

**Minutes of the
Colorado Springs Utilities
Utilities Policy Advisory Committee (UPAC) Meeting
Wednesday, April 2, 2008
Blue River Board Room
5th Floor, Plaza of the Rockies South Tower
121 South Tejon Street
8:00 a.m.**

Committee Members Present: Chair Kathleen Hatten, Committee Members T.A. Arnold, Janna Blanter, Prince Dunn, and Jim McCall; Alternate Members Anthony Elia and James Greenwood. Committee Member Robert Steinke was excused.

Staff Members Present: Jerry Forte, Sherri Newell, Kelly Means, Jan Crosby, Bruce McCormick, Sandi Yukman, Karin Hollohan, Lisa Rosintoski, and Nancy Schneider.

1. Call to Order

The meeting was called to order.

2. Approval of Minutes of March 5, 2008 Utilities Policy Advisory Committee (UPAC) Meeting

The minutes were approved.

3. Presentation: Executive Limitation (EL) 5 – Compensation and Benefits: Total Compensation Review

Issues Management Manager Lisa Rosintoski reviewed the assignment scope. She noted that the white paper UPAC had received to review would be presented to the Board at the April meeting.

Ms. Hatten asked that there be notes included in the notes section of the presentation that gave market information.

Ms. Rosintoski reported Springs Utilities staff would conduct a facilitated discussion on policy recommendations with UPAC for this assignment at the May UPAC meeting, review recommendations to the Utilities Board at the June UPAC meeting, and present recommendations to the Utilities Board at their June meeting.

4. Executive Limitation (EL) 10 – Water Rights Protection and Development

Issues Management Manager Lisa Rosintoski gave an overview of the presentation Springs Utilities prepared based on UPAC's previous deliberations. Ms. Hatten suggested that the memo call out specifics of the Water Management Plan, and asked that City Code and Charter references be listed in the notes so she can reference them during the presentation.

She reported that the presentation will be given by Chair Hatten to the Utilities Board at the April 16, 2008 Utilities Board meeting.

5. Review of 1st Quarter 2008 Accomplishments Memo

Ms. Rosintoski stated that this memo highlighting UPAC's activities for the previous quarter is provided to the Board on a quarterly basis. Ms. Blanter suggested it should be mentioned that Bob Holzwarth's participation on the UPAC Committee was appreciated. Mr. Dunn suggested that rather than say "staff reviewed three options", the memo should say something like, "UPAC reviewed three options". He also suggested the memo indicate what UPAC has recommended for EL 10, and that the memo state that UPAC will continue to address EL 5 in meetings to come. Ms. Hatten asked that the memo then add the next steps that will be taken for the EL 5 assignment. Ms. Rosintoski stated she would make those modifications recommended and email the memo back to UPAC members to approve.

Mr. Greenwood asked if Springs Utilities believed pay for performance has kept the turnover rate down. General Manager of Human Resources Sandi Yukman stated that was a component of why Springs Utilities awards pay for performance, but it was primarily implemented to drive performance. Customer and Corporate Services Officer Kelly Means, reported that Springs Utilities will present information to UPAC at their May meeting on what pay for performance does from a global perspective. Ms. Rosintoski added that part of the discussion in May will be whether pay for performance the right name to use.

Ms. Blanter made a motion to approve the memo with the modifications suggested by UPAC members; it was seconded by Mr. McCall, and approved by unanimous voice vote.

General Discussion

Ms. Rosintoski stated that Bob Holzwarth had submitted a letter of resignation, and as a result it would be necessary to nominate a new Vice Chair and select one of the alternates to be recommended to serve as a regular member. Mr. Elia stated he would agree to be recommended as a regular member. Mr. Arnold made a motion to recommend Mr. Elia as regular member; Mr. McCall seconded the motion, and Mr. Elia was recommended by unanimous voice vote. Based on this recommendation, Mr. Elia will be recommended for appointment by the Utilities Board at the April 16 Utilities Board meeting.

Responding to a call for a volunteer to serve as Vice Chair, Mr. McCall stated he would be happy to serve as Vice Chair again. Ms. Blanter nominated Mr. McCall, Mr. Dunn seconded the nomination, and Mr. McCall was voted in as Vice Chair by unanimous voice vote.

Mr. Arnold asked for an update on comments made by customer Don Magill at the last UPAC meeting. Chief Water Services Officer, Bruce McCormick, reported Springs Utilities has worked further with Mr. Miguel. He noted that Springs Utilities had spent upwards of \$280,000 in securing its wastewater system in that area previously, and that the Mayor responded by letter to Mr. Miguel. Mr. Arnold asked for an update on the Southern Delivery System (SDS), and Mr. McCormick provided that update. Ms. Blanter asked about the possibility of flooding. Mr. McCormick stated that Springs Utilities did not anticipate any flooding.

Based on questions from UPAC members, it was determined that it would be beneficial to give a presentation on Springs Utilities' financial and rate making methodologies to UPAC. It was decided that this presentation should take place in August, which would be one month prior to the presentation on the Annual Operating Plan (AOP).

Adjournment

The meeting was adjourned at 9:12 a.m.