



MINUTES
Working Committee
February 18, 2025

Committee members present via Microsoft Teams or Rosemont Conference Room:

Dave Donelson, Yolanda Avila, Nancy Henjum, David Leinweber, Brian Risley and Michelle Talarico

Committee members excused:

Lynette Crow-Iverson, Randy Helms and Mike O'Malley

Staff members present via Microsoft Teams or Rosemont Conference Room:

Travas Deal, Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Sara Akins, Alex Baird, Steve Berry, Connie Brown, Nate De Kock, Steve Duling, Kim Girling, Jason Green, Kelly Guisinger, Ken Hughlett, Jennifer Jordan, Amy Lewis, Noemi Martinez, Jared Miller, Andy Muser, Michael Myers, Danielle Nieves, Jacqueline Nunez, Chris Olney, Dave Padgett, Gail Pecoraro, Bethany Schoemer, April Speake, Shawn Timothy, Amy Trinidad, Natalie Watts, Al Wells and Justin Zeisler

City of Colorado Springs staff present via Microsoft Teams or Rosemont Conference Room:

Sally Barber, Chris Bidlack, Vicki Clausen, Renee Congdon, Rhea Hendrixson and Matthew Vanlandingham

1. Call to Order

Board Chair Dave Donelson called the meeting to order at 9:03 a.m. Ms. Gail Pecoraro, Utilities Board Administrator, took roll and read a statement regarding the Colorado Open Meetings Law and City Charter and stated that public comment would not be a part of the meeting.

Those present in the Rosemont Conference Room introduced themselves.

2. Review of Minutes

The Jan. 17, 2025 Personnel Committee, Jan. 21, 2025 Finance Committee, Jan 21, 2025 Strategic Planning Committee and Nov. 19, 2024 Program Management Review Committee meeting minutes were accepted for posting.

3. Safety Moment: American Heart Month

Mr. Ken Hughlett, Field Safety Supervisor, said that February is American Heart Month. Cardiovascular disease is a term that affects the heart or blood vessels. More than 800,000 people die of cardiovascular disease every year in the United States.

He explained heart disease is a catch-all phrase for a variety of conditions that affect the heart's structure and function. Nearly 650,000 Americans die from heart diseases each year, and about 1 in 9 individuals have been diagnosed with heart disease.

Mr. Hughlett shared that individuals can take steps to help prevent heart disease, including eating better, controlling cholesterol, managing stress and getting quality sleep.

Cardiac arrest is an electrical problem characterized by unconsciousness, not breathing and no pulse. Heart attack is a circulation problem characterized by chest pain, fatigue, weakness, nausea and difficulty breathing. He stated in case of cardiac arrest, immediately call 911, start Cardiopulmonary Resuscitation and use an Automated External Defibrillator.

Mr. Travas Deal, Chief Executive Officer, said the Safety Moment has been added to each month's Working Committee agenda because of the organization's focus on safety.

4. Compliance Reports

I-4 Risk Management

Mr. Tristan Gearhart, Chief Planning and Finance Officer, explained that this report is monitored semi-annually and annually in years ending in 0 and 5. The reporting timeframe for this report is July 1, 2024 through Dec. 31, 2024.

The first requirement of the I-4 is that the organization maintain a Risk Management Committee that identifies, measures, monitors, manages and reports risk on an enterprise-wide basis. This committee meets monthly with the CEO Leadership Team and General Manager of Information Technology serving on the committee.

The last requirement is to operate under and maintain a written Enterprise Risk Management (ERM) Plan. These reports are maintained and is currently approved. It was revised to align better with the current and future risks of the organization.

The I-4 Risk Management Compliance Report was included in the meeting materials packet.

Committee Member Henjum asked what the top area of risk for the organization is. Mr. Gearhart said that the organization's focus for risk is cyber security. Committee Member Henjum asked if Mr. Gearhart was aware of any significant cyber attacks to outside organizations within the state of Colorado. Mr. Gearhart said a cyber attack occurred three to four years ago on the western slope where an entire financial system was compromised. Mr. Gearhart stated that Springs Utilities has cyber insurance and requires mandatory cyber security training of all employees.

I-5 Economic Development

Mr. Jared Miller, Manager of Strategic Customer Relations, said that the I-5 Economic Development Compliance Report is reported on annually. This reporting period is Jan. 1, 2024 through Dec. 31, 2024.

The first requirement of the I-5 is to offer economic development incentives, special rates or terms and conditions for utility services and alternative development solutions when they are defined within Utilities Rules and Regulations, Tariffs and City Code and approved by the City Auditor. All prospecting and business expansion and retention efforts aligned with existing tariffs and Colorado Springs Utilities' Rules and Regulations. Four economic develop incentive packages were offered, but they have not been executed.

The second requirement is to consider economic development support that optimizes existing utility infrastructure, grows the customer base, assures a neutral or positive impact to citizens, and partners with local entities. Springs Utilities worked closely with the Colorado

Springs Chamber, The Economic Development Corporation, El Paso County, and the Municipal Government to provide utility assessments and solutions for 42 potential new businesses.

The third requirement is to create a business-friendly culture by eliminating operational policies and standards that no longer provide value and by proactively communicating the rationale behind current operational policies. Springs Utilities staff participated on the City Agencies for Small Business Advancement team to proactively assist and provide solutions to small businesses. The organization shared information with community partners so they could serve as ambassadors and assist developers and customers in navigating the Springs Utilities' development process.

I-13 Community Investment

Ms. April Speake, Supervisor of Community Relations, stated the I-13 compliance report is reported on annually. This reporting period is Jan. 1, 2024 through Dec. 31, 2024.

The first requirement of the I-13 Community Investment Compliance Report is to maintain a community involvement plan that is in alignment with Colorado Springs Utilities' strategic objectives and that provides a benefit to the citizens and customers. A 2024 community involvement strategy was developed and implemented.

The second requirement is to encourage and support employee volunteerism within the communities served by Colorado Springs Utilities. Ms. Speake said the total volunteerism through the Community Focus Fund, Ambassador volunteer program and new paid volunteer program was 18,705.20 hours. The CEO and his executive team supported volunteerism through the addition of two new paid volunteer programs, the Team Building and Individual Volunteering programs.

The third requirement is to communicate to customers and provide student and adult education programs on the safe and efficient use of utility services. Ms. Speake said that safety and efficiency are the focus of community presentations. Methodology included community event booths, facility and stakeholder tours, adult presentations, teacher workshops, student programs, landscape classes and webinars, public meetings and town halls.

Board Member Henjum asked what Culver is. Ms. Speake said that Culver is a company that helps leverage natural gas safety awareness with messaging on educational opportunities as required by different auditing bodies.

The fourth allows philanthropic support of community-oriented organizations only in the service territories and localities impacted by Colorado Springs Utilities' operations. All organizations that received philanthropic support in 2024 were in Springs Utilities' service territory.

The fifth requirement only allows funding of community-oriented organizations that complete an application describing how the funds will be used in alignment with Colorado Springs Utilities' strategic objectives. All organizations receiving Community Focus Fund (CFF) financial support in 2024 completed an application that included a description of how the funds would be used.

The sixth requirement allows funding of community-oriented organizations with Political Action Committees (PACs) only if they demonstrate independent PAC revenue and decision-making. No organizations with PACs received funding in 2024.

The seventh considers partnerships with other funding entities to leverage resources and maximize impact. Springs Utilities provided \$500,000 to match employee, customer, and business donations to Project COPE in 2024. These funds were directed to the Colorado Springs Utilities Foundation to assist 2,431 households in paying their utilities bills.

The eighth requirement informs the community of the enterprise's corporate citizenship and employee volunteerism. Springs Utilities publicized efforts of its employees and their families to give back to the community. This was accomplished using internal and external communication channels, including social media, website, the State of the Utilities, newsletters, news media and the annual report.

The last requirement is to develop programs intended to support affordable housing within the City. Springs Utilities promoted affordable housing through coordination with the City and provided funding, rebates and credits to incentivize affordable housing. In 2024, Springs Utilities provided \$511,112 in support.

Ms. Speak said that last year, more than \$2.7 million was given by Project COPE in utility assistance. This was a record number of assistance in both dollars and customers assisted.

Board Member Henjum asked if Ms. Speake believes there will be adequate funding for Project COPE in 2025. Ms. Speake said that there have been increased donations and with the re-direction of funds to external charities, she is confident that funding will be sufficient.

Board Chair Donelson asked if there has been increased customer utilization. Ms. Speake said that she believes the utilization is there. Ms. Speake said that Springs Utilities partners with nine non-profit agencies in Colorado Springs to meet the overall needs of customers.

5. I-7 Water Supply Management Revision

Ms. Jenny Bishop, Water Resource Planning Engineer, reviewed proposed changes to the I-7 Water Supply Management / Regional Water and Wastewater Compliance Report. Specific proposed changes are highlighted in the meeting materials packet.

Board Chair Donelson asked if these are housekeeping changes. Ms. Bishop stated they are not, these changes are moving from a 25-year lease to a 99-year lease with certain criteria being met. The following criteria must be satisfied: includes only the use of Utilities' infrastructure and not the delivery of Colorado Springs' water; optimizes existing and planned Springs Utilities' water and wastewater infrastructure; grows the customer base by providing wholesale service to qualifying entities; assures a positive rate impact to customers; and fosters partnerships with water and wastewater providers in the region to promote the efficient use and reuse of water and safe and effective wastewater treatment.

Board Member Henjum asked how this leasing would be priced over 99 years. Ms. Bishop said that it is priced at the current rate plus an additional charge.

The next step is approval by the Utilities Board on the Consent Agenda in March.

6. Intergovernmental Agreement (IGA) for Construction Cost Sharing for the Northern Monument Creek Interceptor (NMCI)

Mr. Andy Muser, Project Manager Water and Wastewater Project Management, said the NMCI is an 8.6 mile 30-inch wastewater interceptor that goes from the southern edge of the U.S. Air Force Academy (USAFA) to the Upper Monument Creek Wastewater Treatment Plant. Partners on this project include Triview Metropolitan District, Forest Lakes Metropolitan District and USAFA.

Board Member Henjum asked if any of the Northern Monument Creek Interceptor currently exists. Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, said that it does not.

The project originally started in 2018 and was driven by the developer supporting the USAFA Visitor Center.

Benefits of this project include regional partnerships, alleviating capacity concerns in key Springs Utilities' wastewater lift stations, gravity pipeline reduces maintenance and risks and more efficient use of the J.D. Phillips Water Resource Reclamation Facility.

The National Environmental Policy Act was complete in August 2024, 30% of the design was complete in September 2024, and the Construction Cost Sharing Agreement is currently pending signatures. Design completion is expected mid-2026, with construction to begin soon thereafter. Construction is expected to be complete mid-2028.

Board Member Henjum asked if the capital costs for this project have been included in the 5-year rate case, and Ms. Barbato said that they have been included.

The IGA approval establishes participant cost share based on pro-rata build out capacity in each section of the pipeline. Cost is based on 30% design, with the current construction estimate of \$88,100,000. Cost share based on projected average daily flows for each participant: Colorado Springs Utilities: \$56,500,000; Triview \$25,000,000; Forest Lakes \$6,600,000.

Next steps include putting this item on the Utilities Board consent agenda on Feb. 19 and putting it on the City Council consent agenda on Feb. 25. The IGA Addendum confirming agreement to construction costs and participation and wastewater service agreements will be presented in 2026. The Working Committee approved the item to move forward to the full Utilities Board consent agenda on Feb. 19, 2025.

7. Open Discussion: Format of the Working Committee Meeting

Board Chair Donelson asked for feedback on the format of the Working Committee meeting.

Vice Chair Avila voiced the reason Board Members Helms and Crow-Iverson missed today's meeting was because of a scheduling conflict with City Council Agenda Prep. She feels that the reason attendance began declining was when meetings were changed to Mondays (from Thursday/Friday of the previous week). Board Member Henjum said that she noticed the drop in attendance as well. Mr. Deal said that the proposed is for Working Committee meeting day is Monday. Vice Chair Avila said that there would be a scheduling conflict when a holiday occurs on Monday with a reschedule of Working Committee to Tuesday (that conflict would be with City Council Agenda Prep).

City Attorney Renee Congdon proposed a change to the definition of quorum for the Working Committee to three members, down from a majority of Board Members.

Board Member Henjum said that having more Board Members available to discuss more items is beneficial. She believes that keeping a tight agenda and covering essential topics would be necessary to make this meeting format work.

Board Member Risley said that it takes more than one meeting to see if a pilot works. He suggests letting the pilot run through the summer and then reassess.

Board Member Talarico agrees that the Working Committee pilot needs to be extended to measure its success.

Board Member Leinweber asked how Utilities Board agenda prep was handled for this meeting. Board Chair Donelson stated that the agenda was determined by staff recommendations on what needed to be covered. Mr. Deal said the direction was based first on required items then items Board Members requested.

Board Member Henjum asked how project management items would be addressed in the future. Mr. Deal said that items can be added at Board Member preference, after items that are required (i.e., compliance reports). Board Member Henjum said that there needs to be a balance of educating the Board on utilities business. Mr. Deal said that for all new Board Members site visits will be scheduled, and all Board Members will be invited to those visits.

Board Member Leinweber said that Springs Utilities is massive, and no one Board Member can know everything about the organization. Each Board Member brings their own expertise to the Board. He asked the question: how can their expertise be leveraged to bring it to the organization? Mr. Deal suggested assigning specific board compliance reports to specific Board Members based on their interests/specialties. Board Chair Donelson agreed with this approach.

Ms. Natalie Watts, Manager of Strategic Planning and Governance, added that the reason the Working Committee meeting is scheduled for Mondays is in case something comes up that must be added to that month's Utilities Board meeting agenda, we can still do that. Having the extra day in between the two meetings, allows time to publicly notice the meeting according to the Colorado Open Meetings Law.

Ms. Renee Congdon, City Attorney, said a formal resolution would need to be approved at the March Utilities Board Meeting to extend the Working Committee Meeting through the summer. The resolution will temporarily suspend the Bylaws and Excellence in Governance Policy Manual around the committee meetings. The resolution will address the quorum requirement change for this meeting to three members. The Working Meeting will be scheduled on the Monday prior to the Utilities Board.

8. Adjournment

The meeting adjourned at 10:44 a.m.