

**MINUTES**  
**Colorado Springs Utilities Board Meeting**  
**Wednesday, October 18, 2023**

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

Chair Dave Donelson, Vice Chair Yolanda Avila, Mike O'Malley, Randy Helms, Nancy Henjum, Lynette Crow-Iverson, Brian Risley, and Michelle Talarico

**Utilities Board Members Excused:** David Leinweber

**Staff members present via Microsoft Teams or Blue River Conference Room:**

Travas Deal, Renee Adams, Somer Mese, Mike Francolino, Tristan Gearhart, Lisa Barbato, John Hunter, Scott Shirola, Bethany Schoemer, Joe Awad, Sarah LaBarre, Kevin Shrewsberry, Jessica Davis, and Nicole Means.

**City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room:**

Renee Congdon, Alex Ryden, and Ryan Trujillo

**Citizens present via Microsoft Teams or Blue River Conference Room:** Larry Barrett and Steve Rossoll

**1. Call to Order**

Chair Donelson called the Utilities Board meeting to order at 1:03 p.m. and Ms. Nicole Means, Utilities Board Administrator, called the roll.

Chair Donelson introduced Nicole Means as the new Utilities Board Administrator and asked Nicole to share her background.

**2. Invocation and Pledge of Allegiance**

Senior Environmental Specialist Kevin Shrewsberry delivered the invocation, and Vice Chair Avila led the Pledge of Allegiance.

**3. Executive Session**

Ms. Renee Congdon, 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 Law, C.R.S. § 24-6-402(4)(f) and Utilities Board Bylaws Rule 10(c)(6), the*

*Utilities Board, in Open Renee Congdon, City Attorney's Office – Utilities Division Chief 2 of 116 Session, is to determine whether it will hold a Closed Executive Session on one issue. The issue to be discussed is the 2023 midyear performance review of the Chief Executive Officer.*

*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. Congdon called the roll and polled the Utilities Board. They voted unanimously to enter Executive Session by a vote of 7-0, with Board Members Leinweber and Risley excused. The Utilities Board entered Executive Session at 1:07 p.m. and finished Executive Session at 1:56 p.m. The Board took a break and returned to Open Session at 2:15 p.m.

#### **4. Consent Calendar**

##### **3a. Approval of Utilities Board Meeting Minutes: Sep. 27, 2023**

Vice Chair Avila moved approval of the Consent Calendar and Board Member Talarico seconded the motion. The Consent Calendar was unanimously approved.

#### **5. Recognition**

##### **American Planning Association Award**

Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, provided background information about the award and acknowledged the conservation team. Ms. Means played a video for the American Planning Association Award. The Board Members and award recipients took a photo.

#### **6. Customer Comments**

There were no customer comments.

#### **7. Compliance Reports**

- I-11 Compensation & Benefits G-9
- I-10 Treatment of Staff
- E-2.8 Emergency CEO Succession
- E-2 CEO Responsibilities
  - Water Outlook
  - ECA/GCA monitoring

Chair Donelson explained that compliance reports are on the agenda by exception and asked if there were any questions. There were no requests to review any compliance reports.

**8. Items Called Off Consent Calendar**

There were none.

**9. 2024 Municipal Government Street Lighting**

Mr. Scott Shirola, Pricing and Rates Manager, discussed the two types of street lighting services: Municipal Government (MG) Street Lighting Service and Electric Contract Service. Mr. Shirola shared the major cost components that go into the revenue requirements for municipal street lighting. He discussed the street lighting revenue requirements from 2016 to 2023.

Board Member Helms asked whether there is a reason to maintain the 2024 revenue requirements at the same amount as 2023. Tristian Gearhart, Chief Planning and Financial Officer, explained the reason for the planned increases over the next 10 years.

The Board approved a resolution setting the Street Lighting Service Revenue Requirement for calendar year 2024 to go to City Council on Nov. 14, 2023, on consent.

**10. Utilities Policy Advisory Committee (UPAC) Cost Recovery Mechanisms Assignment Update**

Mr. Shirola provided an update on the Cost Recovery Assignment. The Utilities Policy Advisory Committee has been focused on four policy areas to provide a recommendation to the Utilities Board on whether Colorado Springs Utilities should revise and/or establish new cost recovery policies.

Mr. Shirola gave an overview of the background of the Cost Recovery Assignment, including new regulation, customer behavior, industry transformation, and community planning and growth. Mr. Shirola discussed current cost recovery mechanisms including system extension fees, the capacity fee for existing systems, and the capacity fee for planned additions.

Board Member Henjum asked a clarifying question regarding rate impacts. Mr. Shirola discussed the recommendation from UPAC, which includes the incentives draft recommendation and the review and design fee draft recommendation. Board Member Henjum asked whether these policies should be phased in, rather than occur all at once. Board Member O'Malley asked about discrepancies for the infrastructure costs of older neighborhoods.

Mr. Shirola discussed the projected timeline for the assignment. February is when the recommendation from UPAC will be presented to the Board.

Mr. Steve Rossell, Colorado Springs Housing and Building Association, commented that they are preparing a memo with their questions and comments on the Cost Recovery Assignment.

#### **11. Electric Transmission System Overview**

Mr. Joe Awad, General Manager of Planning and Engineering, discussed the electric transmission system including electric transmission line costs, overhead and underground installation, repairs, reliability, standardization, operations, and maintenance. Mr. Awad discussed the policy history of underground transmission and the current transmission construction practice for overhead and underground transmission. Colorado Springs Utilities does 90% of transmission overhead and 10% underground. Vice Chair Avila asked a question about cost sharing for underground transmission for developers.

Board Member Henjum moved the motion, and the motion was seconded by Board Member Talarico. Board Member Risley expressed that this item went through Strategic Planning Committee, and he recommends approving the item. Vice Chair Avila discussed concerns from her constituents that overhead transmission lines can go right beside apartment buildings and are not esthetic. Vice Chair Avila asked Mr. Awad to compare the two transmission systems without considering costs.

The Utilities Board approved to maintain current policy and practices regarding the construction of overhead and underground electric infrastructure with a vote of 7-1, with Vice Chair Avila voting against the motion.

#### **12. Easement Acquisition for the Kelker-South Plant Transmission Line**

Ms. Jessica Davis, Land Resources Manager, discussed the easement acquisition. The transmission project is a 5.4-mile-long transmission line from the Kelker Substation to the South Plant Substation at the Drake Power Plant. Ms. Davis discussed the negotiated price and requested the item to be added to Nov. 14, 2023, City Council agenda for approval. Board Member Helms made a motion to send the item to City Council, and Board Member Henjum seconded the motion.

The Board unanimously approved the Kelker-South Plant Transmission Line easement acquisition to go to City Council on Nov. 14 with a vote of 8-0. Vice Chair Avila asked for the item to go on regular utilities business and not consent.

#### **13. Outside City Water & Wastewater Service & Agreement to Annex**

Mr. Bryan English, Development Project Manager, presented this item to annex the residence of 5315 Silver Drive in Park Vista Estates enclave. The property owner reported that their well has failed, and they are receiving water from a neighbor through a garden hose. Mr. English discussed criteria Colorado Springs Utilities considered when evaluating the agreements to annex.

Board Member O'Malley expressed his concerns that he feels these homeowners are using Springs Utilities' facilities for free since they only pay county taxes and not city taxes. Board Member O'Malley also expressed that he wants these annexations to happen once and not on an individual basis.

Board Member Henjum discussed a public meeting the City of Colorado Springs is hosting to discuss annexation into the city and incentives.

Board Member Helms expressed that he wants to support this homeowner and not punish them, and they can try to eventually bring all these homeowners into the City.

Mr. Travas Deal, Chief Executive Officer, clarified that higher tap fees are paid with these agreements to annex. Mr. English further addressed the rates these homeowners pay.

A motion was made by Board Member Henjum and seconded by Board Member Helms. The board approved the Outside City Water & Wastewater Service & agreement annexation at 5315 Silver Drive to go to City Council on Nov. 14 on regular utilities business with a vote of 7-1 with Board Member O'Malley voting against the motion.

#### **14. Proposed Natural Gas Service Boundary Adjustment**

Mr. Todd Sturtevant, System Extensions Manager, explained that Springs Utilities is requesting bringing forward a resolution to adjust a portion of its outside-of-the-City natural gas service boundary to a territory within the Sterling Ranch development. He discussed the controlling law, the basis for the proposed service boundary adjustment, and next steps for the boundary adjustment.

The Board approved the natural gas service boundary adjustment to go to City Council on Nov. 14 on consent.

#### **15. Board Member Updates**

Board Member Helms gave an update on the fiber installation in north Colorado Springs and discussed a failure in the notification method.

Board Member Avila gave updates on Personnel Committee and reviewed the I-10, I-11, CEO succession plan, and the Employee Climate Survey. Board Member Avila applauded the success of the recent Customer Service Appreciation event that took place at the National Museum of World War II Aviation.

Board Member Talarico gave an update on the Program Management Review Committee. At their next meeting, they will start the day with a tour at the Sand Creek Lift Station and will shorten the length of the meeting to create greater efficiencies.

## **16. Summary of Board Actions**

The Utilities Board approved a resolution setting the Street Lighting Service Revenue Requirement for calendar year 2024 to go to City Council on Nov. 14 on consent.

The Utilities Board approved to maintain current policy and practices regarding the construction of overhead and underground electric infrastructure.

The Utilities Board approved the Kelker-South Plant Transmission Line Easement Acquisition to go to City Council on Nov. 14 on regular utilities business.

The Utilities Board approved the Outside City Water & Wastewater Service & Agreement Annexation at 5315 Silver Dr. to go to City Council on Nov. 14 on regular utilities business.

The Utilities Board approved the natural gas service boundary adjustment to go to City Council on Nov. 14 on consent.

## **17. Adjournment**

The meeting adjourned at 4:15 p.m.