



## Utilities Policy Advisory Committee (UPAC)

Wednesday, November 2, 2022, 8:00 a.m. – 10:30 a.m.

Blue River Board Room, 121 S. Tejon Plaza of the Rockies or Microsoft Teams

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[+1 719-733-3651,411610970#](#)

### Agenda

8:00 a.m.	<b>1. Call to Order</b>	
8:05 a.m.	<b>2. Approval of October 5, 2022 UPAC Meeting Minutes</b>	Decision
8:10 a.m.	<b>3. Cost Recovery Mechanisms Assignment</b> <ul style="list-style-type: none"><li>• Guest speaker – Peter Wysocki, City of Colorado Springs</li><li>• Four service resource and infrastructure planning considerations</li></ul>	Discussion
10:00 a.m.	<b>4. Citizen Comment</b> <p>Citizens can provide comment in person, by joining the meeting from computer or by phone using the link above. If you would like to speak during the citizen comment period, please sign up to speak through <a href="mailto:BoardSubmissions@csu.org">BoardSubmissions@csu.org</a> prior to the meeting.</p>	Discussion
10:10 a.m.	<b>5. Committee Member General Discussion</b>	
10:30 a.m.	<b>6. Adjournment</b>	

Next meeting: Dec. 7, 2022

Note: UPAC Bylaws, Rule 6: Customer and Public Comment: (b) At the discretion of the Chair, or the majority of the Committee Members present, customers and members of the public will be allowed to comment or ask questions concerning items discussed at regular meetings or concerning matters discussed at special meetings. Comments or questions by individuals will be limited to five minutes each, and all customer or public comments will not exceed twenty minutes on any agenda item unless time is extended by the Chair or majority of the Committee Members present.



**Minutes**  
**Utilities Policy Advisory Committee (UPAC)**  
**Wednesday, October 5, 2022**  
**Blue River Boardroom, 5<sup>th</sup> floor, 121 S. Tejon St., Colorado Springs, CO**  
**and Microsoft Teams Virtual Meeting**

**Committee members present in the boardroom or via Microsoft Teams:** Chair Gary Burghart, Vice Chair Larry Barrett, Michael Borden, Katherine Danner, Hilary Dussing, Scott Callihan, Chris Francis and Ruth Ann Schonbachler.

**Committee members excused:** None

**Staff members present in the Boardroom or via Microsoft Teams:** Al Wells, Andie Buhl, Monica Indrebo, Natalie Watts, Bethany Schoemer, Christian Nelson, Tara McGowan, Joe Marcotte, Scott Shirola, Joe Awad, Aram Benyamin, Justin Fecteau, Sydni Sich, Tim Benedict, Tiffany Runge, Kim Gortz, John Hunter, Danielle Nieves and Kyle Wilson.

**City of Colorado Springs staff present in the boardroom or via Microsoft Teams:** David Beckett and Chris Bidlack

**Citizens Present:** Jerry Edwards and Marla Novak

**1. Call to Order**

Chair Gary Burghart called the meeting to order at 8:00 a.m.

**2. Approval of July 6, 2022, UPAC Meeting Minutes**

Vice Chair Larry Barrett motioned, and Committee Member Hilary Dussing seconded the motion to approve the July 6, 2022, meeting minutes. The minutes were unanimously approved with a voice vote.

**3. Cost Recovery Assignment Draft Scope**

Mr. Scott Shirola, Pricing and Rates Manager, introduces the Cost Recovery Assignment Draft Scope to UPAC. The scope, as approved by the Utilities Board, is to evaluate existing and identify new cost recovery mechanisms for funding new resources and infrastructure to support changes in the community. Public input into any recommendation will be considered for this assignment. The objective will be focused on what types of costs should be recovered due to changes in community and investments, and what should be refocused in fees and charges.

This assignment will review the planning process and forecasted demands, as well as areas of consistency to identify current and potential new sources of cost recovery.

Recovery mechanisms should be based on the cost of service and remain competitive while also supporting each of the four services to be able to financially stand alone. Supporting resources and economic efficiency will address how the fees and charges support resource conservation, infrastructure, infill and economic development. The assignment will look to allocate costs appropriately to parties in an equitable manner.

Mr. Christian Nelson, Public Affairs Lead, introduced public engagement goals for this assignment, including a comprehensive view of public opinion and industry advisement. A key group the assignment will seek input from includes the City and Planning Department for a high-level view of changes in growth to the city and how it impacts the municipality. Several communications channels will be used for public input.

For stakeholder involvement, several groups will be included in the discussion such as the city, the University of Colorado, Colorado Springs Economic Forum, and other similar groups. However, the list provided is not comprehensive, and more groups will be included as the assignment develops.

UPAC members advised including environmental, military, schools, and other non-business communities in the targeted audience.

Mr. Shirola explained the assignment preliminary timeline and expects a recommendation from this assignment will be presented to the Utilities Board by June 2023.

**4. Citizen Comment**

None

**5. Committee Member General Discussion**

None

**6. Adjournment**

Chair Burghart adjourned the meeting at 8:59 a.m.

**Next meeting:** Wednesday, Nov. 2, 2022, at 8:00 a.m.



Colorado Springs Utilities  
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**Utilities Policy Advisory Committee  
(UPAC) Cost Recovery Mechanisms  
Assignment  
Resource and Infrastructure  
Planning Considerations**

November 2, 2022

# Agenda

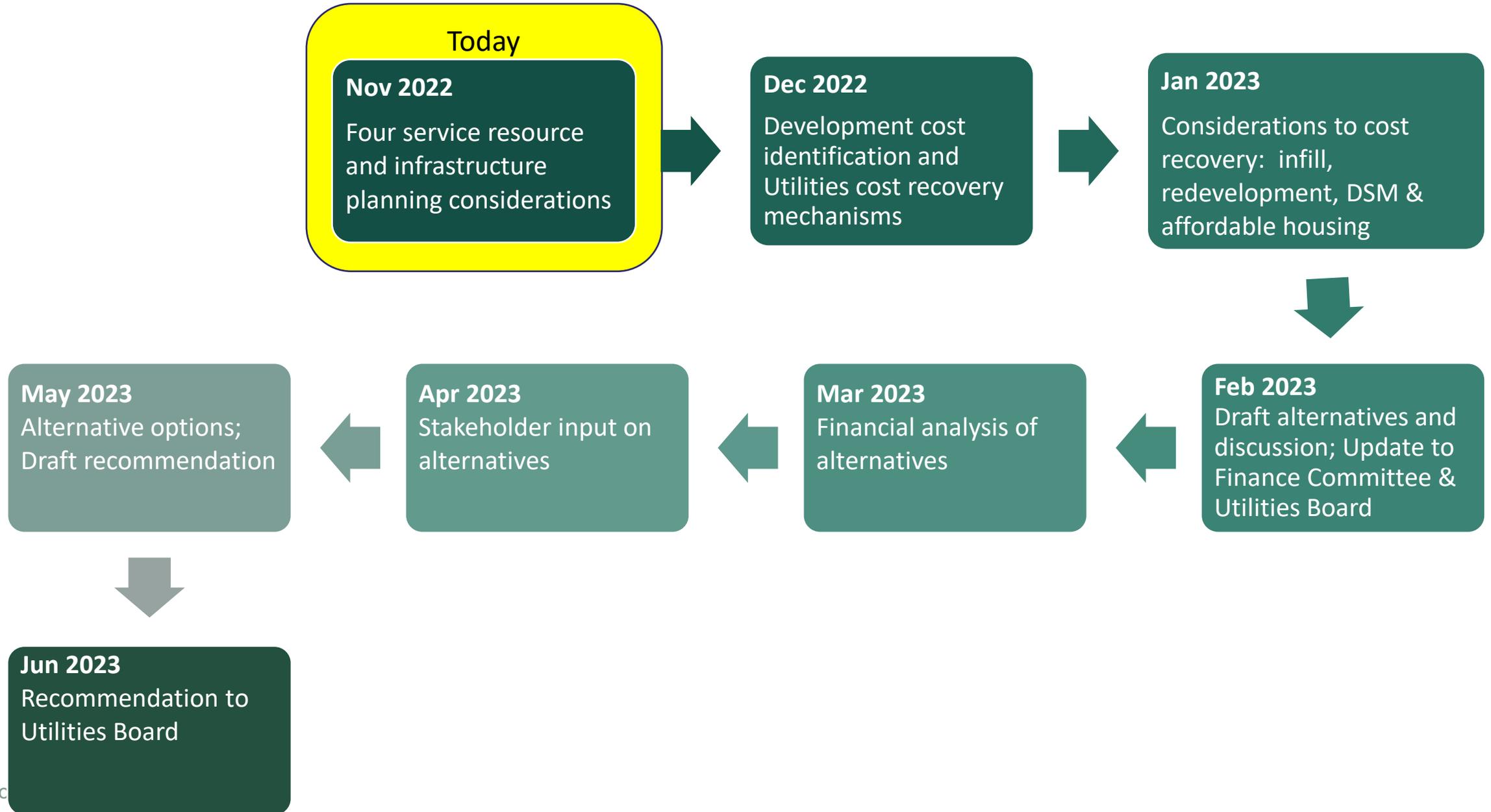
1. City of Colorado Springs Perspective  
– Peter Wysocki
2. Four service resource and  
infrastructure planning considerations

# **City policy on development**

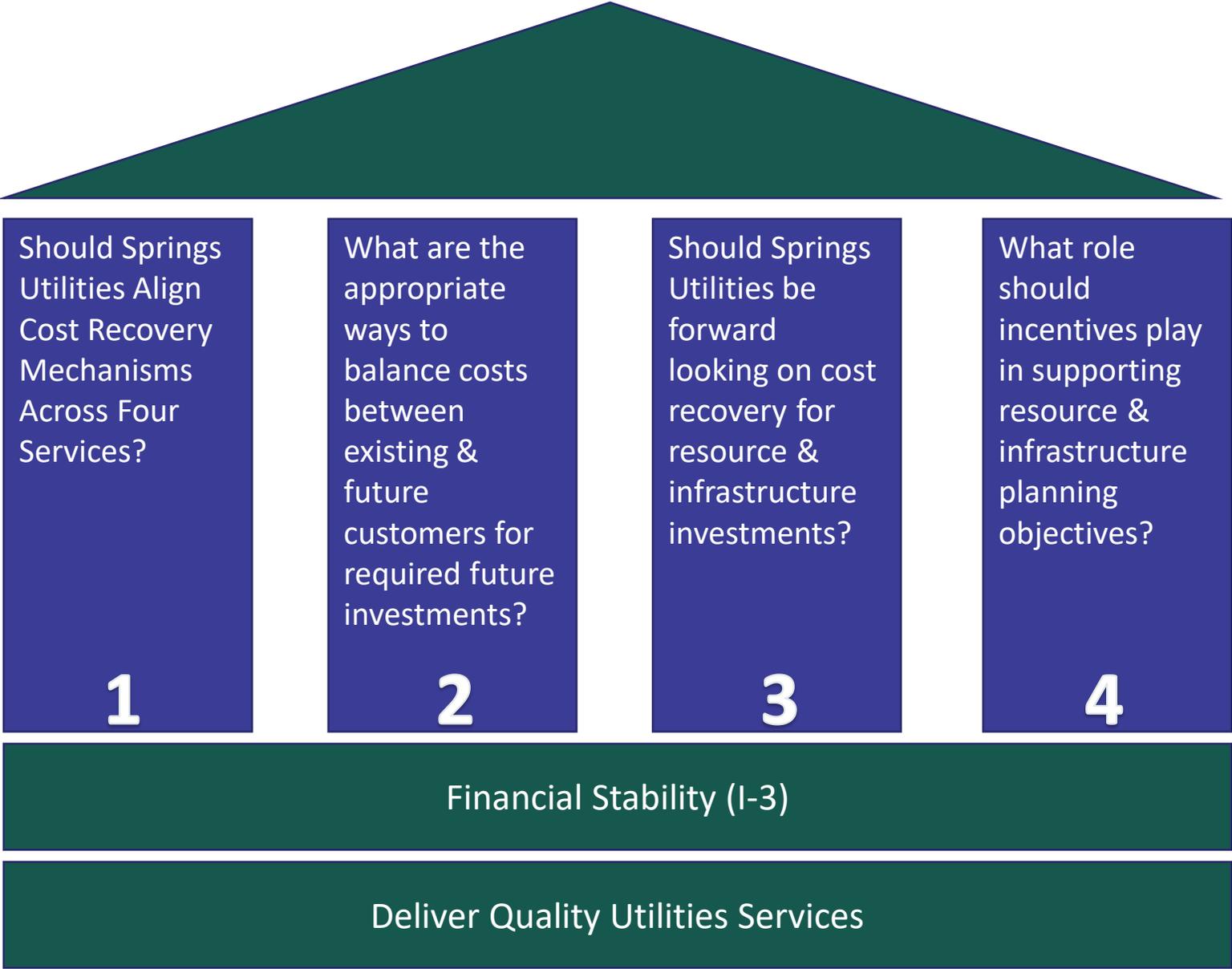
**Peter Wysocki**

# **Four service resource and infrastructure planning considerations**

# Assignment Timeline

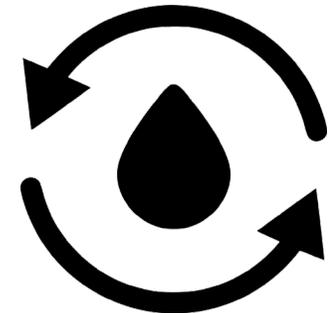
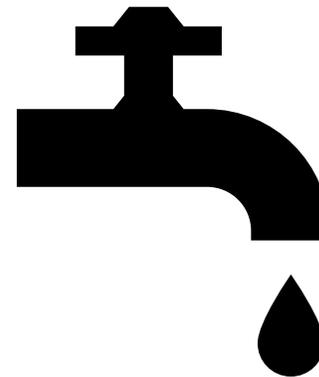
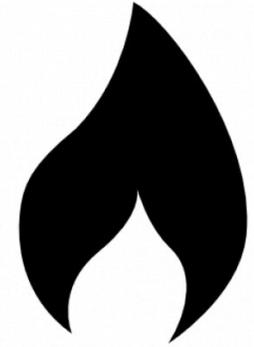
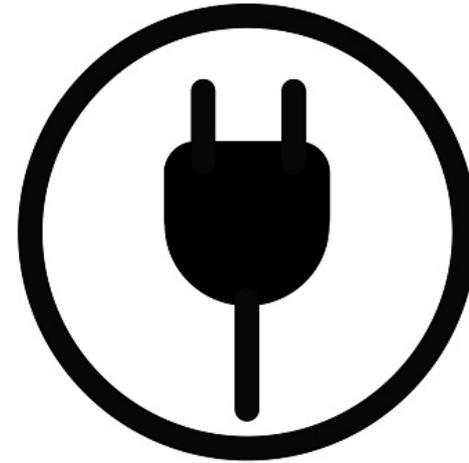


# Cost Recovery Mechanism Policy Pillars



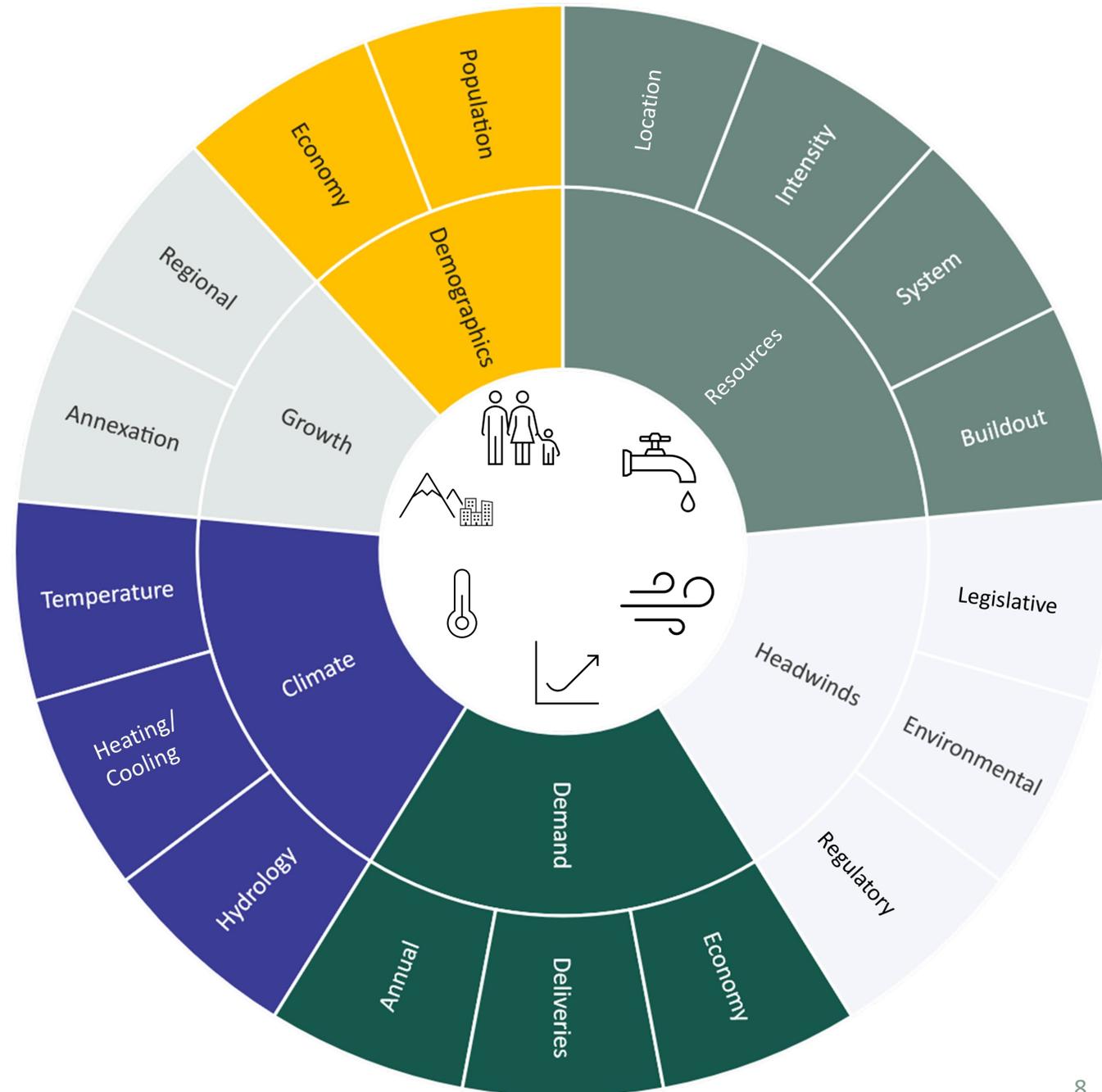
# Four Service Planning Objectives

1. Proactively identify resource & infrastructure investment needs
2. Allocate resources to the highest priority needs
3. Manage organizational risk
4. Leverage opportunities that benefit Springs Utilities and the community
5. Create line of sight between level of service and cost of service

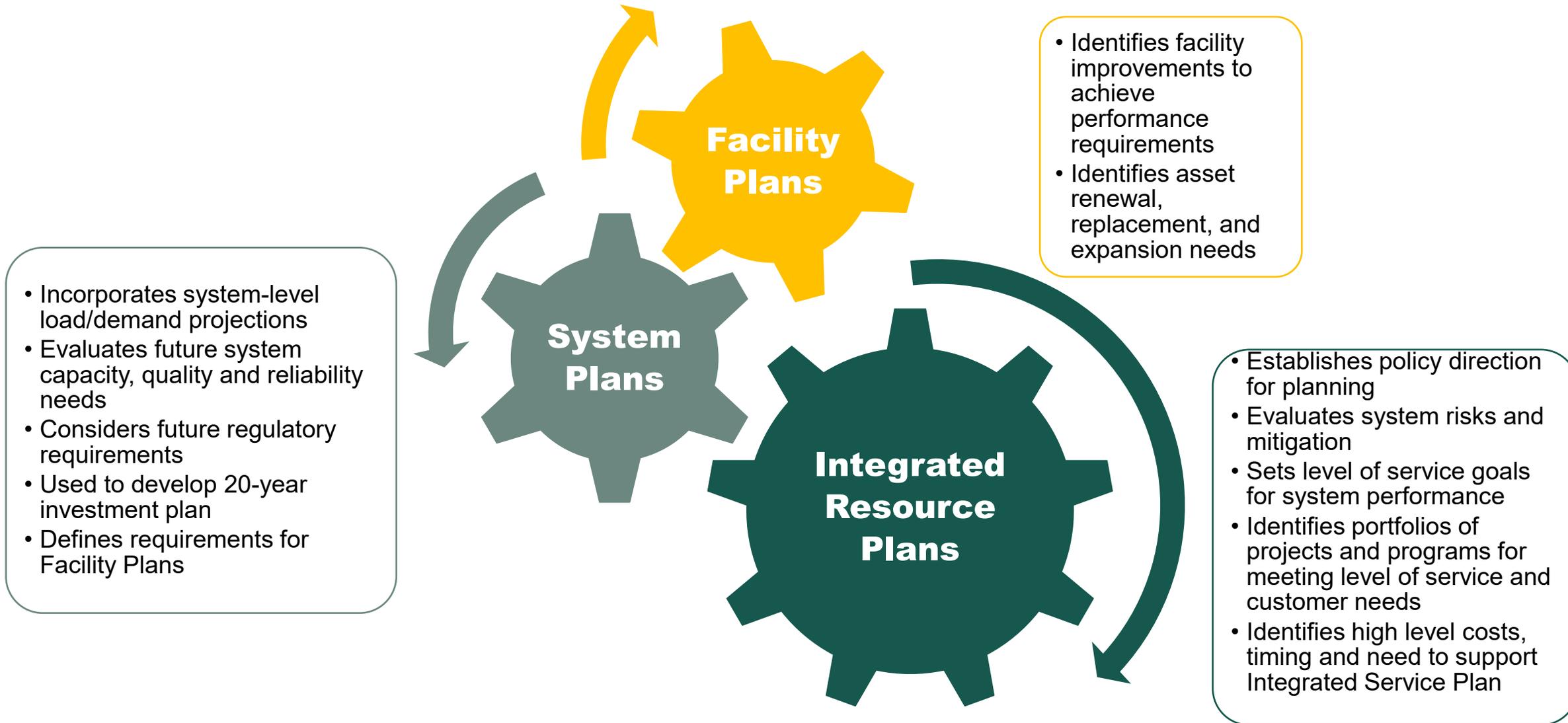


# Resource & Infrastructure Planning Fundamentals

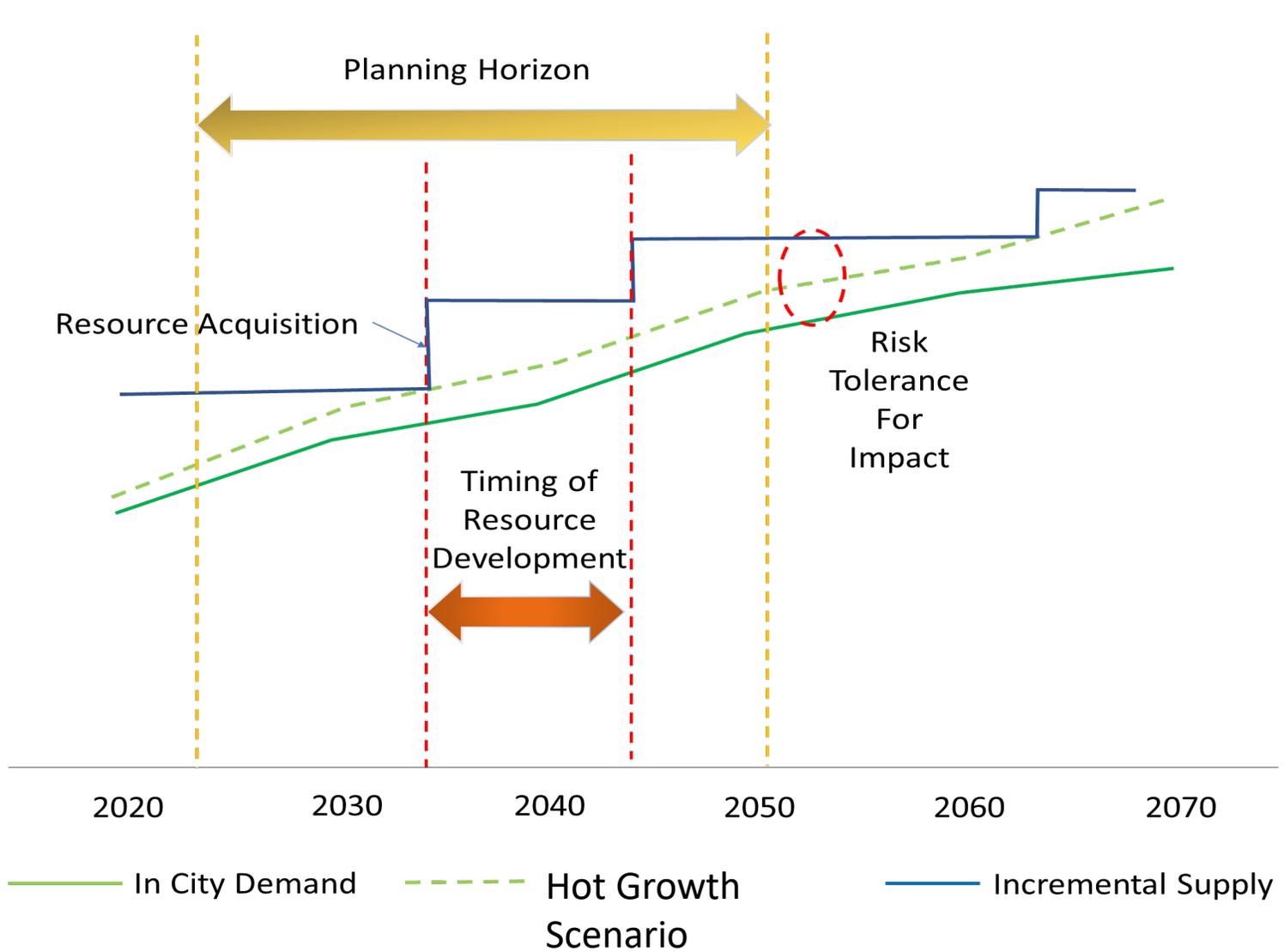
- Planning horizons are used to determine when to develop resources to meet customer needs and mitigate risks.
- Level of service defines system performance requirements based on risk tolerance
- Goal is to effectively balance cost and risk, while meeting customer needs
- Annual true-ups of planning assumptions allow for adaptive management based on “signposts”



# Four Service Planning Framework



# Conceptual Resource Planning Example

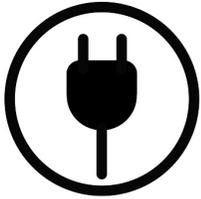


# Planning Risks

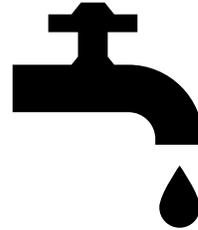
- Regulatory
  - Clean Heat Plan
  - Clean Energy Plan
- Climate Related
  - Colorado River
  - Drought
- Growth
  - Infrastructure
  - Resource Supply



# Resource & Infrastructure Investment Needs



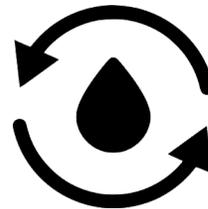
- 168 MW TNGGs by 2023
- 100 MW Battery Energy Storage by 2024
- 17 Miles of 230kV Transmission by 2027
- 117 MW Battery Energy Storage by 2030
- 300 MW Wind Generation by 2030
- Multiple substations and distribution circuits



- 15-25K AF New Supply from Water Sharing
- 11-13K AF Water Conservation Savings
- 90-120K New Reservoir Storage
- 10-15K AF Colorado River Projects

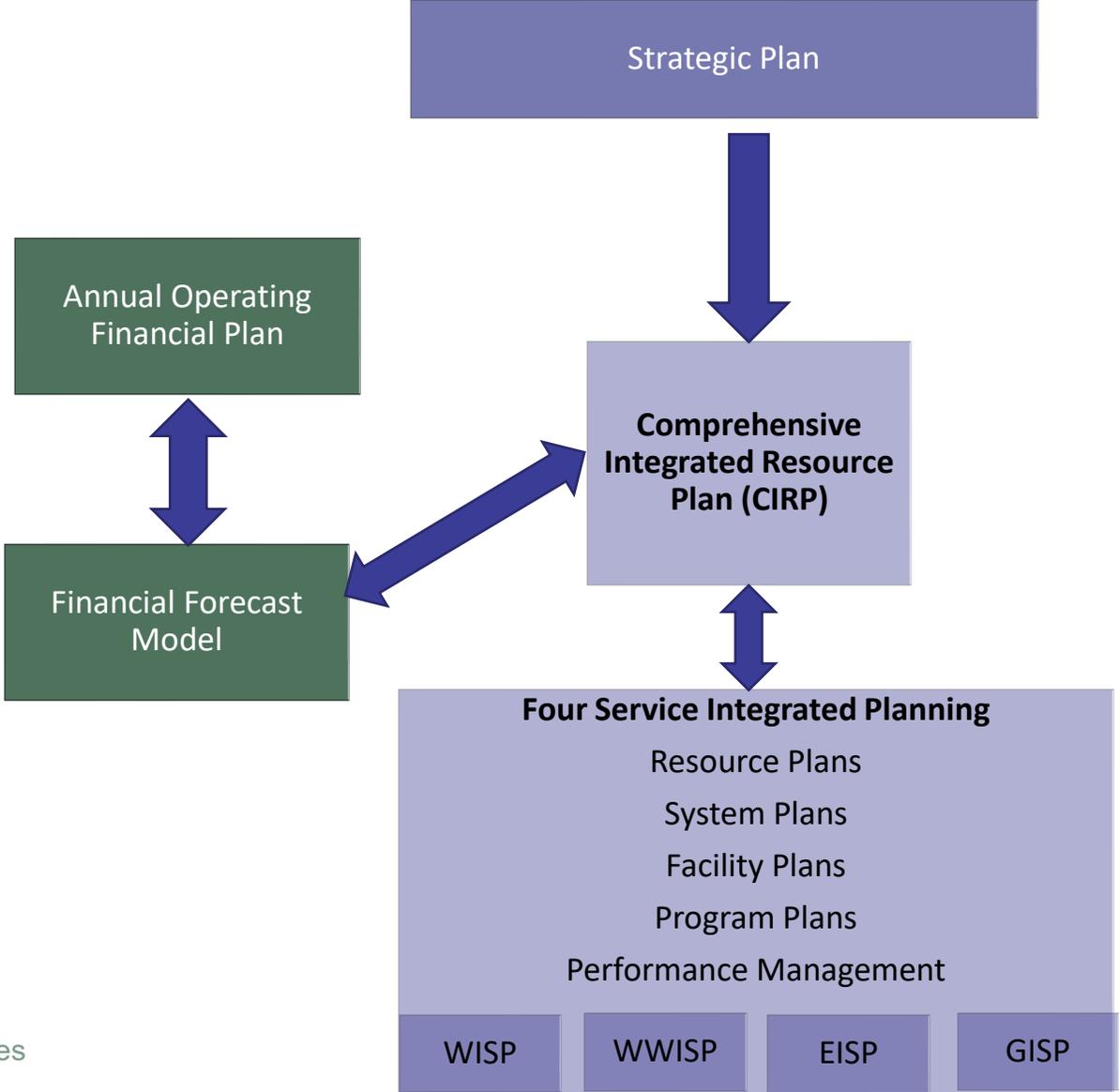


- Propane Air Plant Expansion for 300 Dth/hr by 2032
- New Propane Air Plant for 650 Dth/hr by 2034
- New Gas Supply Resource for 630 Dth/hr by 2041
- Demand-Side Management Programs
- Multiple distribution mains

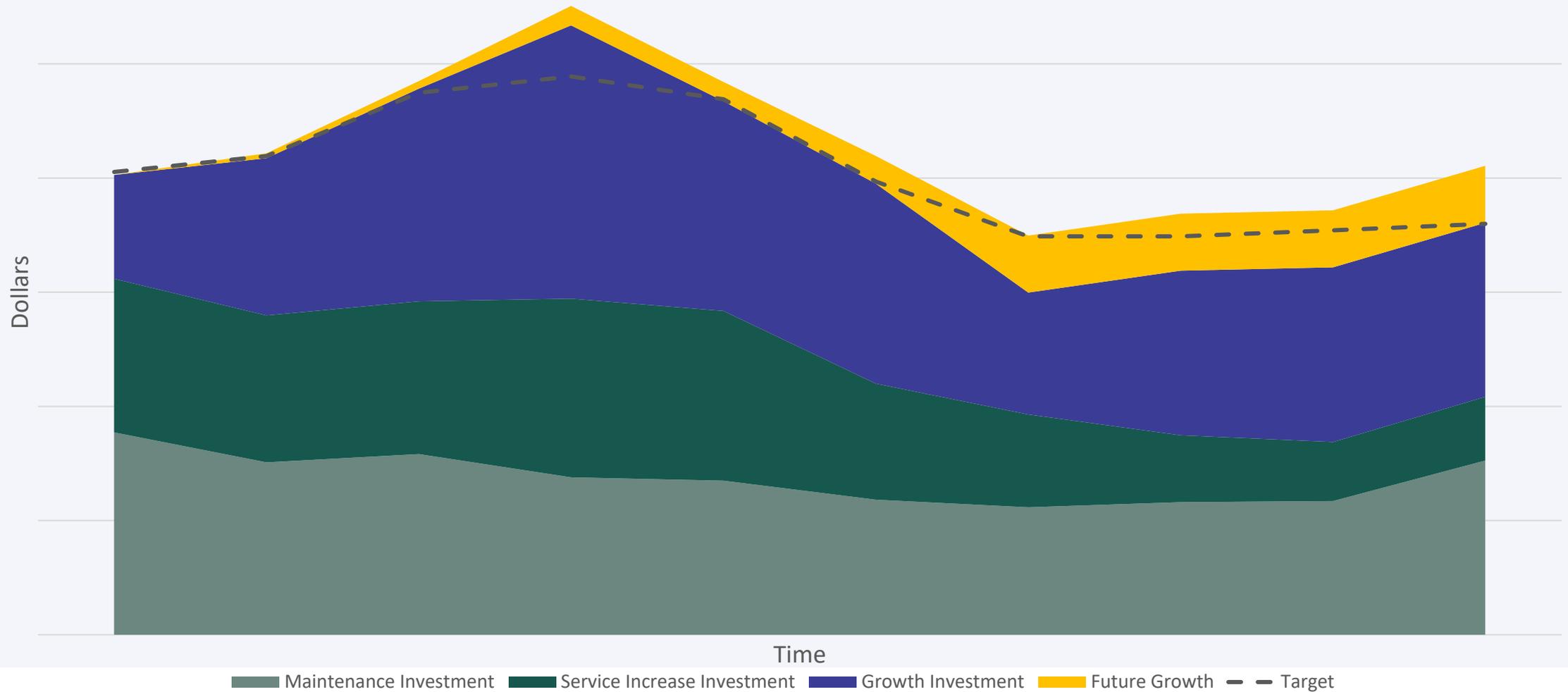


- Water Resource Recovery Facility upgrades to meet future regulations by 2035
- Pipeline and Facility rehabilitation/replacement ongoing
- Conveyance and Treatment for 5 Million Gallons per Day by 2032

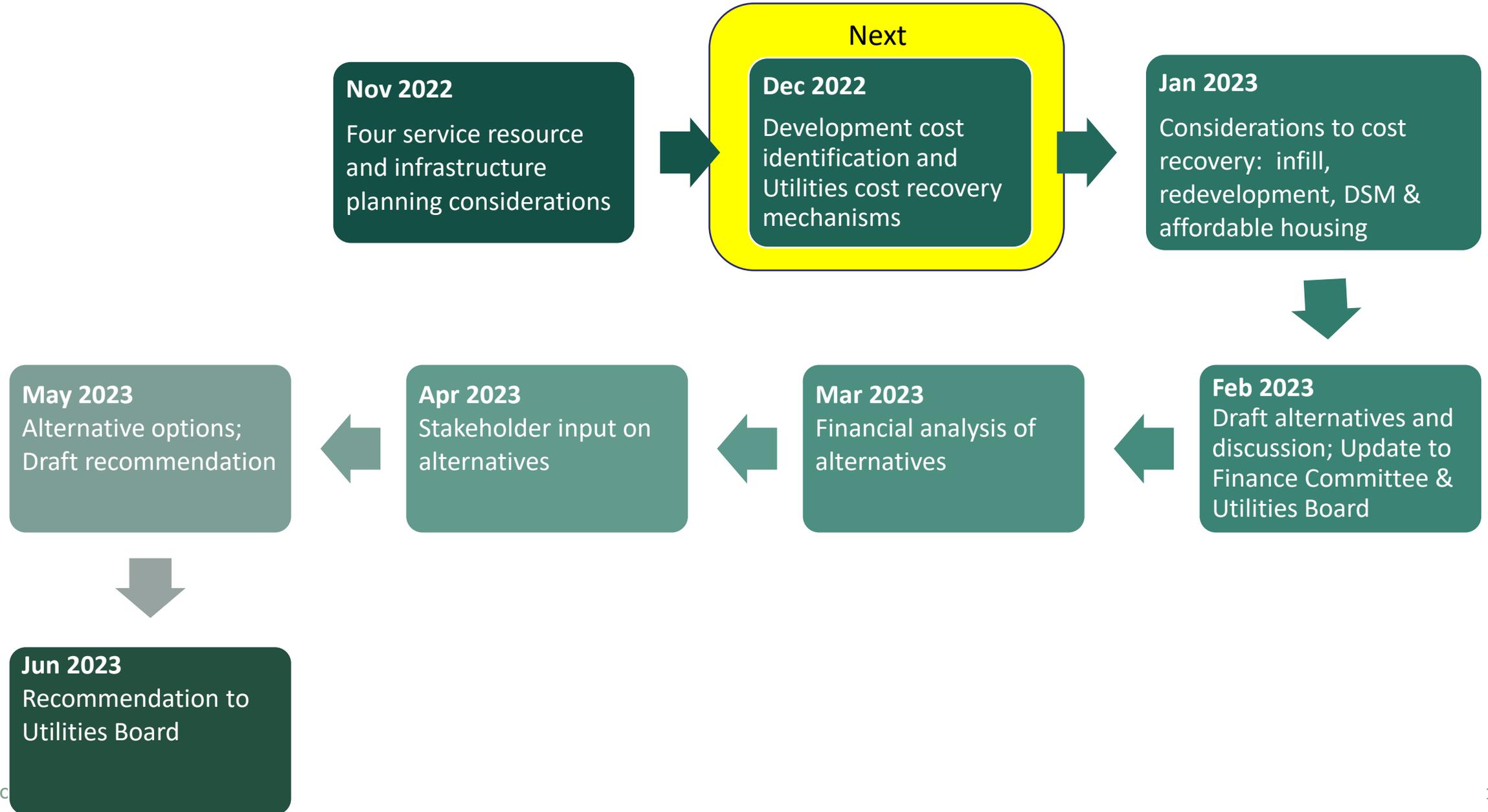
# Enterprise Planning Framework



# Enterprise Budget Process



# Next Steps





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