



Minutes
Strategic Planning Committee
October 10, 2024

Committee members present in the Rosemont Conference Room or online:

Dave Donelson, Nancy Henjum, David Leinweber and Brian Risley

Utilities Board members present in the Rosemont Conference Room or online:

None

Staff members present in the Rosemont Conference Room or online:

Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Jay Anderson, Joe Awad, Pattie Benger, Kevin Binkley, Jenny Bishop, Andy Colosimo, David Dalton, Matt Dudden, Natalie Eckhart, Kim Gortz, Jason Green, Jennifer Jordan, Chris LeLeux, Jared Miller, Daniel Norton, Jacqueline Nunez, Chris Olney, David Padgett, Gail Pecoraro, Bethany Schoemer, Mark Shea, Amy Trinidad, Lisa Walters, Natalie Watts and Al Wells

City of Colorado Springs staff members present in the Rosemont Conference Room or online:

Sally Barber and Renee Congdon

Citizens present via Microsoft Teams or Rosemont Conference Room:

Charles Conser

Call to Order

Committee Chair Brian Risley called the meeting to order at 1:00 p.m. and read into the record the statement regarding the Colorado Open Meetings Law and the City Charter and noted that public comment would not be a part of the meeting.

Minutes

The minutes from the Aug. 20, 2024, Strategic Planning Committee meeting were approved for posting.

Compliance Reports

I-7 Water Supply Management

Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, introduced Ms. Kim Gortz, Water Supply Resources Manager, who reviewed the I-7 Compliance report which was included in the meeting materials packet.

Board Member Henjum asked if the water ordinance needs to be revisited to address giving prioritization of residents within the boundaries of Colorado Springs, with the possibility of future annexations. Ms. Kim Gortz stated that future annexations would be prioritized with the water supply going to Colorado Springs residents and the possibility of water permits being denied for future annexations.

Ms. Barbato stated that the scope and timing for the Water Integrated Resource Plan (WIRP) for 2025-26 has already started. Once demand numbers are better known, that would be the time to see if the water ordinance needs to be changed.

Board Member Risley said he would like to see the Strategic Planning Committee be involved in the crafting of the IRP as decision makers that can provide a different perspective to the process. Mr. Risley further stated that all annexation does is give opportunity and control over how the region grows. Ms. Barbato committed to engaging the Board on the IRPs in early second quarter 2025.

Board Member Leinweber felt it would be beneficial to have a regional outlook perspective of what might happen. Ms. Gortz stated that the organization does participate in regional conversations and has regional contracts toward long-term sustainability. Board Member Henjum asked that from a policy perspective should the organization's commitment to the interdependence of Springs Utilities' system with other systems be included in the I-7. Ms. Gortz said perhaps not in the I-7, but in the IRP.

I-9 Treatment of Customers and Customer Information

Mr. Mike Francolino, Chief Customer Enterprise Services Officer, said that this compliance report was included in the meeting materials. No questions were asked.

Regionalization of Water and Wastewater Services Agreements

Ms. Gortz introduced Ms. Jenny Bishop, Water Resource Planning Engineer, who explained that City Charter Article X, Section 10-60 limits agreements to 25-year terms, unless they are for the purpose of economic development then they can be for 99-year terms. Board Instruction 7, 9.e allows for regional water and wastewater services but limits agreements to 25-year terms.

Regional entity feedback has shown concern about the 25-year agreement limitation and entering into an agreement that could potentially expire before the project is paid for (between 30 – 40 years). The 25-year lease limitation does not satisfy El Paso County development rule for water supplies. Ninety-nine year leases would help address infrastructure funding and may be a compromise with El Paso County water supply rules.

Project Updates

Indirect Potable Reuse (IPR) Project

Grant funding was received from the Colorado Water Conservation Board. Springs Utilities is continuing coordination with the Loop Water Authority.

Northern Monument Creek Interceptor (NMCI)

30% of the design has been completed. Commitment with partners is being reviewed. This project is currently coming in at \$93 million. Ms. Barbato said that this is actually at a go or no-go due to costs. The organization has already invested \$2 million.

Northern Delivery System (Triview and others) is now in operation. The next step is for the Utilities Board to direct staff to propose a solution and language that would allow for Springs Utilities to enter into 99-year leases for regional water and wastewater services.

Chair Risley asked how a 99-year lease would address El Paso County's 300-year water rule. City Attorney Renee Congdon said that we need to be mindful to tailor these resolutions to be mindful to the 99-year resolution economic development leases.

Board Member Donelson said that this decision should not be made at the committee level but should be brought before the full board. Chair Risley said that he would like for a conversation to happen with the county to ensure that changing to a 99-year lease would work for them as a partner. Ms. Barbato will have staff reach out to the county and come back to a future Strategic Planning Committee meeting for review, then the full Utilities Board for approval. Ms. Bishop stated that these contracts would be used on a limited basis. Ms. Congdon stated that other agreements may also need to be amended if the decision is made to move to 99-year leases.

Technology Roadmap

Mr. Chris LeLeux, Information Technology General Manager, said that technology roadmaps have multiple tiers. These tiers include strategic objectives and initiatives, technology strategies, programs, projects, and day-to-day operations.

ServiceNow – Technology Road Mapping tool is a system that organizes and automates information technology (IT) service management used to manage technology requests, incidents, and changes. This automates routine tasks and frees up IT staff to focus on more strategic projects. It includes program / project management tools and a roadmap module.

Next steps involve complete ServiceNow implementation. This includes:

- Rolling out new technology intake processes
- Loading all technology data (systems, operational work, new requests, etc.)
- Technology teams moving to Service Now for intake and road mapping
- Linking all technology work to strategic objectives and initiatives

Mr. Francolino said that a lot of manual work is being performed currently, so it is important to implement new technology to become more efficient and streamlined.

Board Member Leinweber stated IT has to be one of the most difficult areas due to ongoing emerging technology.

Strategic Planning: Watershed Recreation Plan

Ms. Barbato introduced Ms. Lisa Walters, Source Water Protection Project Manager.

Board Member Leinweber stated that he had a conflict of interest. He stated however, that he is a policy expert, and he would keep this to his realm of expertise and not to his business. Ms. Congdon said that if a conflict of interest is disclosed, the involved party should recuse himself and not participate in the discussion. Mr. Leinweber stated that his conflict is that he may at

some future date have a permit with the City to operate his business in the North Slope Recreation Area. Ms. Gortz stated that this is a framework discussion and policy will not be spoken about specifically today. Ms. Congdon said that Mr. Leinweber is taking on the risk of staying in the room during the conversation.

Ms. Walters said the purpose of the North Slope Recreation Access Planning is watershed protection and land management. Security and infrastructure has not been assessed since 1992 as it relates to recreational uses.

Policy considerations and related concerns include consideration of new/expanded uses (commercial guided tours, winter seasonal access), improved security for water system infrastructure related to vehicle access, the re-routing of trails away from critical infrastructure to improve security related to foot access, improving the Ring the Peak Trail routing to reduce conflicts, assess and adopt or decommission non-system trails, and develop a facilitated process with land managers and public stakeholders.

Ms. Gortz said the South Slope plan for recreational uses on municipal watershed lands approved in 2010 by City Council Resolution 46-10 specifically prohibits commercial uses based on stakeholder input and adaptive management tools to be responsive to issues and needs.

Recommendations are to prioritize North Slope planning and technical analysis in 2025, planning for adoption prior to the 2026 recreation season; provide technical input into regional recreation planning efforts; and develop South Slope scope (at the Utilities Board's direction). If the decision were made to develop the South Slope's scope, this would add budget in 2025 and 2026. Questions that need to be answered include should it address broader policy questions associated to current plan implementation, consider regional initiatives, commercial and special event uses and whether or not to conduct a public survey. Timing for this would be 2025-2026 or longer depending on scope.

Board Member Leinweber said the leadership of the state needs to be taken into consideration when decisions are being made, since future leadership may not be as supportive as current leadership.

Ms. Gortz will move forward with the prioritization of planning and technical analysis for the North Slope in 2025, and possibly arrange for subject matter experts to make a presentation at either an upcoming Lunch and Learn or Strategic Planning meeting on regional recreation planning efforts.

Changing Weighting of Board Focus Areas

Ms. Natalie Watts, Strategic Planning and Governance Manager, explained that in August 2024, the Springs Utilities Board met for an annual retreat. During this retreat, robust conversation took place around the Board's three focus areas. No consensus was reached at that time, but the decision was made to discuss this at an upcoming Strategic Planning Committee meeting.

The Strategic Plan states the Utilities Board and CEO are responsible for setting the strategic direction of the enterprise. The Utilities Board is primarily and ultimately accountable for ensuring the benefits of local ownership and control to the citizens of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers by balancing: Rates, Reliability and Relationships. The current breakout of these Strategic Focus Areas is Rates at 40%, Reliability is 40% and Relationships is 20%.

These percentages are reflected through the Enterprise Balanced Scorecard.

Ms. Watts stated that this could be discussed at a future Lunch and Learn for increased participation. Mr. Leinweber stated that now may not be the time to change the weighting with board changes in early second quarter 2025.

Economic Development Update

Mr. Jared Miller, Strategic Customer Relations Manager, reviewed the Economic Development Program Dashboard (January – September 2024).

In 2024, there have been 33 prospects, with 4,270 job impacts. The estimated capital investment is \$5.214 billion.

Potential revenue by industry (from the 23 prospects)

\$343.4 million – Technology

\$134.5 million – Manufacturing

\$11.7 million – Food and Beverage

\$600,000 – Office

\$400,000 – Government

\$200,000 – Retail

Board Member Leinweber asked if there was an advantage to having a data center closer. Mr. Miller stated there are two types of data centers, hyperscale big AI data centers and enterprise data centers. There is more benefit to having data centers at different locations.

Naming of Miskel Reservoir

Ms. Barbato spoke to renaming the Lower Williams Creek Reservoir to the Miskel Reservoir after Mr. Harold Miskel, who worked for Colorado Springs Utilities from 1966 – 1999. Since his retirement he has had a continued commitment to the water community by serving on the Colorado Water Conservation Board and the Southeastern Colorado Water Conservancy District Board. Additionally, he was the recipient of the Colorado Water Congress Aspinall Award and is an honorary life member of the Colorado Water Congress.

Next steps include a City Council resolution on Dec. 10, 2024, a recognition event date to be determined, and reservoir development.

Plan for Future Meeting

Chair Risley said the next meeting is scheduled for Nov. 19, 2024.

It was suggested to start the meeting earlier in the day for more participation. Ms. Watts suggested moving the Program Management Meeting earlier so the Strategic Planning Meeting could begin earlier in the day. Staff will follow-up with scheduling changes.

Adjournment

The meeting adjourned at 3:06 p.m.