



MINUTES

Colorado Springs Utilities Board Meeting
Monday, October 16, 2024

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

Chair Dave Donelson, Vice Chair Yolanda Avila, Randy Helms, Nancy Henjum, David Leinweber, Mike O'Malley and Michelle Talarico

Utilities Board Members Excused:

Lynette Crow-Iverson and Brian Risley

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

Travas Deal, Renee Adams, Tristan Gearhart, and Somer Mese, Tyler Benton, Steve Berry, Jenny Bishop, Nathan Bloomfield, Connie Brown, Sorimar Brown, Becki Cadis, Thad Clardy, Erin Duran, Natalie Eckhart, Brian Fergen, AJ Fink, Jennier Franceschelli, Kim Girling, Jason Green, Kelly Guisinger, Lisa Halcomb, Diana Harmon, Adam Hegstrom, Eric Isaacson, Tyrone Johnson, Jennifer Jordan, Tara Kelley, Sabrina Kleinheitz, Brenda Koskey, Sarah LaBarre, Birgit Landon, Amy Lewis, Natalie Lovell, Mike Maksimowicz, Patrick Malone, Jared Miller, Angelia Mora, Christian Nelson, Danielle Nieves, Dan Norton, Jacqueline Nunez, Chris Olney, Abigail Ortega, Terrance Packard, David Padgett, Maria Pastore, Gail Pecoraro, David Reeve, Chris Robinson, Jeff Rowbotham, Bethany Schoemer, Scott Shirola, Leslie Smith, April Speake, Joshua Stroud, Matthew Thieme, Amy Trinidad, Jennifer Valdois, Natalie Watts, Michelle Wills-Hill, Connie Wilson, Kyle Wilson and Jane Zook

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

David Beckett, Chris Bidlack, Renee Congdon, Bria Cunningham, Travis Easton, Michael Gustafson, Elli Harris-Mevis, Michael Montgomery, Jacqueline Rowland, Alex Ryden and Timothy Scheiderer

Citizens present via Microsoft Teams or Blue River Conference Room:

Albert Badeau, Balu Bhayani, Will Brown, Charles Conser, William Landin, Steven Rodriguez, Clint Skelly, Scott Smith and Mark Valentine

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:04 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Mr. Tristan Gearhart, Chief Planning and Financial Officer, delivered the invocation and Board Chair Donelson led the Pledge of Allegiance.

3. Consent Calendar

Approval of Aug. 21, 2024, Utilities Board meeting minutes

The Consent Calendar was unanimously approved.

4. Customer Comments

There were no customer comments.

5. Recognition

- **Recent Designation as StormReady Organization**

Ms. Somer Mese, Chief Operations Officer, introduced Ms. Erin Duran, Emergency Management Program Manager. Ms. Duran introduced Mr. Clint Skelly, Warning Coordination Meteorologist, and Mr. Steven Rodriguez, Science and Operations Officer with the National Weather Service, who presented the StormReady award to Springs Utilities for their certification as a StormReady organization. Springs Utilities is one of less than a dozen utility organizations to receive this designation.

Board Chair Donelson said that Springs Utilities ratepayers should rest easy with the organization's designation as StormReady.

Board Member Henjum asked what is the most significant improvement that has happened since the December 2021 windstorm. Ms. Duran said that a dedicated 24/7 command storm center has been designated to handle these types of incidents.

- **U.S. Postal Service (USPS) Excellence in Innovation Award**

Mr. Dan Norton, General Manager of Customer Services, explained that in collaboration with KUBRA (the online payment system for Springs Utilities customers), Springs Utilities was awarded the prestigious USPS Excellence in Innovation and Creativity Award. Springs Utilities' award-winning mail piece combined personalization with vibrant promotional elements, setting a new benchmark in print communication. Members of the team included Brian Fergen, Terrance Packard, Sabrina Kleinheit, Jeff Rowbotham and Eric Isaacson.

Board Member Henjum asked what drove the team. Mr. Fergen said the driving force was meeting customer needs and putting forth a great product.

Vice Chair Avila stated how proud she was of the team on this award.

Board Chair Donelson also congratulated and thanked the team.

6. Compliance Reports

The I-7 Water Supply Management, I-9 Treatment of Customers and Customer Information, I-10 Treatment of Staff, I-11 Compensation & Benefits G-9, and E-2.8

Emergency CEO Succession Compliance Reports were included in the meetings materials packet.

The Personnel Committee reviewed the I-11 compliance report at their most recent meeting. The committee is proposing changes to the instruction, which will be reviewed at the November Utilities Board meeting.

Board Member Henjum thanked the organization for their good governance practices in developing their reports.

- E-2 CEO / Board Partnership Responsibilities
 - Water Outlook
 - Electric Cost Adjustment / Gas Cost Adjustment Monitoring
- These reports were provided in the meeting packet and there were no questions.

7. Items Called Off Consent Calendar

There were none.

8. Naming of Miskel Reservoir

Ms. Abigail Ortega, General Manager of Infrastructure and Resource Planning, explained that staff is recommending renaming the Lower Williams Creek Reservoir after Mr. Harold Miskel. Mr. Miskel was employed by Colorado Springs Utilities from 1966 to 1999 and served as president of Colorado Water Congress in the 1980s. During his career he was an integral part of securing water for the growing Colorado Springs community. For more than half a century he has been an active voice at the state legislature, helping with the development of water law, writing many bills and amendments that are foundations for water development in Colorado. Following his retirement from Colorado Springs Utilities, Mr. Miskel remained active in the water community, serving on the Colorado Water Conservation Board, the Southeastern Colorado Water Conservancy District Board and in 2016 was named the Way N. Aspinall Water Leader of the Year by the Colorado Water Congress.

Ms. Henjum asked where the Miskel Reservoir is located. Ms. Ortega stated that the reservoir is being developed southeast of Colorado Springs, along the Williams Creek drainage.

Ms. Talarico asked how large the proposed reservoir is, Ms. Ortega stated it is proposed to be 20,000 acre feet. The timing of construction of this is within the next 20 - 25 years.

Mr. Leinweber asked if the Bostrom Reservoir is more of a holding tank. Ms. Ortega said it will be a holding tank feeding the organization's wastewater treatment plants.

Mr. Charles Conser gave his support for the naming of the Miskel Reservoir.

Vice Chair Avila said that naming the reservoir is well deserved; and she supports future naming opportunities for women. Mr. Travas Deal, Chief Executive Officer, clarified that naming opportunities come from outside the organization (the Board and residents in the community).

Mr. Balu Bhayani spoke in support of renaming the reservoir to the Miskel Reservoir.

After head nod approval, this item will move forward to the Dec. 10, 2024, regular council meeting.

9. 2025 Municipal Government Street Lighting

Mr. Scott Shirola, Pricing & Rates Manager, explained Colorado Springs Utilities assesses and collects a street lighting service charge from the City for the provision of street lighting services. Additionally, City Code requires Colorado Springs Utilities to annually prepare a revenue requirement setting forth the amount that must be recovered for street lighting. The total street lighting budget for 2025 is \$5,085,796, an increase of 7% from 2024. The next step is to bring this to City Council on Nov. 12, 2024.

Mr. Leinweber asked if this covers lifecycle replacement and energy efficiency upgrades. Mr. Shirola stated the organization does replacements with LED bulbs, which is currently at 30% replacement.

Mr. Leinweber asked what was learned in 2008 when every other streetlight was turned off. Mr. Shirola stated there were actual savings. Mr. Gearhart said that it was a small savings from a utilities standpoint.

Mr. Leinweber asked what the estimated timeline is for replacing all streetlights with LEDs. Mr. Gearhart stated that this analysis has not been done other than to replace individual fixtures as they burn out.

Mr. Leinweber asked about the feasibility of residents adopting a streetlight for naming rights, and City Attorney Renee Congdon stated that there are other concerns and risks to consider.

After head nod approval, this item will move forward to the Nov. 12, 2024 regular City Council meeting on consent.

10. Ordinance Approving Letter of Credit

Mr. Adam Hegstrom, Treasury and Finance Manager, stated that on Sept. 17, 2024, Springs Utilities entered into a Precedent Agreement to lease capacity on a natural gas pipeline to be constructed by a third party. Under this agreement, the organization is obligated to deliver a standby, irrevocable Letter of Credit. A Request for Proposal (RFP) process has been completed, and execution of this agreement requires authorization from City Council.

Mr. Deal stated that this is a yearly appropriation because the City Charter states that one City Council cannot obligate another City Council.

After head nod approval, the proposed ordinance will move forward to the Nov. 26, 2024, City Council meeting. The item will be on consent for first reading.

11. Clear Creek Intergovernmental Agreement (IGA) Addendum

Mr. Tyler Benton, Water Resources Engineer, stated that in 2022, Springs Utilities entered into an IGA with the Pueblo Board of Water Works (PBWW) to investigate the feasibility of enlarging Clear Creek Reservoir. This reservoir is owned by PBWW and is located near Granite, CO, in Chafee County. The proposed IGA Addendum asks for continuation of investigations on the feasibility of an enlargement of the reservoir, including water quality monitoring. It sets forth respective rights and obligation of parties in the purchase of property and capital investments and adds options for developing wetland mitigation projects. The IGA Addendum clarifies the respective rights and obligations of the parties and corrects typographical errors. The Addendum will provide critical information to understand the feasibility of an expanded reservoir. The Addendum further authorizes the Chief Executive Officer (CEO) of Colorado Springs Utilities to sign the IGA Addendum and additional IGA addendums to be executed without requiring further approval by the Utilities Board and City Council.

Ms. Henjum asked how much space is used in the reservoir. Mr. Benton stated Springs Utilities currently uses no space in the Clear Creek Reservoir. This would require a 1041 permit.

After head nod approval, the Clear Creek IGA Addendum will move forward to the Oct. 22, 2024, City Council meeting on consent.

12. Drake Regulatory Asset

Ms. Natalie Lovell, Accounting Manager, stated this agenda item was discussed at the Finance Committee meeting Oct. 15, 2024. Ms. Lovell said Colorado Springs Utilities is seeing approval from City Council to increase the amount of the Martin Drake Power Plant regulatory asset that was established under Resolution 137-23 due to additional estimated costs for pollution remediation. These additional costs will be expensed over a 10-year period as they are incurred to help smooth the rate impact. With City Council approval, the proposed increase to the regulatory asset is \$3,000,000 for costs incurred in 2024 and continuing through 2025. The driver for this increase is the finding of asbestos.

After head nod approval, the Drake Regulatory Asset will move forward to the Dec. 10, 2024 City Council meeting on consent.

13. Board Member Updates

Board Member Helms gave an update on fiber installation on the north end of town. He said that repairs to landscaping have gone well. There have been no new issues.

Board Member Henjum said that she enrolled to participate in the pilot conservation program, and she had an audit two weeks ago. She will be making some irrigation changes in the future.

Vice Chair Avila provided an update from the October Personnel Committee meeting. She said that three compliance reports were reviewed. All reports indicate the CEO has complied with Board Instructions.

Board Member Talarico said the Program Review Committee start time has changed on Nov. 19. to 12:00 p.m.

Board Chair Donelson provided an update on the Oct. 2 UPAC meeting. Grant Public Utility District gave a presentation. The next meeting will be Nov. 6, 2024, with a planned presentation from the Utah Associated Municipal Power System (UAMPS). The December and January meetings have been set to develop recommendations for the Utilities Board.

Mr. Deal thanked Board Members for their continued support. Chair Donelson thanked Mr. Deal and the Officer Team for their work every day.

14. Summary of Board Actions

- Approval of the Utilities Board minutes from the Aug. 21, 2024, meeting.
- Naming of the Miskel Reservoir will move forward to the Dec. 10, 2024, regular City Council meeting.
- 2025 Municipal Government Street Lighting will move forward to the Nov. 12, 2024, regular City Council meeting.
- Ordinance Approving Letter of Credit will move forward to the Nov. 26, 2024, and Dec. 10, 2024, regular City Council meetings.
- Clear Creek Intergovernmental Agreement (IGA) Addendum will move forward to the Oct. 22, 2024, regular City Council meeting.
- Drake Regulatory Asset will move forward to the Dec. 10, 2024, regular City Council meeting.

15. Adjournment

The meeting adjourned at 2:16 p.m.