

**Minutes
Finance Committee
Colorado Springs Utilities Board
February 11, 2022**

Committee members present via Microsoft Teams or Rosemont Conference Room:
Chair Nancy Henjum and Bill Murray

Staff members present via Microsoft Teams or Rosemont Conference Room: Earl Wilkinson III, Sonya Thieme, Natalie Watts, Daniel Strickland, John Hunter, Tristan Gearhart, Mallorie Hansen, Danielle Nieves, Mike Francolino, Renee Adams, Al Wells, Angelia Mora, Patricia Marlow, Thad Clardy, Joe Awad, Scott Shirola, Cindy Newsome, Lisa Barbato, Travas Deal, Kelly Guisinger, Jennifer Franceschelli, Pattie Bengner, and Andie Buhl

City of Colorado Springs staff members present via Microsoft Teams or Rosemont Conference Room: Chris Bidlack and Sally Barber

1. Call to Order

Committee Chair Nancy Henjum called the meeting to order at 1:31 p.m. and read a statement regarding Colorado Open Meetings Law and the City Charter and noted that public comment would not be a part of the meeting.

2. Review Minutes

Minutes from the December 10, 2021 Finance Committee meeting were reviewed and approved for posting.

3. Compliance Reports

- a. Risk Management (I-4)**
- b. Economic Development (I-5)**
- c. Community Investment (I-13)**

Mr. Tristan Gearhart, Chief Planning and Finance Officer, explained that most of these compliance reports are reported on annually. There were no comments.

4. ECA/GCA Monitoring

Mr. Daniel Strickland, Energy Supply Hedging Supervisor, explained the revised forecast methodology changes for hedging at Colorado Springs Utilities. He said starting in January 2022, the electric cost adjustment (ECA) and gas cost adjustment (GCA) natural gas curve will be comprised solely of the ICE (Intercontinental Exchange, an exchange market for physical and financial energy commodity transactions), iFerc (Inside FERC, a pricing index for monthly physical natural gas transactions), CIG (Colorado Interstate Gas, an interstate pipeline

owned and operated by Kinder Morgan) and Futures Curve. The previous methodology was a blend of Bentek (a publisher of energy commodity forecasts) CIG forecast (50%) and ICE iFerc CIG Futures curve (50%). Mr. Strickland explained issues with the prior methodology and compared the December 2021 curve with a January 2022 curve based on the new methodologies.

Mr. Scott Shirola, Pricing and Rates Manager, gave an overview of natural gas prices as of February 1, 2022. Mr. Strickland explained events that impacted the price of natural gas during this timeframe. Mr. Shirola further explained ECA projections for February 2022 and said Springs Utilities does not plan to file any price changes for the remainder of the month, and natural gas prices are expected to continue decreasing. He also reviewed GCA projections for February 2022 and explained how City Council approved a rate decrease effective February 1, 2022.

Mr. Shirola explained the three factors that influence ECA/GCA balances:

1. Expenses being higher or lower than forecasted
2. Sales being higher or lower than forecast
3. Higher or lower off-system sales than forecast

5. By Exception:

- a. **Financial Monitoring Update**
- b. **Enterprise Risk Management Report**
- c. **Year to Date Water Revenue**
- d. **Financial Forecast Dashboard**

Mr. Gearhart and Mr. John Hunter, Corporate Economist, provided a brief update on the financial forecast dashboard.

6. Plan for Future Meeting: March 11, 2022

The Finance Committee will be touring Springs Utilities' trading floor at SECC (System Energy Control Center) before the March meeting.

7. Adjournment

The meeting adjourned at 2:04 p.m.