

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, Jan. 17, 2024

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

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

Utilities Board Members Excused:

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

Becky Freiberg, Travas Deal, Renee Adams, Somer Mese, Mike Francolino, Tristan Gearhart, Lisa Barbato, Bethany Schoemer, Nicole Means, Bryan Babcock, Kandy Drake, Jenny Bishop, Maria Pastore, Mike Herrmann, Bryan English, Melissa Brown and Sean Frech

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

Renee Congdon, Alex Ryden, Jamie Fabos, Bill Paddock and Tim Scheiderer

Citizens present via Microsoft Teams or Blue River Conference Room:

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:01 p.m. and Ms. Nicole Means, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Becky Freiberg, Customer Service Supervisor, delivered the invocation, and Chair Donelson led the Pledge of Allegiance.

3. Consent Calendar

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

3b. Resolution to Appoint Members to the Board of the Public Authority for Colorado Energy (PACE)

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

4. Update from the Colorado River Commissioner

Ms. Becky Mitchell, Colorado River Commissioner, gave updates on the Colorado River, the post-2026 negotiations and her expectations for the future of the Colorado River system. As of July, the Governor and Legislature created a full-time River Commissioner position, and Ms. Mitchell explained that she reports to the Governor of Colorado and the Department of Natural Resources.

Ms. Mitchell reviewed the Colorado River stream flows, sub-basins, transmountain diversions and statewide use. She stated 80% of precipitation falls on the west side of the state, yet 80% of the population live on the east side of the state. Ms. Mitchell gave an overview of the Colorado River Compact and expressed the foundational principle is equity. Ms. Mitchell discussed the post-2026 negotiations and the temporary guidelines outlined in 2007 and explained the new guidelines at Lake Powell and Lake Mead are layered on top of the Colorado River Compact. Lastly, Ms. Mitchell reviewed Upper Basin uses compared to Lower Basin uses.

5. Recognition

5a. Federal Energy Regulatory Commission (FERC) Dam Inspectors

Mr. Bryan Babcock, General Manager of Systems and Field Operations, introduced Mr. Bill Sturtevant, Dam Safety Engineer. Mr. Babcock discussed the collaboration and maintenance that occurs on the 25 dams in Colorado Springs Utilities' system. Safety on dams requires engineering groups, planning groups, information technology and operations crews. The crewmembers in attendance introduced themselves.

Mr. Sturtevant discussed the process with the Federal Energy Regulatory Commission (FERC) and the three inspections that occurred in the past year, including an environmental inspection, a full FERC physical inspection and a security inspection. Springs Utilities passed them all.

5b. 2023 Wack Dam It Golf Tournament in Support of Project COPE

Ms. Renee Adams, Chief Human Resources Officer, introduced Ms. Kandy Drake, Public Affairs Specialist, and gave an overview of the group of employees behind the Wack Dam It Golf Tournament. The event started in 2013, and since 2015, all proceeds have been donated to Project COPE (Citizens Option to Provide Energy). In 2023, the tournament raised a banner amount of \$23,000. This money will be matched dollar-for-dollar by Colorado Springs Utilities.

Ms. Drake described the work that goes into putting on the tournament and Mr. Carlos Wright, Water and Wastewater Construction Maintenance Manager, shared the history of the tournament, with the event starting out as a team building experience. The upcoming year marks the 10th anniversary of the tournament.

6. Blue River Settlement Negotiations Update

Ms. Maria Pastore, Water Resources Management Project Manager, and Mr. Bill Paddock, outside counsel, presented this item. Ms. Pastore gave a brief background

on the existing Continental Hoosier System, an overview of the Blue River Conditional Water Rights, outlined key terms of the agreement and presented next steps.

The Continental Hoosier System, also referred to as the Blue River System, begins in Summit County and diverts stream flows from the Blue River watershed and Middle Fork of the South Platte for storage in Montgomery Reservoir. The conditional water rights that have not yet been developed include Lower Blue Lake, Spruce Lake and Mayflower Reservoirs. Ms. Pastore reviewed the key terms of the agreement and additional mitigation provisions. The goal of the Montgomery Reservoir Enlargement Project is to improve the resiliency, redundancy and efficiency of the collection system. Participating entities are taking the proposed memorandum of agreement to their respective board of directors for approval in January and February.

Board Member O'Malley asked a question regarding the costs of the project, and Board Member Leinweber asked a question about the increase in water yield when enlarging Montgomery Reservoir. Board Member Henjum asked Mr. Paddock about the timeline and risks associated with the project and permitting.

The Utilities Board unanimously approved the Blue River Settlement Negotiations to go to City Council on Feb. 13, 2024, on consent.

7. Customer Comments

There were no customer comments.

8. Compliance Reports

- I-6 Infrastructure
- C-2 Annual Board Evaluation
- 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.

Chair Donelson gave a brief overview of the C-2 Annual Board Evaluation. The survey is issued as a means for the Utilities Board to evaluate its performance from the previous year and as an opportunity to recognize accomplishments and identify improvements for 2024. Chair Donelson shared the average scores for each question and discussed whether the board wants to discontinue the C-2 Evaluation.

Vice Chair Avila discussed the difficulty of a self-evaluation due to the newness of many board members elected in April. Board Member Henjum shared her support for an evaluation but suggested it be conducted in a private retreat, rather than a public

board meeting. Board Member Helms agreed with Board Chair Donelson that the Utilities Board is doing well.

9. Items Called Off Consent Calendar

There were none.

10. Long-Term Regional Water Service Agreements

Ms. Jenny Bishop, Water Resource Planning Engineer, reviewed four long-term regional water service agreements with three different entities: Triview Metropolitan District, Stratmoor Hills Water District and the City of Manitou Springs. Ms. Bishop reviewed the agreement terms and conditions and regional water service financials, which are consistent with regional tariffs and Utilities Rules and Regulations (URRs).

The agreement with Triview Metropolitan District provides clarification of language from the existing agreement. The Stratmoor Hills Water District agreement is to convey, treat and deliver water owned or controlled by Stratmoor Hills. The agreement with Manitou Springs will require renewing existing water agreements, including to deliver or exchange Fryingpan-Arkansas Project water and to bypass flows down Ruxton Creek. Lastly, there is an operational agreement with the City of Manitou Springs that will not need approval from the Utilities Board to renew the existing water agreement.

The Utilities Board unanimously approved the following regional agreements to go to City Council on Feb. 13, 2024 on consent: Triview Amendment, Stratmoor Hills Emergency Service and Manitou Springs Water Service.

11. Pikes Peak Geospatial Alliance (PPGA) Orthoimagery Project

Mr. Mike Herrmann, Asset Management Innovation and Technology Manager, and Mr. Tim Scheiderer, City Attorney, presented this item. Mr. Scheiderer provided a brief background on the Pikes Peak Geospatial Alliance (PPGA) which was established in 2004 with other local governments. The purpose of the 2024 PPGA project is to acquire new color, digital, aerial photography of El Paso and Teller Counties. Mr. Herrmann reviewed the project breakdown and costs.

The Utilities Board unanimously approved the agreement go to City Council on February 13, 2024 on consent.

12. Outside City Wastewater Service Request and Agreement to Annex 7508 Tudor Rd.

Mr. Bryan English, Development Projects Manager, gave an overview of the request and agreement to annex. Due to their existing septic system failing, the owners of 7508 Tudor Road have requested Springs Utilities wastewater service for multi-family use. Mr. English explained there is sufficient wastewater system capacity at the time of application. Mr. English reviewed the agreement to annex and requested the item go to City Council.

The Utilities Board unanimously approved to send the Agreement to Annex 7508 Tudor Road for wastewater service to City Council on Jan. 23, 2024 on consent.

13. Black Forest Addition No. 2 Right-of-Way Annexation

Mr. English presented an overview of the right-of-way annexation. City of Colorado Springs Public Works has proposed the annexation comprised of 21.851-acres, located along Black Forest Road. Mr. English explained it is the City's standard practice to annex a City right-of-way when eligible. Annexation and extension of City limits would simultaneously extend Springs Utilities' water service boundary. Board Member Leinweber asked for a clarification on the map of the right-of-way regarding the vicinity of the City.

The Utilities Board unanimously approved to recommend approval of extending water to Black Forest Road Addition No. 2 Right-of-Way Annexation to City Council. City Planning will schedule the Planning Commission hearing and City Council hearing.

14. Resolution Delegating Authority to Chief Executive Officer to Enter into Agreements to Annex for Residential Properties in the Park Vista Enclaves

Mr. English presented background on Agreements to Annex in the Park Vista Enclaves. The Park Vista addition and Park Vista Estates addition are two centrally located unincorporated El Paso County enclaves. In the preceding months, there have been multiple single-family residential requests for outside City water service in this area. Mr. English explained Springs Utilities provides natural gas and electric services to enclaves, with many properties served by well and septic.

Mr. English reviewed the primary issues, concerns and risks. The number of service requests have noticeably increased, existing wells are underperforming and failing and the current review and approval process is inefficient. Mr. English explained Springs Utilities' proposal to grant the CEO authority to approve Agreements to Annex in the Park Vista Enclaves. Board Member Leinweber asked if there is a time limit outlined in the resolution.

The Utilities Board unanimously approved the resolution delegating authority to the Chief Executive Officer to enter into Agreements to Annex for residential properties in the Park Vista Enclaves to go to City Council on Feb. 13, 2024 on consent.

15. Proposed Annexation-Related City Code Changes

Ms. Renee Congdon, City Attorney's Office – Utilities Division Chief, presented this item. Board Member Risley gave a brief overview of the history of the proposed annexation-related City Code changes. He explained the item went through Strategic Planning Committee and asked whether the Utilities Board would like to hear the full presentation. Board Member Henjum requested a high-level overview for the public's sake.

Ms. Congdon prefaced the item will go to City Planning Commission, then to City Council if approved by the Utilities Board. Ms. Congdon explained most of the work involved a reorganization of the annexation section of chapter 7 in City Code. Additional changes are found in chapter 7 and chapter 12. Ms. Congdon gave an overview of the proposed changes to chapter 7 including looking at annexations from a four-service utility perspective, determining whether an annexation will have an impact on existing customers and adding the requirement for a financial analysis from a Springs Utilities perspective. Board Member O'Malley stated his desire to include fiber optic as a service for annexations. Ms. Congdon discussed broadening the language to encompass all utility services.

Ms. Congdon discussed annexation-related changes to chapter 10 in City Code, which includes exceptions to exclusive provider language, added policy considerations and requirements to sections on special contract service to be consistent with other extensions of water service and streamlining the water extension ordinance process. For water extensions, the change would remove the requirement for Utilities Board approval and remove the 25% contiguity from the 128% test.

Ms. Congdon explained the reason for the change is to promote efficiency. Board Member O'Malley expressed concerns about removing the language around the 25% contiguity. Board Member Risley discussed the concern and stated the outcome does not change because the annexor can redraw to make it work for them. Board Member Henjum shared her perspective that setting a specific number to determine if Springs Utilities can serve the water needs of the area is more important to her than the discussion between outlining one-fourth or one-sixth in City Code.

Six Board Members voted in favor of removing the 25% contiguity requirement and instead aligning City Code with state standards, which is one-sixth contiguity. The Utilities Board voted 8-1 to recommend approval of annexation-related City Code changes with Board Member O'Malley voting against.

16. Colorado Springs Underground Damage Prevention Safety Program Update

Ms. Melissa Brown, Regulatory and Compliance Manager, and Mr. Sean Frech, Regulatory and Compliance Program Manager, discussed the Underground Damage Prevention Safety Program. The program is a city ordinance which enables Colorado Springs to bring the enforcement of Colorado's excavation and one call law from the hands of a State Commission down to the local level for closer oversight. Ms. Brown stated the program went into effect on Jan. 1, 2021, and supports Springs Utilities' mission of providing safe and reliable utility services by protecting our underground infrastructure.

Ms. Brown explained there is an increase in total damages, which is due to fiber installation. For non-fiber activity, there has been a reduction in repeat offenders after they have taken Springs Utilities education classes. In 2021, fiber was 12.6% of total damages, and in 2023, fiber was 80% of total damages in underground

infrastructure. Ms. Brown discussed the 2023 audit, in which the enforcement of Colorado's excavation damage prevention law was determined "adequate", which is the highest rating.

Ms. Brown discussed the two changes to City Code, which incorporates a stop work order and changes to rulemaking by modifying the CEO's existing authorities to include promulgating rules and regulations for the program to govern excavators working in Colorado Springs.

The Utilities Board unanimously approved the City Code changes for the Underground Damage Prevention Safety Program to go to City Council on Feb. 13, 2024 for first reading and Feb. 27, 2024 for second reading on consent.

17. Executive Session

Ms. Congdon polled the Utilities Board Members, and the Utilities Board went into Executive Session at 4:39 p.m.

18. Board Member Updates

The Utilities Board came back from closed Executive Session at 5:35 p.m.

Vice Chair Avila gave a brief update on Personnel Committee. The committee will consolidate meetings in 2024 and have eight meetings, including an onsite meeting in the community.

Board Member Risley gave an overview of the discussion in Strategic Planning Committee regarding changes to the Governance Manual, including eliminating the C-2 Board Evaluation. He also reviewed the North Slope Recreation agenda item from Strategic Planning Committee, which involved a discussion about balancing recreation and the security of Springs Utilities infrastructure.

Board Member O'Malley shared his desire to get more information about expanding Project COPE so ratepayers can give back megawatts to people in need.

19. Adjournment

The meeting adjourned at 5:40 p.m.