



Colorado Springs Utilities

It's how we're all connected

Date: January 18, 2019
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: **Communication to Utilities Board**

1. Ozone Air Quality Standard:

Attached please find a white paper describing the topic of “ozone” in our region, how it is formed, contributions of various sectors to the NO₂ emissions, air quality standards and current Colorado Springs Utilities emissions (Drake and Nixon) compared to 2014 baseline data released by the State of Colorado.
(See attachment)

2. Proposed Electric and Gas Cost Adjustments:

Colorado Springs Utilities is proposing a change to the Electric Cost Adjustment (ECA) rate by resolution at the January 22, 2019 City Council meeting.

- The proposed ECA rate changes the current effective rate of \$0.0223 per kWh to a proposed rate of \$0.0245 per kWh.
- If approved, the proposed ECA rate will be effective February 1, 2019 and impact the respective customer’s typical electric bill as follows:
 - Residential increase of \$1.54 or 1.7% increase
 - Commercial increase of \$13.20 or 2.3% increase, and
 - Industrial increase of \$880.00 or 2.7%

Colorado Springs Utilities is proposing changes to the Gas Cost Adjustment (GCA) rate by resolution at the January 22, 2019 City Council meeting.

- The proposed GCA rate changes the current effective rate of \$0.2047 per Ccf to a proposed rate of \$0.3034 per Ccf.
- If approved, the proposed GCA rate will be effective February 1, 2019 and impact the respective customer’s typical natural gas bill as follows:
 - Residential increase of \$5.92 or 14.9%
 - Commercial increase of \$122.39 or 21.7%, and
 - Industrial increase of \$1,223.88 or 22.5%

3. Gary M. Bostrom Reservoir (formerly Upper Williams Creek Reservoir) Property Acquisition

- On January 22, 2019, staff will seek City Council approval to proceed with one consensual property acquisition associated with the Gary M. Bostrom Reservoir.

- This acquisition joins nearly 2,200 acres of property already acquired for the Southern Delivery System (“SDS”) project.
 - With approval of this resolution approximately 3 remaining properties will be required for the reservoir.
 - Staff will continue to work with property owners regarding the remaining parcels for acquisition
4. November 12, 2018 Strategic Planning Committee Minutes:
(See attachment)
 5. December 13, 2018 Personnel Committee Minutes:
(See attachment)
 6. Water Main Replacement Program (WMP) 2-Week Weekly Water Update:
(See attachment)
 7. Board Request Tracker:
(See attachment)
 8. Weekly Water Update:
 - 2019 Year-to-date Consumption: 568.4 million gallons, which is .69 percent more than at this point in 2018.
 - There are 176 days of demand in local storage.
 - There are approximately 2.7 years of demand in storage system-wide.
 (See attachment)
 9. Upcoming Volunteer Opportunities:
There are various upcoming volunteer opportunities including the following:
 - **January 20** - Marion House Soup Kitchen; 7:00 a.m. – 11:00 a.m.
 - **January 26** - Ronald McDonald House Bi-Monthly Clean Up; 9:00 a.m. – 11:00 a.m.
 - **January 26** - Bridge Building – National Society of Professional Engineers; 8:00 a.m. – 12:00 p.m.
 (See attachment)

Attachments:

- Attachment 1 (Ozone Air Quality Standard)
- Attachment 2 (November 12, 2018 Strategic Planning Committee Minutes)
- Attachment 3 (December 13, 2018 Personnel Committee Minutes)
- Attachment 4 (Water Main Replacement Program (WMP) 2-Week Look Ahead)
- Attachment 5 (Board Request Tracker)
- Attachment 6 (Weekly Water Update)
- Attachment 7 (Upcoming Volunteer Opportunities)

c: Officer Team

Ozone Air Quality Standard

One of the criteria air pollutants for which the EPA has established a National Ambient Air Quality Standard (NAAQS) is photochemical oxidants, which is measured as ozone. Ground-level ozone is typically formed through interaction between volatile organic compounds (VOCs) and nitrogen oxides (NOx) in the presence of sunlight. Emissions from motor vehicles, industry, oil and gas production, and vegetation contribute to ozone formation, with highest ground-level concentrations usually occurring in the summer. In 1997, the ozone standard was 84 parts per billion (ppb); in 2008 the standard was lowered to 75 ppb; and, in 2015, the standard was furthered lowered to the current 70 ppb. Compliance with the standard is calculated by comparing it against the three-year average of the fourth-highest daily concentration for each year at each monitoring station. The Denver Metro/North Front Range (which includes Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson and parts of Larimer and Weld counties) was designated by the EPA as nonattainment for the 75 ppb standard in 2012 and remains in nonattainment.

Colorado is continuing to implement strategies to reduce ozone (via elimination of the precursors mentioned above), including imposing significant controls and other requirements in order to reduce ozone precursor emissions from the oil and gas industry, expanding the motor vehicle inspection and maintenance program from metropolitan Denver into parts of Larimer and Weld Counties to include Fort Collins and Greeley, approval of a regional haze plan in 2011 that included substantial NOx emission reductions from coal-fired power plants, which included Colorado Springs Utilities' Drake and Nixon plants. Through these ongoing efforts, Colorado estimated that more than 35,000 tons per year of NOx and 93,000 tons per year of VOCs would be reduced in Colorado by the end of 2018.

One of the challenges that exists for Colorado (and other western states) is that EPA data shows substantially higher background ozone is present in the western U.S. EPA stated that as of 2007, background levels range between 25-50 ppb. In 2015, the Colorado Department of Public Health and Environment (CDPHE) noted that Colorado's background levels are often higher than 50 ppb, reaching levels as high as 65-74 ppb even in remote areas with few, if any, anthropogenic (man-made) sources of ozone precursor emissions. The elevation of certain sites is just one contributing factor to the higher background levels. According to the CDPHE, elevated background levels have four primary sources: 1) stratospheric intrusions (particularly in the winter and spring); 2) interstate transport; 3) international transport, primarily from Asia; and 4) wildfires and other smoke events. The CDPHE further noted that as the standard is lowered, exceptional events will cause and contribute to exceedances on a more frequent basis.

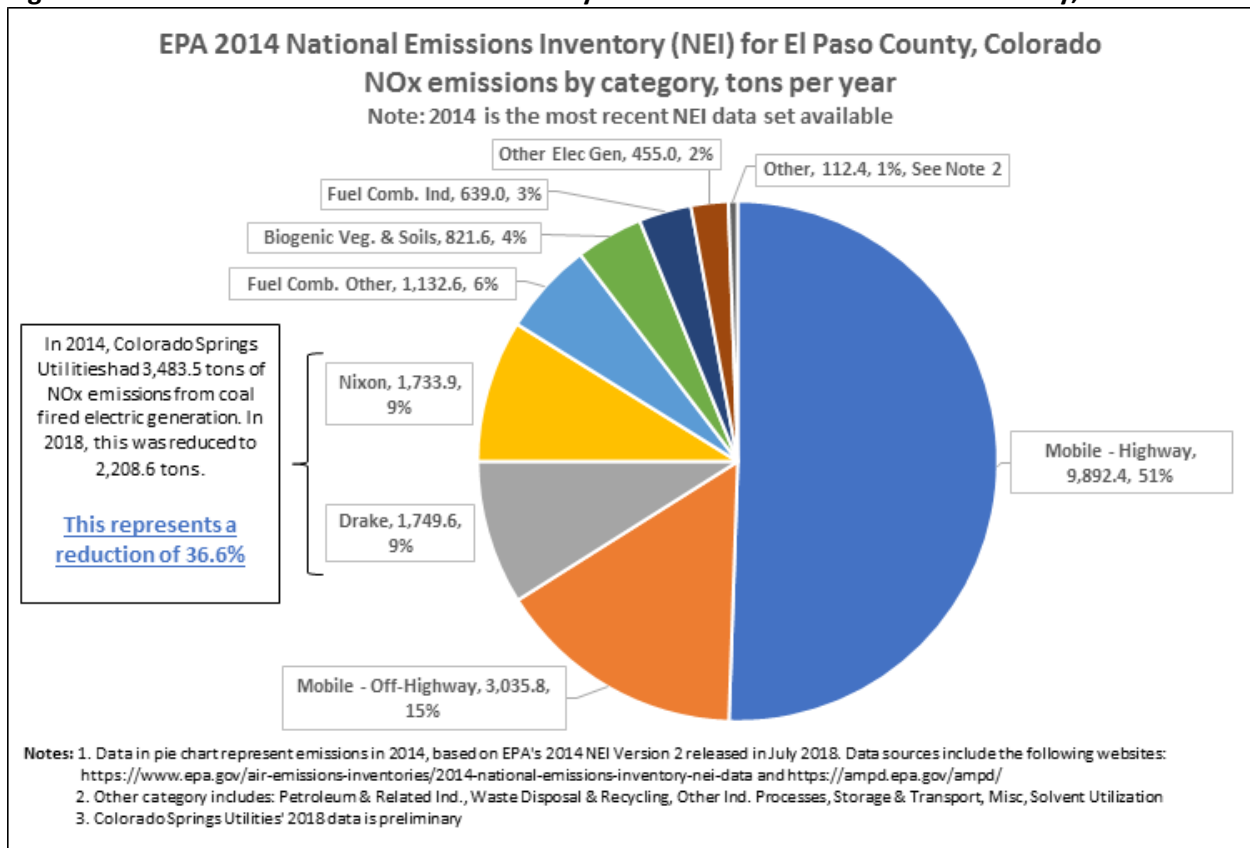
Locally, while the Pikes Peak Region exceeded the NAAQS limit for ozone this past summer, the region remains in compliance with the three-year average 70 ppb standard, as measured at air monitoring stations operated continuously by the CDPHE at both the Air Force Academy and Manitou Springs. If the region were to become designated as nonattainment for ozone in the future, the Pikes Peak Area of Council of Governments (PPACG) has indicated that it would develop a state implementation plan (SIP) in conjunction with the CDPHE to reduce ozone to acceptable levels. The plan would include emissions inventories for the two ozone-forming compounds, nitrogen oxide and hydrocarbons, federally and state enforced strategies to bring the area into compliance, and PPACG's 20-year long range transportation plans and transportation improvement programs (TIPs) would have to demonstrate that projects included in them did not result in more emissions than allowed in the SIP. Although the CDPHE has indicated that a new emissions inventory would likely need to be completed, the EPA's 2014 National Emissions Inventory data set released in July 2018 indicates that motor vehicles were the

largest contributor to NOx emissions in El Paso County in 2014, as depicted in Figure 1 below. In addition, based on preliminary data for 2018, NOx emissions from Utilities’ coal-fired generation have been reduced by more than 35 percent since that time.

Turning to Colorado Springs Utilities, the reduction of NOx from our coal-fired power plants has been a focus for us over the past few decades. NOx emissions from the Martin Drake Power Plant have been reduced by more than 80 percent between 1995 and 2018. In fact, based on preliminary data, NOx emissions from Drake were the lowest ever in 2018. This significant reduction has been achieved through the installation of low NOx burners in 2000 followed by the installation of over-fire air and ultra-low NOx burners on Units 6 and 7 in 2014, and the retirement of Unit 5 in 2016. As we have consistently noted over the past 6 years, any changes to the current attainment status in El Paso County (or even Denver) for any NAAQS pollutant could trigger additional future pollution controls for NOx beyond 2020, and the estimated costs of such controls have been included in EIRP modeling.

Despite the many reductions to ozone precursors that have been made state-wide and locally, as evidenced by 2018 state-wide air quality monitoring data, Colorado will continue to face challenges with meeting standards that have continued to be lowered.

Figure 1: EPA 2014 National Emissions Inventory NOx Emissions Data for El Paso County, Colorado





MINUTES
Strategic Planning Committee
Friday, November 2, 2018
Rosemont Conference Room
5th Floor, Plaza of the Rockies South Tower
121 S. Tejon Street

Committee Members Present: Chair Jill Gaebler; Richard Skorman; Andy Pico and Bill Murray

Committee Members Excused: David Geislinger

Staff Members Present: Tamela Monroe; Dave Padgett; Eric Tharp; Cindy Newsome; John Romero; Michael Avanzi; Kenny Romero and Toni Bircher

City of Colorado Springs Staff Present: Bethany Burgess, Senior Attorney, City Attorney's Office

1. Call to Order

Committee Chair Jill Gaebler called the meeting to order at 1:05 p.m.

2. Minutes

The August 10, 2018 Minutes were reviewed for posting.

3. Planning for a New Energy Vision

Mr. Michael Avanzi, Energy Planning and Standards Manager and Mr. Kenny Romero, DSM and Renewable Energy Manager presented information on planning for a New Energy Vision. Mr. Romero described the planning and process for establishing a New Energy Vision and confirmed that at the end of the process, Utilities Board approval by May of 2019 is being sought to allow the New Energy Vision to be included in the Electric Integrated Resource Plan (EIRP).

Mr. Avanzi explained the pillars of the new Energy Vision which include economic, environment, resiliency and innovation with customers as the foundation and discussed the Utility business model with existing responsibilities and new responsibilities. He reviewed the schedule of simultaneous projects, the key stakeholders and the Colorado Springs Utilities promises, mission, values and goals.

Committee Members Richard Skorman and Bill Murray arrived at 1:35 p.m.

4. Strategic Plan Update

Mr. Dave Padgett, Chief Environmental Officer, presented information on the draft 2019-2023 Strategic Plan and detailed the recent updates to the Strategic Plan, the four focus goals and references to the strategic initiatives on the strategy map. He discussed the planning timeframe for implementation and reported that the Strategic Plan would be presented to each of the Utilities Board Committees for review and input in November and be placed on the December 17, 2018 Utilities Board meeting for approval. He reported that the Strategic Plan would be posted on line internally and externally following the Strategic Planning Committee meeting and be available for input for 30 days.

The Committee supported posting the Strategic Plan as planned.

5. Utilities Board Expected Results Scorecard (ER 1-3)

Mr. Padgett presented information on the Utilities Board Expected Results Scorecard (ER 1-3) and stated that the report would be included in the November 15, 2018 Utilities Board meeting agenda and that the overall rating for the second quarter of 2018 is 4.06.

6. 2019 Board Expected Results Scorecard

Mr. Padgett summarized proposed changes to the Performance Targets on existing indicators in the proposed 2019 Board Expected Results Scorecard including: Rates Comparisons, Days Cash on Hand and Debt Ratio, Water SAIDI and Wastewater failures per 100 miles of mainline reliability indicators and the major projects that are proposed to be added: Phillip Tollefson Water Treatment Plant Upgrades and AMI Implementation. He reported that the Safety indicator - Employee Recordable Incident Rate is proposed to change to the Safety Index. Mr. Padgett indicated that the proposed Scorecard would be on the December 17, 2018 Utilities Board agenda for approval.

7. 2018 Committee Work Plan Accomplishments

The Committee reviewed the 2018 Strategic Planning Committee Work Plan accomplishments and requested that Transmission infrastructure be added to the focus areas completed under Drake Quarterly Updates.

8. Draft 2019 Committee Work Plan

The Committee reviewed the draft 2019 Strategic Planning Committee Work Plan and requested that the Gas Integrated Resource Plan (GIRP) be added to the Proposed to the Proposed Focus Areas since the Electric Integrated Resource Plan (EIRP) is add included in the proposed focus areas.

Mr. Padgett confirmed that the proposed 2019 Committee Work Plans would be included in the December 17, 2018 Utilities Board agenda for approval.

9. 2019 Meeting Dates and Times

The Committee supported the keeping the current schedule for meetings, on a Wednesday or a Friday afternoon before each month's Utilities Board meeting and that Friday is the best day.

10. Adjournment

The meeting adjourned at 2:14 p.m.

11. Next Meeting

December 7, 2018
1:00 p.m. – 3:00 p.m.



MINUTES
Personnel Committee
Colorado Springs Utilities Board
December 13, 2018
9:30 a.m. to 10:30 a.m.
Cabin Creek Conference Room, 5th Floor
Plaza of the Rockies South Tower, 121 S. Tejon

Personnel Committee Members Present: Committee Chair Merv Bennett and Committee Member Yolanda Avila

Committee Members Excused: Tom Strand and Bill Murray

Staff Members Present: Melissa Kellione; Dan Noble; Marcy Hudson; Al Wells and Toni Bircher

1. Call to Order and Welcome

The meeting convened at 9:38 a.m.

2. Review of Minutes

The November 14, 2018 Personnel Committee minutes were reviewed for posting.

3. 2018 Committee Work Plan Accomplishments

The Committee reviewed the Work Plan accomplishments and Committee Chair, Merv Bennett, indicated that he would highlight some of the accomplishments during the December 17, 2018 Utilities Board meeting.

4. 2019 draft Committee Work Plan

Ms. Melissa Kellione, Chief Customer Services Officer, discussed the 2019 Personnel Committee Work Plan and commented that all Committee Work Plans would be on the December 17, 2018 Utilities Board agenda for approval. The Committee supported that 2019 Work Plan as presented.

Discussion Items

- 2019 Employee Climate Survey
- Workforce plan
- Safety maturity

5. Excellence in Governance Compliance Report - E-2.8 Emergency Chief Executive Officer Succession Plan Follow-up

Ms. Kellione provided follow-up information on the Emergency Chief Executive Officer Succession Plan (E-2.8) and noted that this was emergency succession only and not part of the regular CEO Succession planning.

Ms. Marcy Hudson, Human Resources General Manager, discussed proposed changes to the Chief Executive Officer competencies and reported that the proposed changes would be included in 2019 Chief Executive Officer Performance Plan and Expected Results Scorecard on the December 17, 2018 Utilities Board agenda for approval.

6. Adjournment

The meeting adjourned at 9:55 a.m.

Upcoming Meetings:

Tuesday, January 15, 2019

11:30 a.m.

COLORADO SPRINGS UTILITIES PROJECT SCHEDULE 1/21/2019 TO 2/4/2019

PREPARED BY COLORADO SPRINGS UTILITIES, WATER SERVICES DIVISION


Colorado Springs Utilities Water Main Replacement Program

will be working in the following areas from

January 21 to February 4
*This information is **subject to change** due to emergency response, weather conditions, equipment and/or resource scheduling changes*

Please contact the following for more information:

 Program Manager
 Program Technical Lead

 Darlene Garcia 668-4097
 Tara McGowan 668-8253

This report includes CSU planned finished water projects.
-For other projects see Project Viewer.
-For emergency projects see Cone Zone Map.
**Map showing 2018 projects for all four services can be found on the
 Utility GIS Public Portal**
[GIS Public Portal](#)

Use this link for specific work zone information

COUNCIL DISTRICT	SEGMENT ID	FUNDING	STREET	FROM	TO	IMPACT	DESCRIPTION OF WORK ⁺	START DATE	PROJECTED COMPLETION DATE	DUE DATE
5	N/A	WMRP (C3P3)	GALLEY RD	N ACADEMY BLVD	TURLEY DR	*** See GIS Public Portal***	CA/CP/REP	6/1/2018	1/31/2019	2018
2	00884	2C	BRIARGATE BLVD	UNION BLVD N	CHAPEL HILLS DR		REP	11/19/2018	1/24/2019	6/15/2019
5	04270	2C	NEVADA AV	UINTAH ST	FILLMORE ST		REP	12/20/2018	3/29/2019	8/15/2019
3	04269	2C	NEVADA AV	UINTAH ST	PLATTE AV		REP	12/20/2018	3/29/2019	8/15/2019
5	01584	2C	CONSTITUTION AV	MURRAY BLVD	ACADEMY BLVD		CA/REP	1/7/2019	2/14/2019	4/15/2019
4	00270	2C	ALVARADO DR	FOUNTAIN BLVD	VERDE DR		CA/REP	1/14/2019	2/22/2019	4/15/2019
2	00467	2C	AUSTIN BLUFFS PKWY	RANGEWOOD DR	WOODMEN RD		CP	1/14/2019	1/28/2019	4/15/2019
4	05379	2C	SAND CREEK DR	AIRPORT RD	AIRPORT RD		CP	1/14/2019	1/21/2019	4/15/2019
4	01306	2C	CHELTON RD	AIRPORT RD	FOUNTAIN BLVD		CA/REP	1/15/2019	4/19/2019	6/15/2019
5	N/A	2CX	MASTERS DR	CDS	CDS		REP	1/21/2019	4/12/2019	8/15/2019
3	04020	2C	MIRAGE DR	CHAPEL HILLS DR	UNION BLVD		CP	1/21/2019	1/30/2019	4/15/2019
5	N/A	2CX	MUIRFIELD DR	MASTERS DR	CDS		REP	1/21/2019	4/12/2019	8/15/2019
4	02293	2C	EXECUTIVE CR	JANITELL RD E	JANITELL RD E		CP	1/22/2019	2/6/2019	8/15/2019
4	02292	2C	EXECUTIVE CR	JANITELL RD E	CDS		CP	1/22/2019	2/6/2019	8/15/2019

⁺ **Legend**

CA - Condition Assessment

CP - Cathodic Protection

REP - Replacement

**Utilities Board Member Direction and Request Tracker
as of 1/18/2019**

Request Code (date/requestor)	Request Description	Staff Lead	Method of Response	Date of Response	Requestor Close
03212018_Board	Schedule Joint Utilities Board/UPAC Regional Collaboration Workshop	Earl Wilkinson	Special Meeting held to update the Board on the North Monument Creek Interceptor project and Discussion with the Cherokee Metropolitan District. The Joint UB/UPAC Regional Collaboration Workshop has not been rescheduled.	10/30/2018	
06202018_Board	Follow-up with the Woodman/I-25 water main leak issue to minimize interference in the future and review if there is a warranty issue.	Earl Wilkinson			
09192018_Board	Affordable Housing: Follow-up with potential program rules to address keeping rents in affordable space; Provide efficiency improvement data and impacts to other DSM programs regarding effects of dollars open and savings achieved.	Eric Tharp; John Romero	Proposed program rules in draft form and will be presented to the Leadership Team at an upcoming meeting.	10/26/2018	
10172018_Board	Keep the Board informed of the date and location for signing event for the U.S. Forest Service MOU.	Earl Wilkinson; Abby Ortega	Meeting with U.S. Forest Service to determine MOU signing date.	11/15/2018	
11152018_Board	Afternoon workshop for New Energy Vision prior to May 2019 approval	John Romero; Michael Avanzi			
11142018_dknight and tstrand	Customer complaint	Melissa Kellione			
11192018_dknight	Customer assistance - water invoice	Melissa Kellione			
12052018_dknight	Bill increase message from customer	Melissa Kellione			
12142018_dknight	Monitor wastewater main during demolition of a customer's sign on an easement. Work with the owner for risk mitigation.	Melissa Kellione			
12172018_board	Provide comparison information from 2016 Employee Climate Survey with the results and accomplishments in the ensuing 2 years. For a Board Meeting prior to 2019 survey.	Melissa Kellione			
01162019_board	Prepare a plan for inclusion of broader input to the Board self-evaluations for 2019.	Melissa Kellione			

**Utilities Board Member Direction and Request Tracker
as of 1/18/2019**

Ongoing Items					
07202016_dknight	Provide staff support for DOD Resiliency Summit follow up - energy plan	Melissa Kellione/ Eric Tharp	Ongoing		
03302017_Board	Industry micro/mega trends	Dan Noble	Periodically		
03302017_Board	Elected bodies meetings as appropriate	Dan Noble	Ongoing		

Weekly Water Update as of January 13, 2019:

CONSUMPTION:

WEEKLY:

Week of January 07 through January 13, 2019: 303.4 million gallons, average temperature: 16 deg F, precipitation: 0.19 in.

Week of January 07 through January 13, 2018: 305.8 million gallons, average temperature: 39 deg F, precipitation: 0.08 in.

Week of January 07 through January 13, 2017: 297.7 million gallons, average temperature: 34 deg F, precipitation: 0.00 in.

Week of January 07 through January 13, 2001: 345.2 million gallons, average temperature: 32 deg F, precipitation: 0.03 in.

MONTH-TO-DATE:

January 13, 2019: 568.4 million gallons.

January 13, 2018: 564.5 million gallons.

January 13, 2017: 545.6 million gallons.

January 13, 2001: 660.9 million gallons.

YEAR-TO DATE:

January 13, 2019: 568.4 million gallons, precipitation was: 0.20 in.

January 13, 2018: 564.5 million gallons, precipitation was: 0.08 in.

January 13, 2017: 545.6 million gallons, precipitation was: 0.19 in.

January 13, 2001: 660.9 million gallons, precipitation was: 0.03 in.

LOCAL STORAGE:

January 13, 2019 volume is 11.58 billion gallons.

January 13, 2018 was 72.6% of capacity.

January 13, 2017 was 65.6% of capacity.

January 13 normal storage - 1997 to 2001 - is 67.9% of capacity.

January 13 average storage for 30 years - 1981 to 2010 - is 72.3% of capacity.

There are 176 days of demand in local storage.

SYSTEM STORAGE:

As of December 31, 2018, system wide storage volume is 61.8 billion gallons.

There are approximately 2.7 years of demand in storage system-wide.

System storage is at 73.9 % of capacity.

System storage for December 31, 2017 was 83.8 % of capacity.

System storage for December 31, 2016 was 77.9 % of capacity.

Normal system storage - 1997 to 2001 - for December 31 is 74.3 % of capacity.

Average system storage - 1981 to 2010 - for December 31 is 74.4 % of capacity.

Upcoming CFF Volunteer Opportunities

January 20, 2019

Marion House Soup Kitchen

7:00 a.m. – 11:00 a.m.

January 26, 2019

Ronald McDonald House Bi-Monthly Clean Up

9:00 a.m. – 11:00 a.m.

January 26, 2019

Bridge Building – National Society of Professional

Engineers 8:00 a.m. – 12:00 p.m.

January 26, 2019

Cheyenne Mountain Zoo – Take Down Zoo Lights

7:00 a.m. – 1:00 p.m.

February 2, 2019

Care & Share Food Sort

9:00 a.m. – 11:30 a.m.

February 9, 2019

Mathcounts Competition

9:00 a.m. – 11:30 a.m.

****Don't forget to turn in you Pop Tabs to April Speake, MC950
& support Ronald McDonald House Charities****

To view all volunteer opportunities, see additional project information and to register, please visit <http://intranet.csu.org/Pages/VolunteerOpportunities.aspx>