

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, July 19, 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, David Leinweber, Brian Risley and Michelle Talarico

Staff members present via Microsoft Teams or Blue River Conference Room: Travas Deal, Tristan Gearhart, Renee Adams, Somer Mese, Mike Francolino, Natalie Watts, Andie Buhl, Katie Garrett, Abby Ortega, Jessica Davis, Bryan English, Kim Gortz, Margaret Radford, Kelly Roesch, Brian Fergen, Christian Nelson, Daniel Norton, Jared Miller, Larry Dunn, Sheryl Gunn and Martin Ruybal

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: Alex Ryden, Renee Congdon, Jamie Fabos, Chris Bidlack, David Beckett and Peter Wysocki

Citizens present via Microsoft Teams or Blue River Conference Room: Hillary Dussing, Larry Barrett and Kelly Roesch

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:02 p.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Board Member Randy Helms delivered the invocation and Board Member Crow-Iverson led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Utilities Board Meeting Minutes: June 21, 2023

Utilities Board Member Avila moved approval of the Consent Calendar and Board Member Crow-Iverson seconded the motion. The Consent Calendar was unanimously approved.

4. Recognition

Customer Technology Modernization (CTM) Project

Mr. Mike Francolino, Customer and Enterprise Services Officer, provided an overview of the CTM project and thanked staff who contributed to its success.

Mr. Travas Deal, Chief Executive Officer, also recognized Ms. Margaret Radford, Senior Public Affairs Specialist, for her service to the community as a former City Council member and Springs Utilities employee. Mr. Francolino, Board Member Henjum, and Board Member Avila echoed Mr. Deal's comments. Ms. Radford reflected on her experience and expressed appreciation as she retires from the organization at the end of the month.

5. Customer Comments

There were none.

6. Compliance Reports

- I-3 Financial Planning & Budgeting G-8
- I-6 Infrastructure G-12
- E-2 CEO Responsibilities
 - Water Outlook

Ms. Katie Garrett, Engineer III – Water Conveyance, discussed local weather conditions as of July 16, 2023 and the Colorado drought monitor which shows that Colorado is drought free for the first time since 2019. She also said the June 1 yield forecast predicts 107% of average yield from Colorado Springs' water collection systems this year.

Ms. Garrett explained how the 2023 actual consumption graph shows the effect of weather on consumption following wetter or drier periods. Total year-to-date consumption as of July 16 was 10.59 billion gallons; the near-term average through July 16 is 11.96 billion gallons. She reviewed monthly water use for June which is about 2 billion gallons. She also discussed Colorado Springs' system wide storage is about 238,900 acre-feet, or 92.1% of capacity, which is above the longer-term (1991-2021) average of 83% for this time of year. This equates to about 3.3 years of demand in storage.

Ms. Garrett said Colorado Springs Utilities' transmountain watersheds received near or above normal snowpack in water year 2023 and local watersheds received below average snowfall in water year 2023; however, above average rainfall this spring/early summer contributed to storage on South Slope and the Colorado Canal. She also noted that South Catamount Reservoir capacity remains restricted for planned dam maintenance this fall and Crystal Reservoir is currently being backfilled from North Catamount Reservoir.

7. Items Called Off Consent Calendar

There were none.

8. Election of Utilities Board Vice Chair

Chair Donelson asked for nominations for the Vice Chair of the Utilities Board and explained the process that would be followed. Chair Donelson nominated Board

Member Avila for Vice Chair due to her tenure as a Utilities Board member. Board Member Henjum also nominated Board Member Avila.

Ms. Buhl polled the Utilities Board and Board Members Avila, Crow-Iverson, Helms, Henjum, Leinweber, O'Malley, Risley, Talarico and Chair Donelson voted in favor of Board Member Avila. It was unanimous and Chair Donelson announced Board Member Avila as the new Vice Chair of the Utilities Board. Vice Chair Avila shared her excitement and thanked Board Members for their support.

9. The Acquisition of an Easement to be used for the Kelker to South Plant Transmission Project

Ms. Jessica Davis, Information Technology Manager, said staff is requesting that the Utilities Board move forward a resolution to City Council that allows Springs Utilities to purchase an easement for the Kelker to South Plant transmission project. She said the Kelker to South Plant transmission project is for a new overhead single circuit 115kV transmission line from Kelker Substation to South Plant Substation. She said Springs Utilities is modernizing the electric grid for sustainability and system resiliency and reliability.

Ms. Davis reviewed the vicinity map for easement and concluded with property information. Utilities Board Member Helms moved approval of this item and Board Member Crow-Iverson seconded the motion. The acquisition of an easement to be used for the Kelker to South Plant Transmission Project was unanimously approved to go on Consent at the Aug. 8, 2023 City Council meeting.

10. Water Service Extension for Extol Park Vista Addition No. 2 Annexation

Mr. Bryan English, Project Manager III, reviewed the location of the Extol No. 2 annexation as well as its agreement. He said Extol Homes, LLC requests:

- Annexation of 0.7-acre vacant property
- Four lots in Park Vista area enclave
- Proposed land use is single family-attached homes

Mr. English said the annexation would result in the extension of Springs Utilities' water service boundary and would support economic development in the City and potentially generate utility revenue for Springs Utilities. He provided an overview of the application of water service ordinance and concluded with a map of the annexation location.

Board Member Henjum acknowledged Board Member Risley's efforts to create efficiencies with the current annexation process.

Utilities Board Member Henjum moved approval of this item and Board Member Talarico seconded the motion. The water service extension for Extol Park Vista addition No. 2 annexation was unanimously approved to move forward to the City Planning Commission.

11. Water Rights Acquisition and Filing of Water Court Application

Ms. Kim Gortz, Water Supply Resources Manager, reviewed the Arkansas Basin Water Sharing program. She said Springs Utilities entered into a Purchase and Sale Agreement with Mathis Golden Farm, LLC to acquire 80 shares in the Fort Lyon Canal Company (FLCC), which will yield an average of 80 acre-feet per year, as well as real property covenants and agreements necessary for Springs Utilities to use the water derived from the shares. She said this project is consistent with policy direction contained in Springs Utilities' 2017 Integrated Water Resource Plan and the Colorado Water Plan to pursue municipal water supply in a way that maintains the viability of agriculture in communities of the Lower Arkansas Basin.

Mr. Kelly Roesch, Project Manager - Arkansas Valley Field Office, provided a site location overview and said Mathis Golden properties are located along the same lateral as the previously acquired water from the Wertz properties. He gave a project overview and explained key terms regarding the project:

- Colorado Springs Utilities to acquire 80 FLCC corner shares (approximately 80 acre-feet of water) for \$520,000 (\$6,500/Share)
- Center pivots are already installed and operating on the farm
- 80 FLCC shares = 17% of totals shares historically used on the farm
- Acquisition is consistent with the Bent County Intergovernmental Agreement (IGA)

Ms. Gortz and Mr. Roesch concluded with next steps. The Utilities Board provided a head nod for this item to go on consent at the Aug. 8, 2023 City Council meeting.

12. Board Member Updates

Board Member Helms thanked Board Member O'Malley for his service as the former Vice Chair of the Utilities Board and congratulated newly elected Vice Chair Avila.

Board Member Henjum, Chair of the Finance Committee, said the August Finance Committee meeting will provide an update about the Utilities Policy Advisory Committee (UPAC) assignment and asked for non-Finance Committee members to attend. She also thanked staff and UPAC members for their work on this assignment so far.

Vice Chair Avila thanked everyone for their confidence in her to become the next Utilities Board Vice Chair. As the Chair of Personnel Committee, she reviewed topics discussed at the July meeting and highlighted how Springs Utilities has an occupational health clinic for employees and a comprehensive plan for contractors.

Board Member Risley, Chair of Strategic Planning Committee (SPC), reviewed agenda topics from the July meeting and thanked everyone who attended. He appreciated the information staff provided about planning for growth over the next 50 years and

reiterated how he wants to streamline the water ordinance process. He said the purpose of SPC will be discussed at next month's meeting.

Board Member Talarico, Chair of Program Management Review (PMR) Committee, also thanked outgoing Vice Chair Mike O'Malley and incoming Vice Chair Avila. She said she attended all committee meetings this month and thanked her colleagues for their support. She also reviewed core projects that will be reviewed at the upcoming PMR Committee meeting next month.

Board Member O'Malley echoed Board Member Risley's comments about S and said moving forward, he wants to prioritize topics at SPC and that helps Springs Utilities in the future.

Board Member Henjum also said there are several things the Utilities Board needs to address and recommended a future retreat for all Board Members.

Chair Donelson thanked all committee chairs for providing updates. He said he attended the UPAC meeting last month and on behalf of the Utilities Board, he explained to them that the full Utilities Board needs additional time and information on the cost recovery assignment before any action is taken. Chair Donelson said this is especially important for the four newest Board Members who joined the Board at the tail-end of the UPAC assignment and have not had the benefit of receiving updates on the assignment over the last 9 months. He said an update will be provided at the next Finance Committee meeting on Monday, Aug. 14, 2023 and highly encourages all Board Members to attend.

13. Summary of Board Actions

The acquisition of an easement to be used for the Kelker to South Plant Transmission Project was unanimously approved to go on Consent at the Aug. 8, 2023 City Council meeting.

The water service extension for Extol Park Vista addition No. 2 annexation was unanimously approved to move forward to the City Planning Commission.

The Utilities Board provided a head nod for Water Rights Acquisition and Filing of Water Court Application to go on consent at the Aug. 8, 2023 City Council meeting.

14. Executive Session

Ms. Renee Congdon, City Attorney Division Chief – Utilities, 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)(b) and Utilities Board Bylaws Rules 10(c)(2), 10(c)(5), and 10(c)(7), 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

conferences with the City Attorney's Office regarding determining positions relative to contract negotiations regarding gas resources, including consideration of documents containing confidential and proprietary information.

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 9 to 0.

They took a break at 2:07 p.m. and entered Executive Session at 2:21 p.m. They returned to Open Session at 3:13 p.m.

15. Adjournment

The meeting adjourned at 3:15 p.m.