

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, April 20, 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, Stephannie Fortune, Yolanda Avila, Nancy Henjum and Tom Strand

Staff members present via Microsoft Teams or Blue River Conference Room: Aram Benyamin, Travas Deal, Joe Awad, Andie Buhl, Natalie Watts, Tara Kelly, Scott Shirola, Al Wells, April Speake, Chrisitan Nelson, Mike Francolino, David Padgett, Renee Adams, Tristan Gearhart and Lisa Barbato

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: David Beckett, Jeff Greene, Chris Bidlack, Alex Ryden and Jacqueline Rowland

Citizens present via Microsoft Teams or Blue River Conference Room: Sam Masias

1. Call to Order

Chair Wayne Williams called the Utilities Board meeting to order at 1:00 p.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

Chair Williams provided a brief update about participants joining the Utilities Board meetings via Microsoft Teams and said moving forward, the chat feature will be disabled. He explained alternative methods for citizens to comment during Board meetings.

2. Invocation and Pledge of Allegiance

President Kamel Elwazeir of Islamic Society of Colorado Springs delivered the invocation and Chair Williams led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Minutes: March 16, 2022

Board Member Strand moved approval of the Consent Calendar and Vice Chair O'Malley seconded the motion. The Consent Calendar was unanimously approved.

4. Recognition

Wastewater Worker Appreciation Week and Peak Performance Awards through the National Association of Clean Water Agencies (NACWA)

Mr. Travas Deal, Chief Operations Officer, thanked Springs Utilities wastewater workers for their hard work and dedication to the organization. Mr. Bryan Babcock, Water and Wastewater Operations General Manager, explained what Wastewater Worker Appreciation Week is all about and expressed gratitude for his wastewater team.

Ms. Tara Kelly, Wastewater Operations Manager, explained how the organization has been a recipient of the Platinum Peak Performance Award from the National Association of Clean Water Agencies (NACWA) for five consecutive years for 100% compliance with our discharge permit for the Las Vegas Street Water Resource Recovery Facility. The award demonstrates 100% compliance with the Las Vegas Street Water Resource Recovery Facility's permits from 2016-2020.

American Water Works Association (AWWA) National Drinking Water Week

Mr. Babcock explained how his team assists with water works and each role that ensures water deliverability. He and Ms. Kelly thanked all departments who assist with this service. Chair Williams also expressed appreciation for the water teams at Springs Utilities.

5. Customer Comments

Mr. Sam Masias expressed concerns about distributed solar energy and commented about the need for a green energy tariff.

6. Compliance Reports

- I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 – Q4
- I-12 Environmental Stewardship
- E-2 CEO Responsibilities
 - Water Outlook

Ms. Kalsoum Abbasi, Water Planning Supervisor, discussed local weather conditions as of March 31, 2022. She gave an overview of a drought monitor update as of April 12, 2022 compared to Feb. 22, 2022. She said snowpack in the Arkansas River Basin is 85% of normal and snowpack in the Colorado River Basin is 99% of normal.

Ms. Abbasi explained the March 31, 2022 statewide SNOTEL map which shows that most watersheds in Colorado are near normal snow water equivalent (SWE), with the exception of the Yampa/White, which indicates slightly below average SWE. She said April yield forecast predicts 90% of average water collection system yield and described Lake Powell projections for April 2022.

Ms. Abbasi explained a graph showing total water usage of about 1.28 billion gallons in March 2022 compared to the same month back to 2001. She said Colorado Springs' system wide storage is about 187,500 acre-feet, or 72.5% of capacity, which is above the shorter-term (2001-2021) average of 68% for this time of year. Ms. Abbasi

concluded with a graph that explains Colorado Springs' system wide storage of about 188,700 acre-feet, or 73% of capacity, which is slightly below the longer-term (1991-2021) average of 74% for this time of year. This equates to about 2.7 years of demand in storage.

Mr. Pat Wells, Water Resources and Demand Management General Manager, explained how water dropping below specific elevation levels are significant because that impacts additional measures to be taken to protect power generation at Lake Powell. He said there are discussions between the upper and lower basin states to take additional precautions.

The Utilities Board requested to have monthly Water Outlook presentations through the summer of 2022.

Supply Chain Update

- Mr. Mike Francolino, Chief Customer and Corporate Services Officer, said inflationary pressures are impacting lead times so the organization has started strategic reserves and partnered with other utilities to combat this.

Fiber Update

- Mr. Aram Benyamin, Chief Executive Officer, said two shipments have arrived to move forward with the installation of fiber throughout the City.

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

7. Items Called Off Consent Calendar

None

8. Electric Cost Adjustment (ECA) Monitoring and Proposed Gas Cost Adjustment (GCA)

Mr. Scott Shirola, Pricing and Rates Manager, said April 30, 2022 is the completion of fuel expense recovery from the February 2021 windstorm. He explained the natural gas prices as of April 1, 2022 and emphasized how volatile the natural gas market is right now. He discussed ECA projections as of April 2022, which includes a recommendation of no rate change. He also explained the ECA projections April 2022 guidelines. Mr. Shirola said the recommendation is to not change the rate.

Mr. Shirola explained GCA projections as of April 2022 which includes a proposal to decrease rates. He provided a sample total monthly bill, with a proposed effective start date of May 1, 2022.

Mr. Shirola said customers can visit the organization's website for rebate programs and energy efficiency tips. The Utilities Board agreed to not put this item on consent at the Tuesday, April 26, 2022 City Council meeting.

Mr. Masias expressed concerns about how Springs Utilities stores natural gas. He urged Springs Utilities to look at ways to move away from fossil fuels and instead toward electrifying water heaters.

Mr. Tristan Gearhart, Chief Planning and Finance Officer, explained how we store natural gas and explained the financial process for this.

9. Open Access Transmission Tariff (OATT) Revision

Mr. Shirola provided background information about OATT. He said Springs Utilities is a transmission provider providing non-discriminatory wholesale high voltage service. He said the organization is transitioning out of the Joint Dispatch Agreement (JDA) and into the Western Energy Imbalance Service (WEIS). He explained benefits of this proposal, which include:

- WEIS broadens the pool of resources to serve aggregate demand.
- Increased granularity with five-minute real-time increments.
- Increased opportunity for financial benefit.

Mr. Shirola concluded with a summary of OATT revisions and the filing calendar timeline.

Mr. Masias reemphasized the importance of a green energy tariff and discussed the benefits of solar panels on commercial buildings.

Mr. Benjamin said a cost-of-service study needs to be done to consider solar panels on commercial buildings, so customers can prepare for the costs. He said the rates team at Springs Utilities are researching green power rates comparatively.

10. Community Focus Fund (CFF) Grants Program

Ms. April Speake, Public Affairs Lead, said Springs Utilities has been investing in the community for many years; however, community investments were not formalized until 1997 with the chartering of the Community Focus Fund (CFF) Program by a City Council resolution. The charter specified the ability to provide funding to local nonprofits in support of the overall CFF volunteer program. Original focus areas specified in the CFF program charter included:

- Seniors
- Youth
- Affordable housing
- Safety and health
- Education
- Environment
- Community

Ms. Speake explained how until 2014, the CFF Program grants were funded through Colorado Springs Utilities' revenues. In alignment with the CFF charter, the funds

came from revenue streams other than rate payer dollars such as sales of obsolete business equipment and vehicles. She said from 1998 to 2013, hundreds of local nonprofits and educational institutions received support for programs and projects that improved the lives of the citizens of the communities we serve. Ms. Speake explained that from 2014 to 2017, grant funding was not budgeted but resumed in 2018 under the original charter focus. She provided examples of other utilities supporting community investment.

Ms. Speake said community investment represents a positive return on investment for Colorado Springs Utilities. The organization is directly tied to this community and its success, and the organization's strength and vitality depend on the education, health, and welfare of the community in which Springs Utilities operates. She said nonprofit investment:

- Enhances our reputation as a trusted community partner.
- Demonstrates our commitment to the community which directly impacts customer satisfaction as measured by the J.D. Power and Associates studies.
- Supports the economic sustainability of local nonprofits, which are business customers and employers of many of the organization's residential customers.

Ms. Speake gave an overview of the most important causes for residential and business customers to support this funding based on a J.D. Power survey. She concluded with a summary overview:

- Approved CFF Grant funding in the amount of \$256,000 is in the 2022 budget.
- Springs Utilities is poised to move forward on Monday, April 25 with applications from local nonprofits.
- Nonprofits have been directed to check the Spring Utilities website for guidelines and application information.

11. Board Member Updates

There were none.

12. CEO Performance Executive Session – break until 3:05 p.m.

Mr. David Beckett, City of Colorado Springs Senior Attorney – Utilities Division, 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)(e), and Utilities Board Bylaw Rules 10(c)(5), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on the following matter: determining positions relative to matters that may be subject to negotiations and instructing negotiators regarding an intergovernmental agreement related to water rights.

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 matters may be discussed in Open Session or withdrawn from consideration.

Mr. Beckett polled the Utilities Board and they voted unanimously to enter Executive Session.

The Utilities Board took a break at 2:52 p.m. and entered Executive Session at 3:05 p.m.

The Utilities Board ended Executive Session at 3:21 p.m.

13. Adjournment

The meeting adjourned at 3:23 p.m.