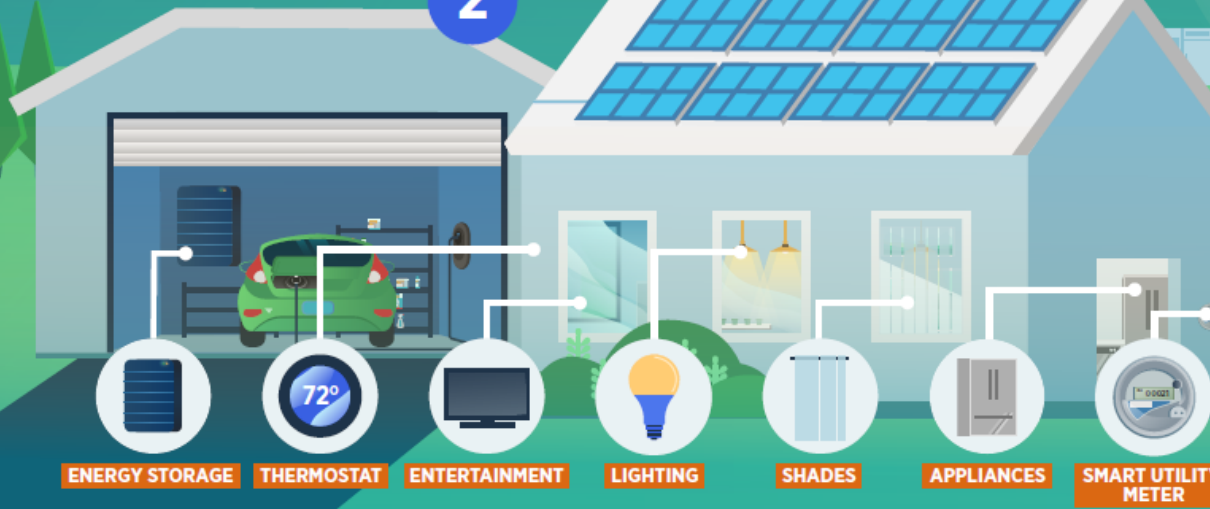
As we decommission fossil fuel generation and integrate more renewables, it is essential that we maintain a safe, reliable, and cost-effective energy supply. Here's how we'll do it.



CURRENT FOSSIL FUEL GENERATION

TECHNOLOGY + ENERGY EFFICIENCY

2



RENEWABLES + BATTERY STORAGE

3

4

NEW, SMALL, FLEXIBLE UNITS

- 1 TODAY, WE HAVE ABOUT 1,000 MEGAWATTS OF FOSSIL FUEL ELECTRIC GENERATION. IN THE COMING YEARS, WE WILL DECOMMISSION MORE THAN A QUARTER OF IT.
- 2 THE COMMUNITY INCORPORATES SMART TECHNOLOGY (INCLUDING SOLAR PANELS, STORAGE SYSTEMS, AND ELECTRIC VEHICLES) IN THEIR HOMES AND BUSINESSES AND PARTICIPATES IN ENERGY EFFICIENCY, REDUCING THE AMOUNT OF NEEDED REPLACEMENT GENERATION.

- 3 OUR COMMUNITY AND ENVIRONMENT BENEFIT FROM UTILITY-SCALE SOLAR AND STORAGE PROJECTS (GROWING CARBON-FREE GENERATION TO MORE THAN 260 MEGAWATTS BY 2023).
- 4 MINIMAL AMOUNTS OF NATURAL GAS GENERATION CAN BE OUR BRIDGE TO NEW TECHNOLOGIES.

Sustainable Energy Portfolio (SEP)

EIRP 2020 Approved Portfolio Plan

- Retire
 - Drake Coal by 2023
 - Nixon Coal by 2030
 - Birdsall Gas by 2035
- New Renewable Resources by 2050
 - Solar = 150 MW
 - Wind = 500 MW
 - Storage = 417 MW
 - Non-Carbon = 20 MW
- 80% Green House Gas reduction by 2030

Map of Current Projects 2021-2026

Generation

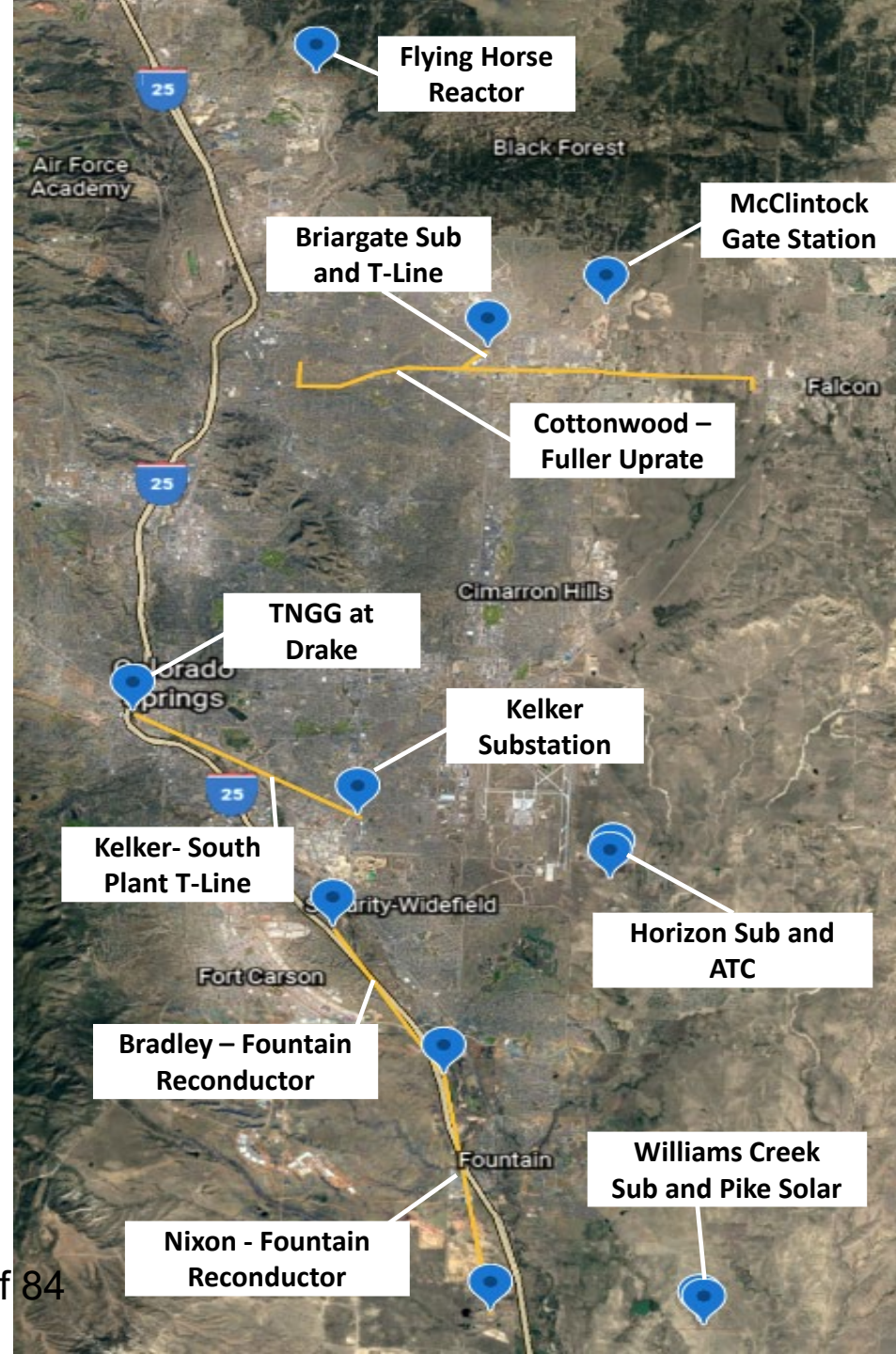
- Temporary Natural Gas Generators (TNGG)
- Pike Solar

Transmission

- Reconductor existing Transmission Lines (~10 miles)
- New Transmission Lines
- Existing Transmission Line Upgrades

Substations

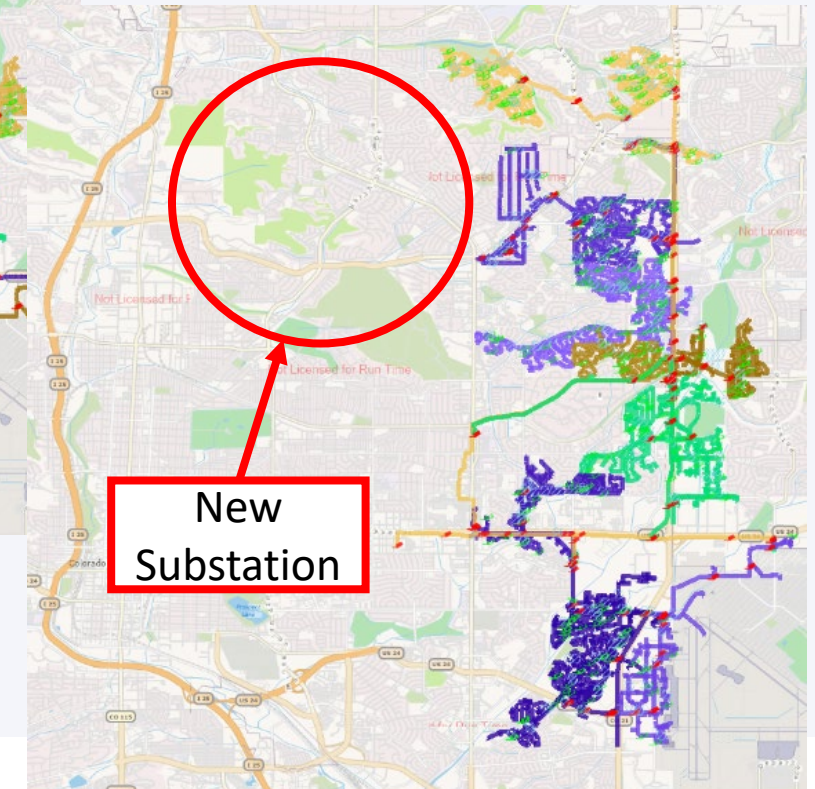
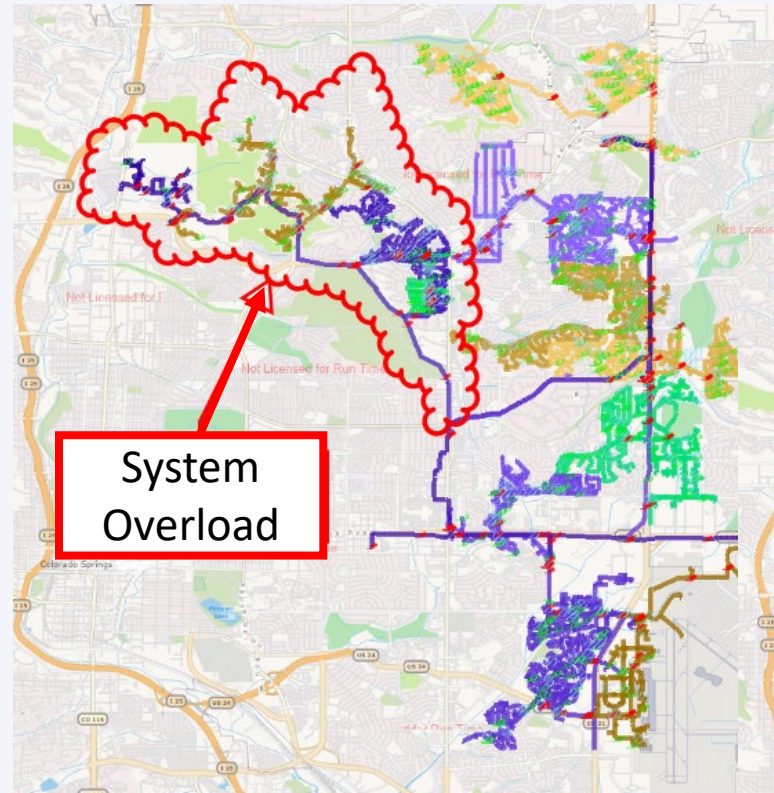
- Briargate Substation Expansion
- Kelker Substation Expansion and Reconfiguration
- Flying Horse Substation Series Reactor
- New Horizon Substation



Planned Infrastructure Upgrades

Infrastructure Upgrades

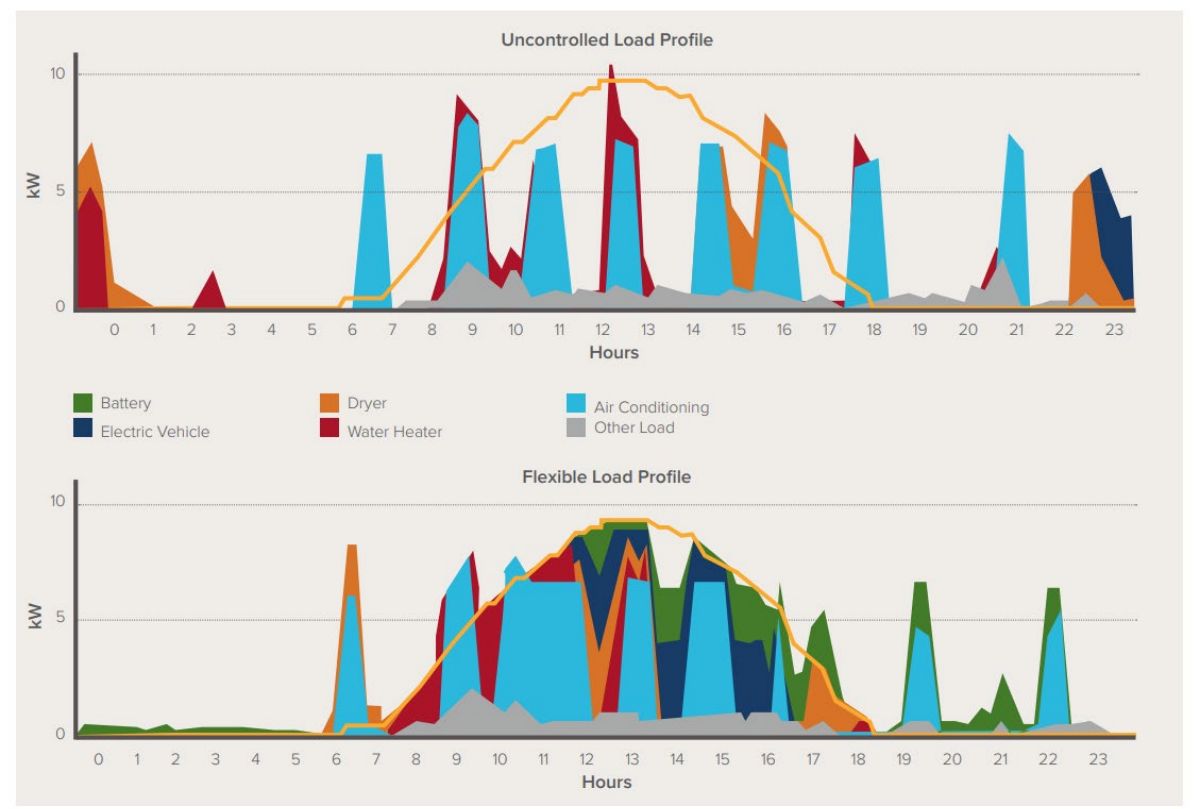
- Expand and upgrade existing infrastructure
- Improve level of service and system reliability
- Current and on-going projects include:
 - Substation expansions and upgrades
 - Transformer replacements
 - 600A Feeder extensions and replacements



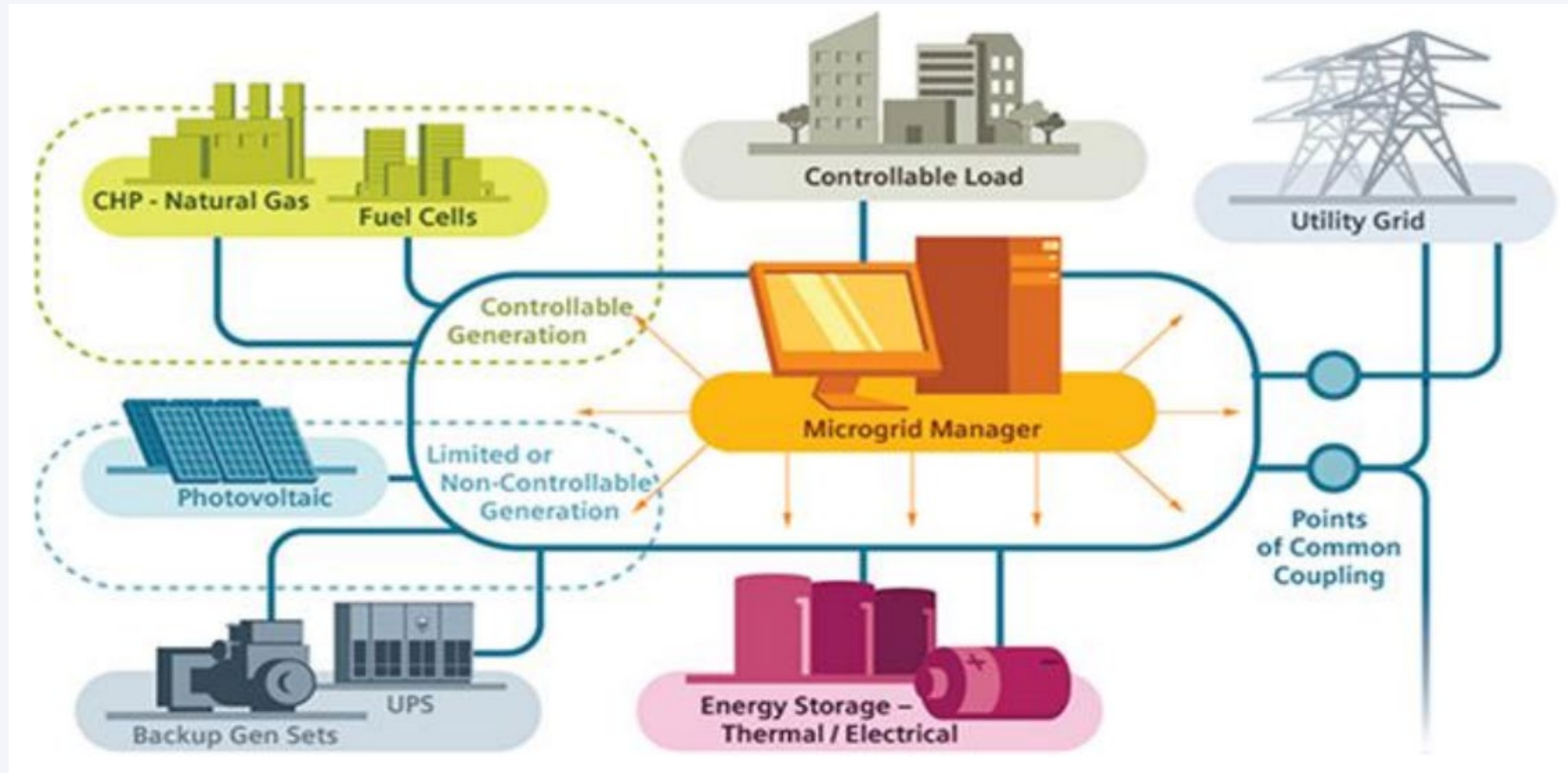
Distributed Energy Resources

Distributed Energy Resources

- Small Scale Generation
 - Close to the customer load or customer owned
 - Often renewable energy
- Energy Storage



Microgrids



Systems can be connected by Fiber Network
55 of 84

Market / Independent System Operator / Regional Transmission Organization

Market / ISO / RTO

- Entering Southwest Power Pool Market in August 2022
- Improved reliability and cost-effective operations from access to additional generation resources and transmission capacity



Image from the Southwest Power Pool

Fiber Network

The Need for a Fiber Network

STAYING BIG OR GETTING SMALLER

Expected structural changes in the energy system made possible by the increased use of digital tools

yesterday

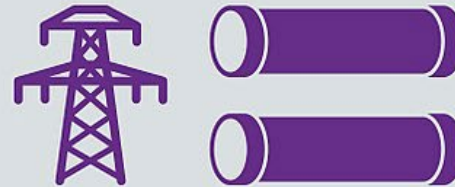


production

few large power plants



centralized, mostly national



transmission

based on large power lines and pipelines



top to bottom



consumer

59 of 84 passive, only paying

tomorrow



many small power producers



decentralized, ignoring boundaries



including small-scale transmission and regional supply compensation



both directions

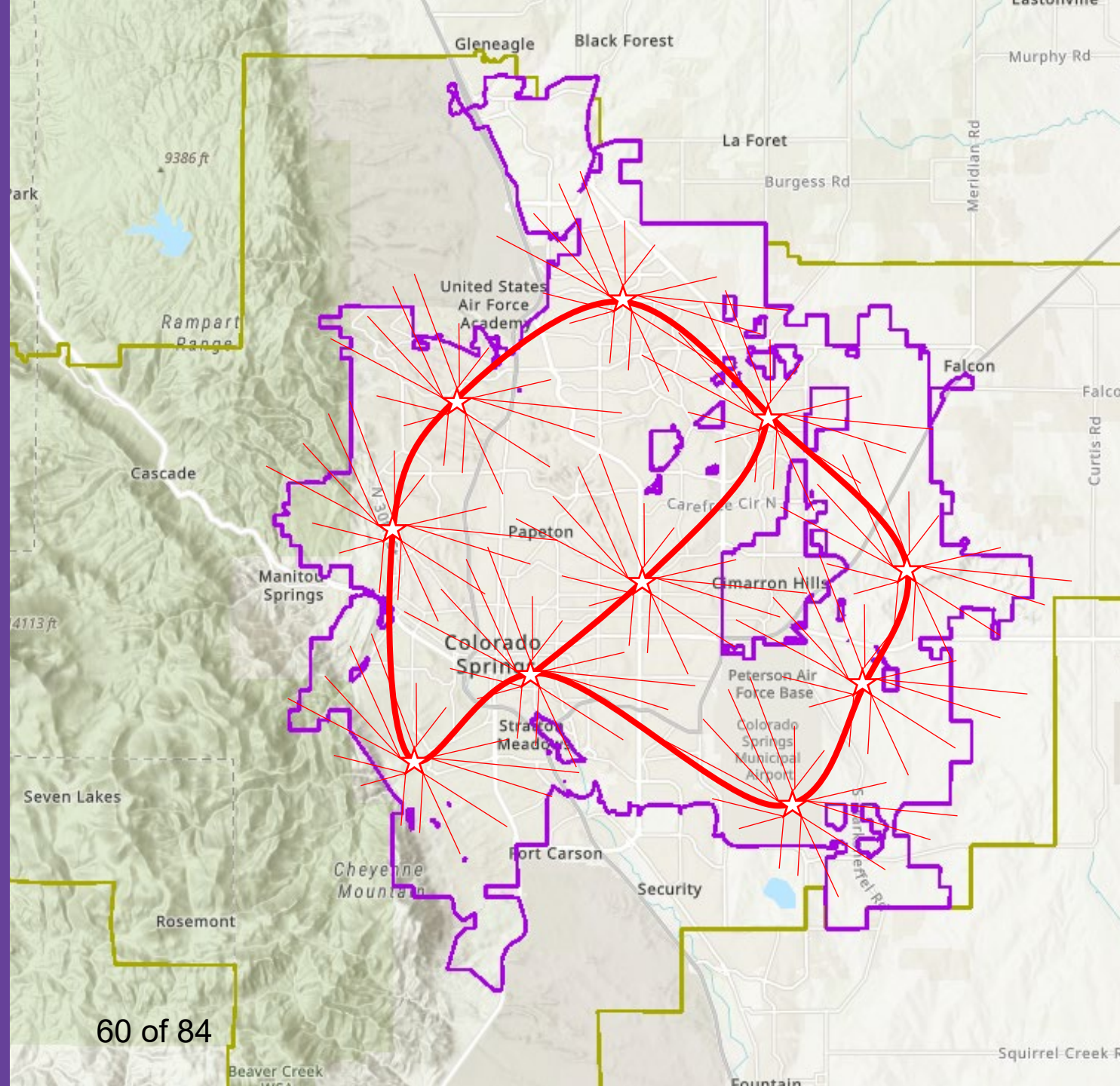


active, participating in the system

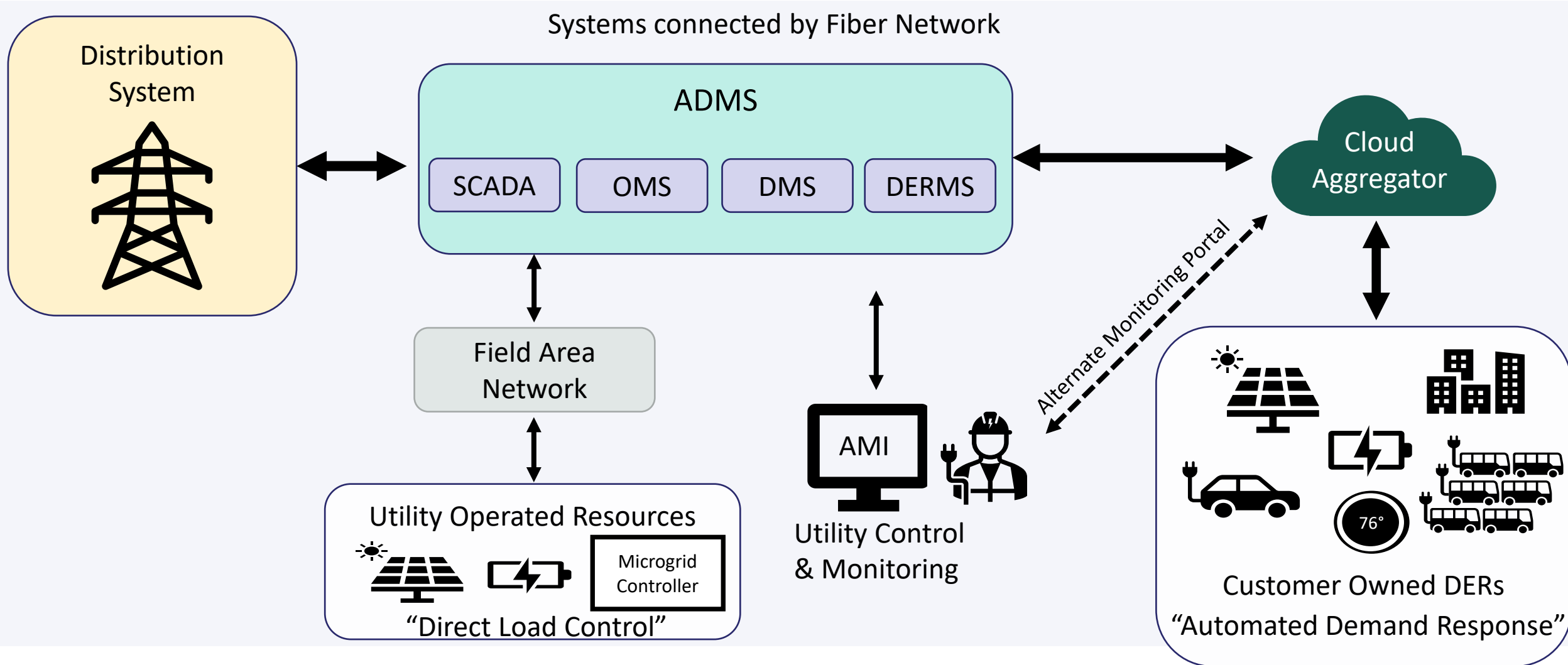
Network Overview

****Drawing is deliberately conceptual****

- Over 10 hut locations
 - All on Utilities property
 - Serve as the “hubs” for each neighborhood in a hub and spoke system
- Connecting
 - 100+ miles of fiber backbone ring
 - 2000+ miles of fiber network
 - Everything within Colorado Springs
- Timeline
 - Construction Begins Summer 2022
 - First addresses served Winter 22/23
 - Construction complete Spring 2028



Operational Technology (Example)



Next Steps

Next Steps

- **Sustainable Energy Plan**
 - Continue existing projects and build new infrastructure
 - Acquisition of new generation resources
 - Monitor progress of in state new generation sources and transmission projects
 - Integrate Clean Energy Plan and Clean Heat Plan requirements
- **Infrastructure Upgrades**
 - Continue existing projects
 - Plan for future upgrade projects
- **Market/ISO/RTO**
 - Continue to evaluate market benefits and expand participation
- **Distributed Energy**
 - Continue to evaluate new distributed resources
 - Develop standards
- **Fiber Network**
 - Begin construction
 - Leverage functionality



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Date: May 18, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: **Resolution Approving Springs Utilities' Clean Energy Plan**

Desired Action: Approval

Previous Board Communications/Discussion: The Clean Energy Plan (CEP) was discussed at the November 2021 Strategic Planning Committee meeting, and at the December 2021 Utilities Board meeting. The Strategic Planning Committee reviewed this resolution at the May 13, 2022, meeting.

Executive Summary: Following discussion at the December 2021 Utilities Board meeting, Springs Utilities submitted its CEP and supporting information to the Air Pollution Control Division (Division). The CEP demonstrates that Springs Utilities will reduce its greenhouse gas (GHG) emissions caused by retail electricity sales in Colorado by 80% by 2030 as compared to 2005. The Division has completed its review and verification of the CEP submittal and in April 2022 provided Springs Utilities a report that verifies the calculations and reductions in the CEP. Statute requires that the verified CEP be approved by Springs Utilities' governing body prior to being submitted to the Public Utilities Commission (PUC) by July 1, 2022, and seeks approval of the attached resolution. As the PUC does not regulate Springs Utilities, its verified CEP will be deemed approved as filed. This action will provide Springs Utilities regulatory certainty regarding GHG emissions reductions from electric generation through 2030.

Background Information:

In May 2019, Colorado adopted House Bill 19-1261 to set statewide GHG pollution reduction goals for Colorado from 2005 levels:

- Reduce statewide GHG emissions: 26% by 2025, 50% by 2030, 90% by 2050.
- Qualifying Retail Utilities (like Xcel) to submit a Clean Energy Plan (CEP) demonstrating 80% GHG reduction by 2030, as part of their next Electric Resource Plan filing with the PUC.
- Municipally owned utilities (like Springs Utilities) who are not regulated by the PUC, may file a voluntary CEP, which will be deemed approved if plan demonstrates 80% GHG reduction by 2030, and is verified by the Division. This action will provide regulatory certainty with the Air Quality

Control Commission (AQCC) through 2030 that no additional reductions can be sought (safe harbor).

The Utilities Board approved the Energy Integrated Resource Plan (EIRP) in June 2020, selecting a plan which would result in an 80% GHG reduction from 2005 levels.

In July 2021, Colorado adopted House Bill 21-1266 which established CEP submittal dates:

- File written Notice of Intent to file a CEP by Aug. 1, 2021.
- By Dec. 31, 2021, provide information in the CEP the Division deems necessary to evaluate and verify the emission reductions for each calendar year through 2030, and demonstrate 80% GHG reduction by 2030 relative to 2005 levels.
- The Division-verified CEP, with prior approval by a vote of the entity's governing body, to be submitted to the PUC by July 1, 2022.

In July 2021, Springs Utilities filed the written Notice of Intent to file a CEP. Following discussions at the December 2021 Utilities Board meeting, Springs Utilities submitted the CEP and associated supporting information to the Division.

Springs Utilities received the CEP verification report from the Division in April 2022, which provided verification of Springs Utilities' GHG reductions, as well as confirming timely submission of both the CEP written notification and CEP workbook.

Springs Utilities now seeks Utilities Board approval of the verified CEP, such that it can be submitted to the PUC no later than July 1, 2022, and to provide Springs Utilities regulatory certainty regarding GHG emissions reductions from electric generation through 2030 for current and future planning efforts.

Options: N/A

Recommendations: Utilities Board approval of the Resolution approving Colorado Springs Utilities' Clean Energy Plan.



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Resolution Approving Springs Utilities' Clean Energy Plan

Colorado Springs Utilities Board - Approval
May 18, 2022

Lisa Barbato, System Planning and Projects Officer

Background Information

- May 2019 – House Bill 19-1261 adopted
 - Reduce statewide greenhouse gas (GHG) emissions from 2005 levels: 26% by 2025, 50% by 2030, 90% by 2050
 - Providers of retail electricity to submit a Clean Energy Plan (CEP) that demonstrates an 80% reduction by 2030 from 2005 levels
 - Provides regulatory certainty regarding GHG emissions reductions from electric generation through 2030, referred to as “safe harbor”
- June 2020 – Utilities Board approved Energy Integrated Resource Plan, selecting a plan which would result in an 80% GHG reduction in 2030 from 2005 levels
- July 2021 – House Bill 21-1266 adopted, established CEP submittal dates

Background Information

- July 2021 – Utilities filed Notice of Intent to file a CEP
- November 2021 – CEP Informational update provided to Strategic Planning Committee
- December 2021 – CEP Informational update provided to Utilities Board, and thereafter, Utilities submitted CEP and supporting information to Air Pollution Control Division
- April 2022 – Air Pollution Control Division completed review and verification of Utilities' CEP, and supplied a verification report

Next Steps

- Per statute, the following remaining items need to be accomplished for Utilities to be provided “safe harbor”:
 - Utilities Board to approve verified CEP (today’s resolution)
 - Air Pollution Control Division to brief Public Utilities Commission (PUC) on the CEP (expected in May or June)
 - Verified CEP to be submitted to PUC by July 1, 2022, and is deemed approved upon submission (expected in May or June)
- While the CEP more formally establishes where we are going, Utilities will continue to study how best we get there
- Staff will update Utilities Board as resource plans evolve and progress

Recommendation

Board Approval of the Resolution Approving Springs Utilities' Clean Energy Plan



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RESOLUTION NO. 22-____

A RESOLUTION APPROVING COLORADO SPRINGS UTILITIES' CLEAN ENERGY PLAN, PURSUANT TO SENATE BILL 19-236, HOUSE BILL 19-1261, AND HOUSE BILL 21-1266

WHEREAS, the Colorado General Assembly passed S.B. 19-236 and H.B.19-1261 which recognize that it is a matter of statewide importance to promote the development of cost-effective clean energy and new technologies and reduce the carbon dioxide emissions from the Colorado electric generating system; and

WHEREAS, Colorado Springs Utilities, an enterprise of the City of Colorado Springs, Colorado, a Colorado home rule city and municipal corporation (Utilities) provides electric service to its ratepayers in accordance with its 2020 Electric Integrated Resource Plan (EIRP), which is a long-term strategic plan for providing cost effective, resilient and reliable energy resources to meet the energy needs of customers from 2020 to 2050; and,

WHEREAS, Utilities took into account H.B. 19-1261 in developing EIRP portfolios, and its Utilities Board selected and approved a portfolio on June 26, 2020; and

WHEREAS, Utilities adopted an Energy Vision to provide resilient, reliable and cost-effective energy that is environmentally sustainable, reduces our carbon footprint and uses proven state-of-the-art technologies to enhance our quality of life for generations to come; and

WHEREAS, S.B. 19-236 defined a "Clean Energy Plan" in part as a plan filed by a qualifying retail utility as part of its electric resource plan to reduce the qualifying retail utility's carbon dioxide emissions associated with electricity sales to the qualifying retail utility's electricity customers by eighty percent from 2005 levels by 2030; and

WHEREAS, H.B. 19-1261 created a mechanism commonly referred to as the "Safe Harbor" provision by providing that the Colorado Air Quality Control Commission (AQCC) shall not mandate any further emissions reductions by 2030 than is required under an approved Clean Energy Plan, or impose any direct, non-administrative cost on the public utility directly associated with quantities of greenhouse gas emissions caused by the utility's Colorado retail electricity sales that remain after the reductions are achieved and the Colorado Air Pollution Control Division (Division) has verified those reductions; and

WHEREAS, S.B. 19-236 stated that a municipal utility (which is not classified as a qualifying retail utility) may voluntarily file a Clean Energy Plan by July 1, 2022, and Utilities desired to prepare a Clean Energy Plan to attain regulatory certainty through 2030 for its ratepayers; and

WHEREAS, during the 2021 legislative session, Colorado adopted House Bill 21-1266, which is codified in part at § 25-7-105(1)(e)(VIII)(G)-(J), C.R.S., and which established additional procedural steps for filing a voluntary CEP; and

WHEREAS, Utilities participated as a stakeholder in the Division's Clean Energy Plan Guidance and Verification Workbook development process; and

WHEREAS, pursuant to the requirements set forth in S.B. 19-236, H.B. 19-1261 and H.B. 21-1266, Utilities is following a series of steps to finalize its Clean Energy Plan as detailed below; and

WHEREAS, the first step occurred on July 29, 2021, when Utilities filed its written Notice of Intent to File a Clean Energy Plan with the Division; and

WHEREAS, Utilities briefed the Utilities Board in December 2021 on plans to submit a Clean Energy Plan to the Division; and

WHEREAS, on December 17, 2021, Utilities submitted a Clean Energy Plan to the Division detailing all the required information, so that the Division could evaluate and verify the emissions reductions claimed through the year 2030; and

WHEREAS, in April 2022, the Division issued its Clean Energy Plan Verification Report to Utilities, verifying three matters: 1.) Utilities properly used the Guidance and Workbook to calculate emissions reduction percentages, and 2.) Utilities' 2005 baseline emissions are supported by historical data and accurately reflect changes to its customer base, and 3) Utilities' projected emissions for calendar year 2030, produced by its resource planning process, will achieve at least an 80% reduction in greenhouse gas emissions caused by its Colorado retail electricity sales relative to 2005 levels; and

WHEREAS, the Division is required to consult with the Colorado Public Utilities Commission on voluntary CEP filings; and

WHEREAS, the Utilities Board desires to approve the Clean Energy Plan so that it may be provided to the Colorado Public Utilities' Commission by July 1, 2022, where it will be deemed approved as filed; and

WHEREAS, the Utilities Board hereby approves the Final Verified Clean Energy Plan so that Colorado Springs Utilities has regulatory certainty (Safe Harbor) regarding greenhouse gas emissions reductions from electric generation through 2030.

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

Section 1. The Colorado Springs Utilities Board of Directors hereby approves Utilities' Final Verified Clean Energy Plan as verified by the Colorado Air Pollution Control Division.

Section 2. The Utilities Board authorizes the Chief Executive Officer of Colorado Springs Utilities to take all actions needed to submit the Utilities Board's approval to both the Colorado Air Pollution Control Division and the Colorado Public Utilities Commission.

Section 3. This Resolution shall take effect as of the date and time of its approval.

DATED at Colorado Springs, Colorado, this ____ day of May, 2022.

Wayne Williams, Utilities Board Chair

ATTEST:

Aram Benyamin, Secretary



Date: May 18, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: **Board Policy Guideline Change: Community Support (G-11)**

Desired Action: **Approval**

Previous Board Communications/Discussion:

Community Focus Fund (CFF) grant funding was discussed at the April Finance and Strategic Planning Committees and Utilities Board meeting. Staff discussed that funds be used to support programs and projects in alignment with the original charter intent.

Background Information:

Current policy (G-11) allows for 100% of Community Focus Fund grant dollars to fund nonprofit organizations in support of affordable housing. In January 2022, affordable housing program funding was approved providing \$2 million in utility funding to the city, making the CFF funding duplicative.

Recommendations:

To better support our overall community and enhance our reputation, it is recommended that the scope of grant funding be widened to include the most important causes for residential and business customers, to include:

- Affordable Housing
- Community
- Education
- Environment
- Safety and Health
- Seniors
- Youth



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Board Policy Guideline Change: Community Support (G-11)

Matt Dudden, Economic Development

May 18, 2022

Background

Community Focus Fund (CFF) grant funding was discussed at the April Utilities Board meeting, specifically, that funds be used to support programs and projects in alignment with the original charter intent.

Current policy (G-11) allows for 100% of Community Focus Fund grant dollars to fund nonprofit organizations in support of affordable housing.

Changes to the current G-11 policy must be approved by majority Board vote.

Community Investment: G-11 #1

1. Allow the expenditure of no more than 0.1 percent of budgeted operating revenues on direct monetary support of community-oriented economic development and charitable organizations. The 0.1 percent limitation set forth in this guideline shall not include the matching dollars provided by Colorado Springs Utilities to the Project COPE utilities assistance program. Operating revenues are revenues from charges to customers for sales and services for Electric, Streetlight, Gas, Water, Wastewater and products and services. All other revenue sources not meeting this definition are reported as nonoperating revenues.

1. No change

Community Investment: G-11 #2

2. Allocate 100 percent of Community Focus Fund grant dollars to nonprofit organizations in support of affordable housing, transitional housing, and shelter facilities' utilities centric projects and programs.

2. Allocate 100 percent of Community Focus Fund grant dollars to nonprofit organizations in support of programs addressing issues that have been identified as important to our customers:

- Affordable Housing
- Community
- Education
- Environment
- Safety and Health
- Seniors
- Youth

Community Investment: G-11 #3

3. Provide up to \$500,000 annually to match customer donations to the Project COPE (Citizens Option to Provide Energy) utilities bill assistance program.

3. Fully match customer donations to the Project COPE (Citizens Option to Provide Energy) utilities bill assistance program up to \$500,000 annually.



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GUIDELINES

Guideline:	Community Support (G-11)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Community Investment (I-13)	Revision Date:	January 20, 2021 May 18, 2022
		Revision Number:	3 4

Community Support

1. Allow the expenditure of no more than 0.1 percent of budgeted operating revenues on direct monetary support of community-oriented economic development and charitable organizations. The 0.1 percent limitation set forth in this guideline shall not include the matching dollars provided by Colorado Springs Utilities to the Project COPE utilities bill assistance program. Operating revenues are revenues from charges to customers for sales and services for Electric, Streetlight, Gas, Water, Wastewater and products and services. All other revenue sources not meeting this definition are reported as nonoperating revenues.

2. Allocate 100 percent of Community Focus Fund grant dollars to nonprofit organizations in support of ~~affordable housing, transitional housing and shelter facilities' utilities-centric projects and programs.~~ programs addressing issues that have been identified as important to our customers:
 - Affordable Housing
 - Community
 - Education
 - Environment
 - Safety and Health
 - Seniors
 - Youth

3. ~~Provide up to \$500,00 annually, to match~~ Fully match customer donations to the Project COPE (Citizens Option to Provide Energy) utilities bill assistance program **up to \$500,000 annually.**



Date: May 18, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: **Fiber Optic Network Expansion Update**

Desired Action: Information

Previous Board Communications/Discussion: N/A

Executive Summary: Colorado Springs Utilities is expanding our telecommunications system to ensure safe, reliable, and competitively priced utility services.

Background Information: The origin of the need to improve our fiber optic telecommunications network is based upon the legal, regulatory, and technical changes that are occurring within the utilities industry.

This project will enable high-speed, low-latency, highly secure, highly reliable telecommunications for utility purposes. This will enable a more resilient and secure network that sets the stage for the future of our digital utility and will prepare us to take advantage of safety and efficiency gains across our four services.

To ensure the successful completion of this project, we chose to pursue the utility-lease model. This will fund the installation of the fiber expansion because it provides the most benefit at the least risk to our rate payers.

Options: N/A

Recommendations: N/A