



Minutes
Utilities Policy Advisory Committee (UPAC)
Wednesday, May 3, 2023
Blue River Boardroom, 5th floor, 121 S. Tejon St., Colorado Springs, CO
and Microsoft Teams Virtual Meeting

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

Committee members excused: Scott Callihan

Staff members present in the Boardroom or via Microsoft Teams: Al Wells, Monica Indrebo, Christian Nelson, Todd Sturtevant, Kerry Baugh, Natalie Watts, Abigail Ortega, Scott Shirola, Tara McGowan, Lisa Barbato, Jay Anderson, Jessica Thiel, Justin Fecteau, Chris Prato, Kyle Wilson, Matthew Thieme, Joe Awad, Sydni Sich, Thad Clardy, Gabe Caunt, Patricia Marlow, Danielle Nieves, David Dalton and Juan Santos

City of Colorado Springs staff present in the boardroom or via Microsoft Teams: David Beckett, Chris Bidlack, Renee Congdon, David Leinweber, Peter Wysocki, Nancy Henjum, Dave Dazlich, Dave Donelson, Tim Seibert, Marla Novak and Steve Rossoll

Citizens Present: Tad Foster, Greg Barbuto, Marla Novak, Randy Case, Chris Prato, Joshua Melko, Reneem Ababseh and Laura Nelson

1. Call to Order

Chair Larry Barrett called the meeting to order at 8:01 a.m. and called the roll.

2. Approval of April 5, 2023, UPAC Meeting Minutes

Committee Member Burghart made a motion to approve the April 5, 2023 meeting minutes, Committee Member Danner seconded the motion. The motion carried unanimously.

3. Cost Recovery Mechanisms Assignment: Decision Methods

Mr. Scott Shirola, Manager of Pricing and Rates, reviewed the cost recovery policy pillars, the background of the cost recovery assignment and the alternative cost recovery scenario analyses previously discussed in past meetings.

Mr. Shirola introduced the metric development chart for use by UPAC for the cost recovery assignment with the main scoring metrics of cost causation, customer equity, customer satisfaction and industry benchmarking. The committee discussed possible inclusions for the metric such as enterprise maintenance, refining definitions in the

metric, and citizen cost considerations. An example scorecard was also introduced and discussed in detail.

The committee indicated that they would like a scoring system available at the next committee meeting.

The committee recessed from 9:45 a.m. to 9:57 a.m.

Ms. Tara McGowan, Engineering Manager, introduced potential developer efficiency incentives as part of the fee structure for consideration by the committee. The committee discussed the benefit and necessity of these incentives for Springs Utilities

Mr. Todd Sturtevant, Customer Utilities Connections Manager, presented the current review and design fees, and the effectiveness of these fees for the committee to consider.

Committee Member Dussing made a motion, and Committee Member Burghart seconded the motion recommending the Utilities Board direct staff to update fees inclusive of potential new ones to recover costs. The motion carried unanimously.

Mr. Shirola reviewed the cost recovery assignment roadmap and the next committee meeting which includes refined metric development, vote of policy alternatives compared to staff scoring of alternative and additional time for stakeholder input.

4. Citizen Comment

Ms. Reneem Ababseh, Chemistry Major at the University of North Florida, shared her perspective on the cost recovery discussion. Ms. Ababseh encouraged the use of renewable energy to reduce greenhouse gas emissions and provided information on cost incentives provided by the federal government for renewable energy systems.

Mr. Randy Case, Board Chair of Pikes Peak Association of Realtors, shared that the Pikes Peak Association of Realtors is prepared to participate in the stakeholder process. He stated Pikes Peak Association of Realtors looks forward to helping address and review the data, proposed metrics, and considerations on how to advance the program to satisfy the legal rational nexus test for any fees.

Mr. Steve Rossoll, Director of Development at La Plata Communities, shared frustration that developers and the Colorado Springs Housing and Building Association have not been included in discussions on this assignment because of the potential impacts on affordable housing. Mr. Rossoll also shared concerns over double jeopardy for new home buyers, lack of clarity on rate structures and lack of collaboration on the assignment. Mr. Rossoll requested a more inclusive stakeholder discussion.

Mr. Tim Seibert, Senior Vice President of Norwood Development Group, shared concerns on the necessity of the assignment, the suggested figures for tap fees for new homeowners, possible double jeopardy for new homeowners, wastewater treatment system capacity balance and the complexity of a growing city and cost recovery mechanisms. Mr. Seibert requested more inclusion on the assignment.

Mr. Dave Dazlich, Vice President of Government Affairs for the Colorado Springs Chamber & EDC, requested time to collaborate with staff on this UPAC assignment and to engage specifically in the validation of the numbers from today's presentation.

Mr. David Leinweber, Colorado Springs City Council Member, shared concerns over costs to ratepayers and possibly accelerating water recovery costs for future generations or sale of commodities such as electric or water.

Mr. Joe Awad, General Manager of Design and Engineering, provided a statement on behalf of Colorado Springs Utilities Board Chair, Mr. Dave Donelson. Mr. Donelson's statement indicated that UPAC should not make a recommendation based on the numbers provided by staff, but allow the Utilities Board to decide based on the numbers from the assignment.

Mr. Christian Nelson, Community Engagement Lead, reviewed the process for stakeholder engagement thus far for this assignment and adjustments that will be made in response to today's meeting to promote more detailed collaboration with the stakeholders.

Mr. Joshua Melko, Associate Professor from the University of North Florida, spoke on behalf of his family members who reside in Colorado Springs. Mr. Melko provided information on federal government incentives, programs and tax credits that are available to public power entities for clean energy resources.

5. Committee Member General Discussion

None.

6. Adjournment

Chair Barrett adjourned the meeting at 11:29 a.m.

Next meeting: Wednesday, June 7, 2023, at 8:00 a.m.