

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, Feb. 22, 2023

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: Travas Deal, Tristan Gearhart, Renee Adams, Mike Francolino, Lisa Barbato, Natalie Watts, Al Wells, Andie Buhl, Joe Awad, Jessica Davis, Bill Bolch III, Bethany Schoemer and Heather Harvey

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: Bethany Burgess, Alex Ryden, Jackie Rowland, Ryan Trujillo, David Beckett and Tracy Lessig

Residents present via Microsoft Teams or Blue River Conference Room: Chaplain Carl Nelson, Larry Barrett, Dr. Pam Shockley-Zalabak, Caitlin Schinsky, Susan Edmondson, Susan Bolduc, Frozie Abbott, Pete Vieth, Joanne Ziegler, Chris Rudnick and Max Kronstadt

1. Call to Order

Chair Wayne Williams called the Utilities Board meeting to order at 11:31 a.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Chaplain Carl Nelson from the Colorado Springs Police Department delivered the invocation and Chair Williams led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Utilities Board Meeting Minutes: Jan. 18, 2023

3b. Approval of Utilities Board Special Meeting Minutes: Jan. 30, 2023

3c. 2022 CEO Performance Plan Review

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

4. Customer Comments

There were none.

5. Compliance Reports

- Risk Management (I-4)
- Economic Development (I-5)
- Community Investment (I-13)
- C-2 Annual Board Evaluation
- E-2 CEO Responsibilities
 - Water Outlook
 - Utilities Board Expectations for Customer Requests

Ms. Natalie Watts, Strategic Planning and Governance Manager, provided an update about constituent responses and explained how staff is addressing responses moving forward. Board Member Avila shared her appreciation to Springs Utilities staff for coordinating this effort.

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

6. Items Called Off Consent Calendar

There were none.

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

Mr. Larry Barrett, UPAC Chair, said the purpose of this assignment is to provide a recommendation to the Utilities Board on whether Springs Utilities should revise and/or establish new cost recovery policies. He explained the current cost recovery mechanisms for each service based on system extensions fees, existing capacity development charges, and future capacity resource fees.

Mr. Barrett reviewed the pillars for the assignment – each of which are grounded on financial stability and delivering quality services. He explained cost recovery alternatives, considerations, and stakeholder involvement. He said the goal of stakeholder involvement is to:

- Identify key stakeholders and customers for input.
- Educate and engage with customers in the development of the cost recovery mechanisms.
- Provide appropriate and constructive public input regularly to the Utilities Policy Advisory Committee (UPAC) and the Utilities Board for a decision by June 2023.

Mr. Barrett summarized presentations from stakeholders and concluded by reviewing a timeline for the remainder of the assignment.

8. Drake Visioning Group

Chair Williams provided background information on the closure of Martin Drake Power Plant. Dr. Pam Shockley-Zalabak, CommuniCon Inc. President, said the

Downtown Partnership and Legacy Institute created a visioning process for the future of the Martin Drake Power Plant site. She said the objectives for the project are:

- Develop vision and values to assist decision makers in planning future land use for the Drake Power Plant site.
- Learn from other decommissioning projects and communities.
- Develop possibilities for future planning.
- Validate vision and values through a comprehensive community input process.
- Provide broad recommendations for decision makers to consider.

Dr. Shockley-Zalabak reviewed the process, key findings for consideration from public input meetings, and general concerns regarding this project. She said based on this information, the revised values and guiding principles are people, design, environment and economics.

Dr. Shockley-Zalabak concluded with task force recommendations to guide decisions for this project, which are:

- Adopt the guiding principles and values of the task force to be upheld throughout the entire process, from visioning to execution.
- Ensure decisions about land use are consistent with other approved community-based plans.
- Include in some form and scale a world class attraction/recreation component.
- Aggressively pursue federal and state dollars as part of a diverse mix of funding sources.
- Integrate recommendations with the Colorado Springs Creek Plan making water an essential part of any plan.
- Include an innovative industry component (workplaces, retail/commercial, company headquarters, etc.).
- Create an ongoing community advisory group that includes broad representation from the task force, neighborhoods, business community, nonprofit sector and underrepresented communities.
- Utilize affordable housing tools and resources to incorporate a variety of inventive housing options.

Mr. Travas Deal, Acting Chief Executive Officer, said Springs Utilities is working on a community outreach process for the decommissioning of Drake. He also gave a timeline for decommissioning the plant.

Citizen comment:

Multiple members of the Mill Street Community requested involvement during the planning process for the future site of Drake.

Ms. Susan Bolduc shared her experience with Colorado Spring Faith Table regarding gentrification and community displacement and encouraged community involvement regarding the future site of Drake.

The Utilities Board took a break at 1:12 p.m. and returned at 1:25 p.m.

9. Electric Cost Adjustment (ECA)/Gas Cost Adjustment (GCA) Filing

Mr. Scott Shirola, Pricing and Rates Manager, reviewed natural gas prices as of Feb. 1, 2023. He discussed ECA and GCA projections for February 2023, as well as the five-year rate history. He concluded with seasonal residential bill impacts, sample total monthly bills and financial assistance programs for ratepayers.

Mr. Shirola explained that a decrease for electric and gas rates will be brought to the Feb. 28, 2023 City Council meeting. The Utilities Board agreed to place this item as regular utilities business.

10. Acquisition of Real Property to be Used for the Central Bluffs Substation Project

Ms. Jessica Davis, Information Technology Manager, said the Central Bluffs Substation Project will combine three aging substations into one. She said the benefits of this project include long-term operations and maintenance (O&M) savings, system reliability and safety upgrades. She said there are seven total properties that Springs Utilities is purchasing for the Central Bluffs Substation Project.

Ms. Davis reviewed details of the property acquisitions for two of the sites: 2914 Austin Bluffs Parkway and 2930 Austin Bluffs Parkway. She concluded with next steps, and the Utilities Board agreed to put this item on Consent at the March 14, 2023 City Council meeting.

11. Acquisition of An Easement to be Used for the Kelker to South Plant Transmission Project

Ms. Davis provided background information about the Kelker-South Plant Transmission Project, as well as property information pertaining to the project. She concluded with next steps, and the Utilities Board agreed to put this item on Consent at the March 14, 2023 City Council meeting.

Chair Williams thanked Ms. Davis and her team for their work on this project.

12. Wastewater Agreement with the City of Manitou Springs

Mr. Bill Bolch III, Key Account Manager, said the City of Manitou Springs provides wastewater collection services within the City through its Department of Public Works. He said Springs Utilities has provided wastewater treatment services through the Las Vegas Wastewater Treatment Plant for Manitou Springs since early 1970s.

Mr. Bolch explained changes/additions to the agreement and concluded with next steps. Chair Williams requested that moving forward, Springs Utilities provides more notice for expiring agreements that are brought to the Utilities Board.

The Utilities Board agreed to put this item on Consent at the Feb. 28, 2023 City Council meeting. Chair Williams directed Springs Utilities Staff to proactively bring future contracts before the Utilities Board prior to the expiration date.

13. Update on Regional Water Policy Committee

Ms. Bethany Burgess, Division Chief – Utilities, Office of the City Attorney, said upon final passage of the water extension ordinance, City Council expressed intent to form and/or participate in a regional water task force consisting of representatives from the City of Colorado Springs, Springs Utilities, El Paso County, and regional water providers to evaluate water demand and recommend water policy for the Pikes Peak area.

Ms. Burgess said Springs Utilities leadership has initiated discussions regarding a potential task force and the proposed goals for consideration by the Utilities Board for the task force include:

1. Compile readily available information to inform the current and future water needs of El Paso County including demands, supplies and gaps
2. Recommend further study to the various governmental entities who oversee water issues in El Paso County and
3. Develop a regional strategy based in facts and data to support water policy regarding water conservation, reuse and supply development among various governmental entities.

Ms. Burgess reviewed policy recommendations, memberships and other preliminary information regarding the task force. She concluded with next steps.

14. Executive Session

Ms. Burgess 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), (c), (e), (f), and (g) and Utilities Board Bylaw Rules 10(c)(2), (3), (5), (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, matters required to be kept confidential by federal or state law or rules and regulations, developing strategy for negotiations and instructing negotiators, a personnel matter, and consideration of documents protected by the mandatory nondisclosure provisions of part 2 of article 72 of 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.

Ms. Burgess called the roll and polled the Utilities Board. They voted 7 to 1 to enter Executive Session, with Board Member Murray opposed. They took a break at 2:19 p.m. They entered Executive Session at 2:30 p.m. and took a break at 3:30 p.m. They returned to Open Session at 3:40 p.m.

15. Chief Executive Officer Appointment

Vice Chair O'Malley made a motion to appoint Mr. Travas Deal as Chief Executive Officer and Board Member Donelson seconded the motion.

Chair Williams, Vice Chair O'Malley and Board Members Helms, Henjum, Avila, Strand, and Donelson expressed appreciation for staff's hard work during the CEO recruitment process. They also recognized and applauded Ms. Lisa Barbato and Mr. Deal as finalists.

The motion passed eight to one with Chair Williams, Vice Chair O'Malley and Board Members Helms, Henjum, Avila, Fortune, Strand, Donelson in favor, and Board Member Murray opposed.

Ms. Tracy Lessig, Deputy City Attorney, reviewed the CEO contract and said benefits and salary will be the same as the previous CEO.

Vice Chair O'Malley made a motion to approve the CEO contract and Board Member Strand seconded the motion. The motion passed unanimously.

16. Board Member Updates

Chair Williams read a resolution of appreciation for Ms. Burgess.

Board Member Avila expressed appreciation for Ms. Burgess and said her district town hall is March 8, 2023 at the Family Success Center.

Board Member Donelson gave a report out about his town hall.

Board Member Henjum advocated the importance of voting and how important the roles of City Council and Colorado Springs Utilities Board of Directors are.

17. Adjournment

The meeting adjourned at 4:13 p.m.