



**Minutes**  
**Utilities Policy Advisory Committee (UPAC)**  
**Wednesday, February 2, 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, Rex Adams, Chris Francis, Katherine Danner, Michael Borden, and Alternate Members Scott Callihan and Ruth Ann Schonbachler

**Committee members excused:** Hilary Dussing

**Staff members present in the boardroom or via Microsoft Teams:** Cindy Newsome, Kerry Baugh, Al Wells, Kim Gortz, Pat Wells, Andie Buhl, Joe Marcotte, Maxie Newton, Earl Wilkinson, Jennifer Kemp, Pattie Benger, Abigail Ortega, Steve Duling, Christian Nelson, Natalie Watts, Sonya Thieme, Scott Shirola, and Tristan Gearhart

**City of Colorado Springs staff present in the boardroom or via Microsoft Teams:** Nancy Henjum, David Beckett, and Tom Strand

**1. Call to Order**

Chair Gary Burghart called the meeting to order at 8:03 a.m.

**2. Approval of January 12, 2022 UPAC Meeting Minute**

Vice Chair Larry Barrett motioned, and Committee Member Michael Borden seconded the motion to approve the January 12, 2022 meeting minutes. The minutes were unanimously approved with a voice vote.

**3. Ethics, Open Meetings and Colorado Open Records Act (CORA) Review**

Mr. David Beckett, City Attorney – Utilities Division, provided an update about the Ethics, Open Meetings and Colorado Open Records Act (CORA). He gave an overview of UPAC bylaws and non-ethics provisions, as well as themes of ethics guidelines including UPAC bylaws rules of conduct, City code of ethics and gifts. Mr. Beckett explained the Colorado Open Records Act and Colorado Open Meetings Law.

**4. Water Acquisition Funding**

Mr. Earl Wilkinson III, Chief Water Compliance and Innovation Officer, summarized the Water Acquisition Funding Assignment and Mr. Pat Wells, Water Resources and Demand Management General Manager, explained the purpose of the assignment workbook, which is to provide information on key issues and drivers that lead to the recommendation outlined in section 11.7.1 of the 2017 Integrated Water Resource Plan (IWRP) and for the current UPAC assignment.

Mr. Wells provided a situation assessment and issues identification overview, explaining trends and drivers affecting water supply development. He listed resources that demonstrate how Colorado water markets affect water supply development across the state and continue to play a role in future water acquisitions. He discussed market acquisitions, explaining how water scarcity increases the existing water gap as there are less resources to go around.

Ms. Sonya Thieme, Financial Planning and Risk Manager, reviewed Springs Utilities' Strategic Plan and described how funds are resourced and utilized. She gave an overview of the organization's capital prioritization philosophy and explained how capital expenditures are managed for unplanned water rights acquisitions.

Mr. Scott Shirola, Pricing and Rates Manager, provided an overview of Springs Utilities' primary funding systems for water revenue:

- Water rates
- Water development charges
- Water resource fee

Mr. Wells shared the current policy and described how the organization maintains water supply management for customers. The current I-7 water supply management policy states:

“The Chief Executive Officer shall direct that new and existing water resources and systems are aggressively developed, protected, and optimized to maintain and enhance water system sustainability and responsibly balance costs and risks to reliably meet the needs of current and future customers.”

Ms. Thieme discussed how acquisition process considerations and lessons learned around current practices are incorporated when planning capital budgets and implementing processes.

Mr. Wilkinson explained how water acquisition policies and funding should reflect the reality that water is becoming increasingly scarce with more competition for water, translating to water becoming more expensive to acquire in the future. He explained how dedicated water acquisition funding should:

- Responsibly balance costs and risks to reliably meet the needs of current and future customers.
- Ensure responsible financial and asset management.
- Proactively and aggressively address challenges to provide and maintain a dependable water supply for current and future residents and businesses in our community.
- Be based on the resource requirement to serve a reasonable level of demands, mitigate water supply risks, and meet water system level service goals.

- Be implemented in a manner and at a time that is complementary to other related rates, fees, and charges, and consistent with revised codes, policies, and regulations.

Mr. Wells concluded with next steps for the Water Acquisition Funding assignment.

**5. Citizen Comment**

None

**6. Committee Member General Discussion**

None

**7. Adjournment**

Chair Burghart adjourned the meeting at 10:49 a.m.

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