

RECORD OF PROCEEDINGS

Town of Estes Park, Larimer County, Colorado, October 14, 2004.

Minutes of a Regular meeting of the **UTILITIES COMMITTEE** of the Town of Estes Park, Larimer County, Colorado. Meeting held in the Municipal Building in said Town of Estes Park on the 14th day of October 2004.

Committee: Chairman Jeffrey-Clark, Trustees Newsom and Pinkham

Attending: All

Also Attending: Town Administrator Repola, Public Works Director Linnane, Utilities Superintendent Goehring, Fleet Manager Mahany, Senior Electrical Engineer Matkze, Assistant to the Senior Electrical Engineer Mangelsen, and Deputy Clerk Williamson

Absent: None

Chairman Jeffrey-Clark called the meeting to order at 8:00 a.m.

LIGHT AND POWER DEPARTMENT

Proposed Electric Rate Increase – Request Approval.

The Town is currently proposing a 3.9% average electric rate increase in 2005 and 2006, with an intent to propose a 3.9% increase in 2007 and 2008. The 2007 and 2008 increase would be through a separate rate study in 2006. The Black and Veatch 2003 Financial Plan recommends these rate increases in order to achieve the following primary financial targets: (1) An annual surplus net cash flow by the year 2006; (2) A 2008 fund balance equal to 90 days Operation and Maintenance (O&M) expenses, plus average annual depreciation. (Note that in 2004 this balance projection is \$2,195,500 + \$542,000 depreciation = \$2,737,500); (3) Flexibility to fund the \$2.5 million Mary's Lake Substation upgrade CIP in 2009 with fund balance or bond financing, or a combination of the two. Future interest rates and the bond market will determine this funding combination. This flexibility will allow spreading the capital project bond cost to existing electric customers, as well as future electric customers.

The schedule is to hold the rate increase public hearing during the November 9, 2004 Town Board meeting. If the increase is approved, a public notice will be published and the new rates will become effective January 1, 2005. Staff recommends and requests approval of an average electric increase not to exceed 3.9% in the years 2005 and 2006. It should be understood that a 3.9% increase may be projected in 2007 and 2008.

Public Work Director Linnane compared Estes Park's electric rates with other municipalities and found them to be within the lower quarter. Residential rates account for 40% of the revenue and these rates will see a 5.6% increase. Other rates will see the following increases: Residential Demand 6.5%; Small Commercial 3.7%; and Large Commercial .9%. The residential rate increase is higher due to higher cost to provide service and residential rates have not been adjusted for a number of years.

The Committee recommends approval of the electric rate increase as presented.

Vehicle Replacement Request.

The Light & Power Department budget includes \$22,500.00 for the replacement of Meter Reading Vehicle 933.14B (1997 Jeep Wrangler 4x4) with 7 years of service and 63,000 miles. This vehicle is within the Town's vehicle replacement parameters (Type 3). Staff recommends trading in the 1997 Jeep Wrangler 4x4 (933.14B) and purchasing a new 2005 Jeep Liberty 4x4 from Pro Chrysler Jeep at a cost of \$12,959.00. Fleet Manager Mahany reviewed the bids received.

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The Committee recommends acceptance of the bid from Pro Chrysler Jeep to purchase a 2005 Jeep Liberty 4X4 at a cost of \$12,959, as presented.

Light and Power Shop Roof Maintenance – Request Approval.

In September 2003, staff became aware the condition of the painted roof at 615 Elm Road was in need of repair. When bids were solicited for traffic light pole painting this year, the contractors also received roof specifications for a proposal to repaint the roof. Through this process, one proposal was received from Estes Park Painting for \$16,000 (including pressure washing). Estes Park Painting has provided excellent painting of the traffic light poles. Utilities Supt. Goehring is discussing warranty options with the original building contractor and hopes to acquire partial funding from the contractor.

The Committee recommends approval of the bid from Estes Park Painting at a cost of \$16,000 for repainting the roof at the Light and Power Shop as presented.

WATER DEPARTMENT

Upper Broadview Summer Line and Devils Gulch Road Service Line Replacements – Approval of Bid.

The Utilities Committee approved Cornerstone Engineering's Scope for Design and Construction Management of the water line replacements on Upper Broadview and Devils Gulch Road at its June meeting. Both lines are summer lines being used full-time and they are scheduled for replacement due to maintenance issues for the number of residences served. The Devils Gulch line will be replaced with a 1" service line as it serves only one residence. The project will improve the water service to 12 homes on Upper Broadview and take 4 to 6 weeks to complete. Adequate funds are available in the Capital Water System account for these projects.

The Committee recommends approval of the bid from Kitchen & Company at a cost of \$132,643 for water line replacements on Upper Broadview and Devils Gulch Road.

Crystal Water Tank Building Replacement.

Weather conditions this year have added to the existing deterioration of the building at the Crystal Water Tank site. This building was the original water treatment site that was utilized by the Crystal Water System, and was not sound when the Town took over the system in 1988. The building is used for storage of parts, as well as SCADA system and tank monitoring. The size of the existing building is not needed for the operation as it is used today, and a smaller, new pre-fabricated building could be utilized instead of renovation of the larger existing structure. Pre-fabricated units (metal or fiberglass) have been priced, with metal preferred for security purposes. The building would be temporary as it is planned to place the tank and equipment below ground next summer at the Crystal site. The building could then be relocated to replace the small radio building at the Big Thompson site. This item was not budgeted for 2004; however, a Particle Counter was budgeted (\$20,000) and it will not be purchased this year.

The Committee recommends approval to replace the existing Crystal Water Tank Building with a new pre-fabricated metal unit from US Chemical at a cost of \$17,246.07.

Reports

- Buell Porter Christmas Decorations – Item will be presented to the Community Development Committee. Discussion ensued as to whether the Town should have new Christmas decorations.
- Charter Communication Update – Charter Communications answered questions regarding current technical problems. Staffing has been an issue. Goals for 2005 – hire technical support (CSRs), roll calls from answering service to an in house call

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center, provide better customer service. Charter will provide a letter to the Town with their progress.

Town Trustee Newsom left the meeting at 9:30 a.m.

- Personnel: The Committee recognized Matt Lee for obtaining his Journeyman Lineman Certification.
- Monthly Financial Report. The Light and Power and Water Financial Reports and associated graphs were reviewed.

There being no further business, Chairman Jeffrey-Clark adjourned the meeting at 9:45 a.m.

Jackie Williamson, Deputy Town Clerk