

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, March 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 and Stephannie Fortune

Utilities Board Members Excused: 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, Jared Miller, David Longrie, Kandy Drake, Steve Carr, Stephen Graham, Kelly Roesch, Wendy Asay, Dirk Lambert, Michiele Stapleton, Becki Cadis, Pattie Bengler, Carrie Guy, Tricia Timmons-Malsam, Tyrone Johnson, Natalie Lovell, Steve Carr, Dan Norton and Jenny Bishop

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: Alex Ryden, Renee Congdon, Jeff Greene, Ryan Trujillo, Steve Posey and Katie Sunderlin

Residents present via Microsoft Teams or Blue River Conference Room: Pastor Bob Hollopeter, Jim Miller, Longinos Gonzalez Jr., Tim Hoiles, Jim McGrady and Jeff Hodge

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.

2. Invocation and Pledge of Allegiance

Pastor Bob Hollopeter from Roswell Community Church delivered the invocation and Chair Williams led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Utilities Board Special Meeting Minutes: Feb. 15, 2023

3b. Approval of Utilities Board Meeting Minutes: Feb. 22, 2023

3c. Approval of Special Utilities Board Meeting Minutes: Feb. 24, 2023

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

4. Customer Comments

Mr. Tim Hoiles expressed concerns about the water ordinance and low-income housing.

Mr. Longinos Gonzalez Jr. expressed concerns about developer and Board Member involvement regarding the water ordinance.

Mr. Jim Miller requested the Utilities Board lower fees for customers.

5. Recognition

- President's Volunteer Service Award

Mr. Mike Francolino, Chief Corporate and Enterprise Services Officer, introduced Ms. Kandy Drake, Public Affairs Specialist, who explained the President's Volunteer Service Award encourages and recognizes outstanding volunteer service and inspires others to volunteer. The President's Council on Service and Civic Participation created the President's Volunteer Service Award in 2003. This Award honors those Americans who have made serving a central part of their life.

Ms. Drake said 32 Springs Utilities employees earned the award for their volunteer commitment of more than 100 hours to one or more nonprofit organizations in 2022 (these are volunteer hours outside of the organization's Community Focus Fund volunteer projects).

- Resolution of Appreciation for Utilities Board Member Stephannie Fortune

Chair Williams read the resolution and moved approval of the resolution. It was seconded by Vice Chair O'Malley. It was carried unanimously.

Board Members thanked Board Member Fortune for her commitment to serving the community and wished her the best with her future endeavors.

Board Member Fortune reflected on her time and service on the Utilities Board and thanked staff and Board Members for their support.

- Resolution of Appreciation for Utilities Board Member Bill Murray

Chair Williams read the resolution, moved approval of it and Board Member Strand seconded the motion. The Resolution of Appreciation for Utilities Board Member Bill Murray was carried unanimously.

Board Members thanked Board Member Murray for his commitment to serving the community and wished him the best with his future endeavors.

- Resolution of Appreciation for Utilities Board Member Tom Strand

Chair Williams read the resolution, moved approval of it and Board Member Helms seconded the motion. The Resolution of Appreciation for Utilities Board Member Tom Strand was carried unanimously.

Board Members thanked Board Member Strand for his commitment to serving the community and wished him the best with his future endeavors.

Board Member Strand reflected on his time and service on the Utilities Board and thanked staff and Board Members for their support.

- Resolution of Appreciation for Utilities Board Chair Wayne Williams

Vice Chair O'Malley read the resolution and Board Member Strand moved approval of the motion and Board Member Henjum seconded the motion. The Resolution of Appreciation for Utilities Board Chair Wayne Williams was carried unanimously. Chair Williams recused himself from the vote.

Board Members thanked Chair Williams for his commitment to serving the community and wished him the best with his future endeavors.

Chair Williams reflected on his time and service on the Utilities Board and thanked staff and Board Members for their support.

Mr. Travas Deal, Chief Executive Officer, expressed appreciation for the outgoing Utilities Board Members and thanked them for their service to the community. Staff played a video honoring the outgoing Board Members, which included interviews from them and footage from their time on the Utilities Board.

The Utilities Board took a break at 2:28 p.m. and returned to Open Session at 2:41 p.m.

6. Compliance Reports

- ER:1-3 Utilities Board Expected Results Year End Performance – Scorecard (Semi-annual)

Ms. Natalie Watts, Strategic Planning and Governance Manager, said the Utilities Board monitors organizational achievements through the Balanced Scorecard. Measures and targets are approved each December for the following year. She said the scorecard supports the Board's three focus areas of rates, reliability, and relationships.

Ms. Watts said results for 26 measures were reported for year-end 2022, and reviewed each focus areas and their scores:

- Five measures with results of "far exceeds expectations"
- Six measures with results of "exceeds expectations"

- Nine measures with results of “meets expectations”
- Two measures with results of “partially meets expectations”
- Four measures with a result of “does not meet expectations”

Ms. Watts said our final year-end score for 2022 was a 3.24 or “meets expectations”.

- I-4 Risk Management (Annual City Auditor Report)
- I-8 Asset Protection (Semi-annual)
- E-2 CEO Responsibilities
 - Water Outlook
 - ECA/GCA monitoring
 - Generating electricity through six modular gas units at Drake

Mr. Deal gave an energy update and said the organization is now generating electricity with the six modular natural gas units on the Martin Drake Power Plant site. He said this is a major accomplishment for the organization, employees, and customers as the community transitions to a new energy future.

7. Items Called Off Consent Calendar

There were none.

8. Affordable Housing Program Report

Mr. Jared Miller, Strategic Customer Relations Manager, explained how the organization supports the community through economic development partnerships, such as the Affordable Housing Program.

Mr. Steve Posey, City Community Development Division Manager, thanked Board Members for their participation and support of this program.

Ms. Katie Sunderlin, City Senior Affordable Housing Coordinator, reviewed current scoring for the rebate program. She also compared previous and updated scoring for the Springs Utilities conservation programs. Ms. Sunderlin explained Springs Utilities’ rebate commitments for 2022 as well as the anticipated rebates for 2023.

Ms. Sunderlin outlined projects, such as:

- Sumner House – 95 units and a rebate of 40% (\$47,783.20)
- Paloma Gardens – 125 units and a rebate of 80% (\$140,920)
- Interquest Ridge – 240 units and a rebate of 80% (\$146,032.94)
- Copper Rose – 182 units and a rebate of 20% (\$60,003.57)

Ms. Sunderlin concluded with a summary of first year successes and lessons learned.

The Utilities Board took a break at 4:08 p.m. and returned to Open Session at 4:21 p.m.

9. Clean Heat Plan Update

Mr. David Longrie, Engineering Manager, gave an overview of the Clean Heat Plan (CHP). He said Colorado Senate Bill 21-264 was signed in June 2021 and requires gas utilities to adopt programs to reduce greenhouse gas emissions – more specifically:

- 4% carbon emission reduction by 2025 with 2% cost capacity
- 22% carbon emission reduction by 2030 with 2.5% cost capacity of retail sales revenue

Mr. Longrie said we will educate and bring awareness of the requirements and the incentives available to customers through public process. He explained how the CHP relates to existing plans, such that CHP activities, specifically electrification, will increase the loads on the electric generation system. He said our Gas Integrated Resource Plan (GIRP) evaluates, identifies, and plans for the acquisition or capital investment of existing and future resources to meet peak-day and peak-hour supply and delivery requirements over a 30-year planning horizon. He also reviewed regulatory considerations.

Mr. Longrie reviewed example decisions for the Utilities Board to consider, and the CHP public process. He explained reduction tools and current energy efficiency and beneficial electrification offerings. He concluded with progress made on the CHP and its remaining timeline.

10. Regional Water Agreements

Ms. Jenny Bishop, Engineer IV, reviewed the (I-7) Water Supply Management Utilities Board Governance Policy. She said it was adopted in 2020 and requires regional service contracts to provide a net benefit to Springs Utilities and its ratepayers, appropriately balancing costs and risks, and recognizing historic and planned investments. She said the policy requires a premium on rates above what in-city customers pay that are reflected in Regional Service Tariffs. It also requires an evaluation of impacts to system reliability, level of service, and resource availability based on a 10-year planning horizon.

Ms. Bishop said the I-7 policy also allows Springs Utilities to require mitigation and impose terms that offset impacts and risks, and that the agreements cannot exceed a 25-year term. She reviewed the agreement terms and conditions, as well as the regional water service financials.

Ms. Bishop gave an overview of each district and its corresponding agreement:

1. Donala Water and Sanitation District:
 - Located north of Colorado Springs and east of I-25
 - Approximately 2,600 customers
 - Short-term agreements since 2011
 - Convey, treat, and deliver regional water agreement:
 - Convey water owned or controlled by Donala

- Up to 1,000 acre-feet of deliveries per year
 - Existing connection
 - 25-year contract
 - Estimated revenue based on typical delivery of 200 acre-feet (AF) per year
 - Water Regional System Availability Fee (WRSUF) = \$183,533
 - Commodity Charge = \$541,866
 - Total = \$725,420
- 2. Security Water District
 - Located south of Colorado Springs and east of I-25
 - Approximately 7,750 customers
 - Short-term agreements since 2017
 - Convey, treat, and deliver regional water agreement:
 - Convey water owned or controlled by Security
 - Up to 2,800 acre-feet of deliveries per year
 - Existing connection
 - Intended to be used on a temporary, as-needed basis
 - Estimated revenue based on Water Regional System Availability Fee (WRSUF)
 - WRSUF = \$33,330
 - Commodity Charge = Based on any water deliveries made
- 3. Triview Metropolitan District:
 - Located north of Colorado Springs
 - Approximately 2,150 customers
 - New water service agreement
 - Convey, treat, and deliver regional water agreement:
 - Convey water owned or controlled by Triview
 - Up to 2,200 acre-feet of deliveries per year
 - New interconnect at Utilities' Highway 83 tank
 - Estimated revenue per preliminary demands at 400 AF/year
 - Water Regional System Availability Fee = \$564,393
 - Commodity Charge = \$1,083,772
 - Total = \$1,648,165

Ms. Bishop concluded with next steps, and the Utilities Board agreed to put this item on Regular Business at the March 28, 2023 City Council meeting.

Mr. Jim McGrady provided additional background information about Triview Metropolitan District's water assets.

Mr. Jeff Hodge also provided additional background information about the Donala Water and Sanitation District and Springs Utilities' water partnership.

11. Board Member Updates

Chair Williams recognized Mr. Steve Carr, Senior Key Account Manager, for being selected to be in the inaugural Pikes Peak Friends of Space partnership program. Mr. Carr expressed gratitude for this partnership and recognition.

Ms. Renee Congdon introduced herself as the new City Division Chief Attorney – Utilities.

Board Member Helms thanked staff for efficiently installing a new meter at his house.

Board Member Henjum provided a brief update about the status of a regional Water Task Force.

Board Member Strand reviewed his residential bill and provided an update about the facilities at the Nevada bus terminal. He also provided an update about service at the Marion House.

Vice Chair O'Malley expressed appreciation for Board Member Strand.

Chair Williams thanked staff and Board Members for working together over the last two years.

12. Executive Session

Ms. Congdon, 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)(a), (b), and (e) and Utilities Board Bylaws Rules 10(c)(1), (2), and (5), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on one issue. The issue to be discussed involves the purchase and acquisition of an interest in real property, conferences with the City Attorney's Office for the purpose of receiving legal advice on specific legal questions, and instructing negotiators.

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, with Board Members Fortune and Avila excused.

The Utilities Board took a break at 5:36 p.m. and entered Executive Session at 5:47 p.m. They returned to Open Session at 6:17 p.m.

13. Adjournment

The meeting adjourned at 6:18 p.m.