

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, Nov. 16, 2022

Utilities Board members present via Microsoft Teams or Blue River Conference Room:

Chair Wayne Williams, Vice Chair Mike O'Malley, Dave Donelson, Randy Helms, Bill Murray, Nancy Henjum, Tom Strand, Stephannie Fortune and Yolanda Avila

Staff members present via Microsoft Teams or Blue River Conference Room: Aram Benyamin, Tristan Gearhart, Travas Deal, Lisa Barbato, Renee Adams, Mike Francolino, Travas Deal, Bethany Schoemer, Scott Shirola, Natalie Watts, Sean Frech, Melissa Brown, Shelly Dornick, Al Wells, Andie Buhl, Heather Harvey, Jonathan Liepe, Tara Russell and Abby Ortega

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: Mayor John Suthers, Jeff Greene, Bethany Burgess, Alex Ryden, Chris Bidlack, Tracy Lessig, Mari Deminski, Ryan Trujillo, Ben Bolinger, Renee Congdon, Marc Smith and David Beckett

Citizens present via Microsoft Teams or Blue River Conference Room: Rabbi Michael Schoening, Pam Zubeck, Gary Burghart, Scott Smith, Kevin Walker, Mike Ruebenson, Doug Quimby, Tim Seibert, Don Gravette and Pete Page

1. Call to Order

Chair Wayne Williams called the Utilities Board meeting to order at 11:32 a.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

2. Executive Session

Ms. Bethany Burgess, City Attorney – Division Chief, read the following language to enter Executive Session:

In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Act, C.R.S. § 24-6-402(4)(b), (e), and (f) and Utilities Board Bylaw Rules 10(c)(2), (5), and (6), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session. The issue to be discussed involves conferences with the City Attorney's Office for the purpose of receiving legal advice on specific legal questions, developing strategy for negotiations and instructing negotiators, and a personnel matter all involving the Chief Executive Officer position.

The City Attorney's Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

Ms. Burgess polled the Utilities Board and they voted unanimously to enter Executive Session at 11:37 a.m. They exited Executive Session and took a break at 1:03 p.m. The Utilities Board returned to Open Session at 1:30 p.m.

3. Invocation and Pledge of Allegiance

Rabbi Michael Schoening from the Olive Tree Messianic Synagogue delivered the invocation and Chair Williams led the Pledge of Allegiance.

4. Consent Calendar

3a. Approval of Minutes: October 19, 2022

3b. A Resolution Appointing Andrew Funchess to the Fountain Valley Authority Board

3c. A Resolution Appointing Natalie Lovell to the Fountain Valley Authority Board

3d. A Resolution Re-Appointing Bryan Babcock to the Homestake Steering Committee and the Aurora-Colorado Springs Joint Water Authority

Board Member Strand moved approval of the Consent Calendar and Board Member Murray seconded the motion. The Consent Calendar was unanimously approved.

5. A Resolution of Appreciation for Outgoing CEO Aram Benyamin

Chair Williams read the Resolution of Appreciation for Outgoing Chief Executive Officer, Aram Benyamin. He moved approval of the resolution and Vice Chair O'Malley seconded the motion. It was unanimously approved.

Each Board Member thanked Mr. Benyamin for his leadership and service to the community.

Mr. Scott Smith expressed thanks to Mr. Benyamin on behalf of the Housing and Building Association (HBA).

Mr. Jeff Greene, City Chief of Staff, expressed gratitude for working with Mr. Benyamin and wished him luck with his future endeavors.

Mr. Benyamin expressed appreciation for his family, staff and members of the Utilities Board for supporting him throughout his duration at Springs Utilities.

6. Customer Comments

There were none.

7. Compliance Reports

- I-10 Treatment of Staff
- I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 – Q3
- E-2 CEO Responsibilities
 - Water Outlook

Chair Williams explained that compliance reports are on the agenda by exception and asked if there were any questions. There were none.

8. Items Called Off Consent Calendar

None

9. An Ordinance Pertaining to the Extension of Water Service

Ms. Abby Ortega, General Manager of Water Resources and Demand Management, explained issues/drivers, uncertainties and monthly water storage amounts and percentages of capacity based on the current situation of the Colorado River. She also explained the current City Code, 7.6.203: Conditions for Annexation, and proposed ordinance language.

Ms. Ortega defined surplus and the margin of risk tolerance:

- Current proposal is 130% of current usage
- Gives a longer-term consideration of risks
- In line with other water providers

Ms. Ortega also defined Reliably Met Demand (RMD), which is the maximum annual demand that can reliably be met by the water system while maintaining the three Level of Service (LOS) criteria through selected risks over a 10-year period. She said LOS must:

- Maintain at least 1.5 years of demand in storage 90% of the time
- Maintain a minimum of one year of demand in storage 100% of the time
- Ensure water for indoor use 100% of the time

Ms. Ortega said the water system performance and the resulting yield is reliant on water rights (legally available), hydrology (physically available) and infrastructure, which is a calculated RMD of 95,000 acre-feet (AF).

Ms. Ortega explained how Springs Utilities defines usage (i.e. demand) as potable water distribution system deliveries as measured by water available to the system. She said for consideration of surplus, Springs Utilities is evaluating several

alternatives`. Ms. Ortega explained customer usage patterns and trends for water and concluded with Colorado River contingency planning – specifically, based on supply and demand options:

- Increased water conservation and efficiency
- Diversification of water supplies
- Pursue additional storage

The Utilities Board took a break at 3:26 p.m. and reconvened at 3:44 p.m.

Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, reviewed customer feedback about the water ordinance. She said the customer survey was conducted from Oct. 24, 2022 – Nov. 10, 2022. She explained the demographics of respondents, questions asked by Springs Utilities, and customer themes based on the survey responses.

Customer comment:

Mr. Kevin Walker provided input from the perspective of the HBA about future annexations based on the water ordinance.

Mr. Mike Ruebenson and Mr. Doug Quimby expressed concerns about the water ordinance and how it impacts developers. They explained alternatives for the Utilities Board and City Council to consider.

Mr. Tim Seibert discussed future housing developments and how the water ordinance impacts them.

10. Electric and Gas Cost Adjustments Update

Mr. Scott Shirola, Pricing and Rates Manager, explained the natural gas prices as of Nov. 1, 2022 and highlighted prices during the heating season (November – March). Mr. Alex Baird, Fuels and Powers Purchasing Manager, reviewed changes in natural gas production, prices, and Liquefied Natural Gas exports from 2001 to present day.

Mr. Shirola reviewed Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) projections for November 2022. He concluded with seasonal residential bill impacts, sample total monthly bills, and customer financial assistance programs.

The Utilities Board agreed to put this item on Consent for the Nov. 22, 2022 City Council meeting.

11. Colorado Springs Underground Damage Prevention Safety Program Update

Ms. Melissa Brown, Energy Regulatory and Compliance Manager, introduced Ms. Shelly Dornick, Regulatory and Compliance Program Manager, and Mr. Sean Frech, Senior Regulatory and Compliance Specialist, who oversee the Underground Damage Prevention Safety Program at Springs Utilities.

Ms. Dornick reviewed the history of the Underground Damage Prevention Safety Program at Springs Utilities. She said the program centers around educational efforts within the community, and reviewed attendee lists over the years. Ms. Dornick reviewed total damages per 1,000 locate tickets from 2020 – 2022. Ms. Dornick concluded with audit results from the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA):

- On Sept. 9, 2022, the PHMSA conducted an evaluation of the Colorado Division of Oil and Public Safety’s and the City of Colorado Springs’ enforcement of the Colorado excavation damage prevention law.
- Based on this evaluation, PHMSA has determined that the enforcement of Colorado’s excavation damage prevention law is “adequate.”
- Additional observations:
 - The Colorado State Safety Commission was advised to model their remediation process after the Colorado Springs process.
 - Colorado received a near perfect score.

12. 2023 Proposed Strategic Plan and Enterprise Scorecard

Chair Williams requested the proposed 2023 Strategic Plan and Scorecard be by exception only. Board Member Murray moved approval of the 2023 proposed Strategic Plan and Enterprise Scorecard and Board Member Helms seconded the motion. It was unanimously approved.

13. Continuation of Executive Session, if needed

Chair Williams deferred continuation of Executive Session.

14. Appointment of Acting Chief Executive Officer

Board Member Henjum moved approval of appointing Mr. Travas Deal, Chief Operations Officer, as acting Chief Executive Officer effective Dec. 1, 2022. Board Member Donelson seconded the motion, and it was unanimously approved.

15. Compensation for Acting Chief Executive Officer

Vice Chair O’Malley moved approval of compensating the acting CEO an additional 10% salary raise on top of his current salary. Board Member Strand seconded the motion, and it was unanimously approved.

Customer comment:

Mr. Pete Page provided input on behalf of the Colorado Springs Utilities Retirement Association about the organization’s CEO recruitment process – specifically, candidate selection.

Mr. Deal provided a brief update about stolen work vehicles and employee safety.

The Utilities Board took a break at 5:27 p.m. and returned at 5:58 p.m.

16. Chief Executive Officer Recruitment Process

Ms. Renee Adams, Chief Administrative and Human Resources Officer, reviewed the job search goals for Springs Utilities' CEO, as well as the proposed applicant requirements. The Utilities Board reviewed and discussed changes to the job description.

Board Member Donelson moved approval of the Utilities Board using an internal recruitment process. Vice Chair O'Malley seconded the motion, and it was unanimously approved.

Vice Chair O'Malley moved approval of the CEO job posting to be both internal and external. Board Member Donelson seconded the motion, and it was unanimously approved.

Vice Chair O'Malley moved approval of the CEO job description language as presented or as modified at the dais. Board Member Strand seconded the motion, and it was unanimously approved.

Vice Chair O'Malley moved approval of the CEO salary range—\$450,000/yr. - \$520,000/yr.—be included in the job posting. Board Member Helms seconded the motion, and it was unanimously approved.

Vice Chair O'Malley moved approval of the outlined timeline that was presented for the CEO recruitment and selection process. Board Member Strand seconded the motion, and it was unanimously approved.

The Utilities Board agreed to the tiered ranking system for CEO candidates and requested to see all applications. Staff will rank the candidates based on the criteria the Board approved into three levels: Tier I, Tier II and Tier III.

17. Board Member Updates

The Utilities Board discussed changing the date of the December Utilities Board meeting, as well as its agenda.

Board Member Henjum shared feedback from Vice Chair O'Malley's District 6 Townhall, and thanked staff for coordinating it.

Chair Williams provided an update from the County Commissioners meeting he and Ms. Barbato attended on Monday, Nov. 14, 2022. He also thanked staff for their continuous hard work.

18. Adjournment

The meeting adjourned at 6:50 p.m.