

## RECORD OF PROCEEDINGS

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*Town of Estes Park, Larimer County, Colorado, September 15, 2005.*

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 15<sup>th</sup> day of September 2005.

Committee: Chairman Jeffrey-Clark, Trustees Newsom and Pinkham  
Attending: Chairman Jeffrey-Clark and Trustee Pinkham  
Also Attending: Town Attorney White, Public Works Director Linnane, Utilities Supt. Goehring, Finance Director McFarland, Town Clerk Williamson  
Absent: Trustee Newsom

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

### **WATER DEPARTMENT**

#### **Windy Gap Water Lease Request – Request to Proceed.**

Town Attorney White stated a 20-year lease agreement has been negotiated with Continental Water Bank Inc. (CWB), to provide water to individual well users in the Estes Valley and the Big Thompson River above Drake through an Augmentation Plan. This is in lieu of the Town supplying individuals with water or taking over their current systems. This lease agreement would allow the Town to direct future water requests to CWB. CWB will provide water to individuals that need augmentation water for out of priority diversions. CWB will transfer units of CBT water to the Town, and the Town will lease Windy Gap Water up to a maximum of 10 acre-feet annually. Attorney White clarified this is surplus water for the Town; therefore, the Town is not in danger of not having enough water for its customers. CWB agrees to pay the Town \$350.00/yr. for the first ten years of the lease and \$450.00/yr. the next ten years of the lease, to cover the Town's administrative costs. The State Engineer is in favor of the lease and appreciates the cooperation of the Town to provide augmentation water to those out of priority diversion that would otherwise be shut down. CWB will file a plan for water augmentation with the Water Court to deliver Windy Gap Water from Lake Estes at the Lake Estes outfall. **The Committee recommended approval of the water lease agreement with Continental Water Bank, Inc. as described above.**

### **Reports**

1. Light and Power Dept. Financial Report – Dir. McFarland reviewed the report.
2. Water Financial Data – Dir. McFarland reviewed the report.
3. Light and Power Dept. 2005/2006 Financial Plan and Rate Study Update – The 2004 Rate Study for the period 2004 to 2008 conducted by Black & Veatch recommended that electric rates be raised an average of 3.9% in 2005 through 2008. Last year, the Town Board approved a 2005 average rate increase of 3.9%. During the rate hearing last November, the public was informed that another 3.9% increase was intended for 2006. The primary goals established by the rate study included a fund balance equal to 90 days O&M or approximately \$2,000,000 and a zero annual deficit. The 2005 ending fund balance is estimated to be \$2,700,000 and a zero deficit was reached in 2004. Therefore, staff is proposing a rate increase of 1.9% in 2006 and 1.9% in 2007. Staff has set a tentative public hearing date for the 2006 increase on November 22<sup>nd</sup> with the rate increase to take effect on January 1, 2006. Town Attorney White

## RECORD OF PROCEEDINGS

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### Utilities Committee – September 15, 2005 - Page 2

suggested the Town Board consider a public hearing on both the 2006 & 2007 rate increases to minimize the cost of notifying the customers twice. **The Committee requests this item be placed on the September 27<sup>th</sup> Board meeting as an action item to set a public hearing on November 22<sup>nd</sup> for the proposed 2006 & 2007 rate increases.**

#### Miscellaneous

Trustee Pinkham questioned how the Public Works Department was handling the increase in fuel costs as the Town looks forward to the 2006 budget. Dir. Linnane stated the current budget numbers have not been adjusted because the fuel costs are lumped into the vehicle maintenance costs. He does not see the need to adjust those numbers at this time.

Trustee Pinkham stated he received a phone call from Airbits regarding the recent outage of the fiber optic line. Dir. Linnane informed the Committee that Airbits uses the microwave dish not the fiber optic line. Their contract is with Front Range Internet not the Town or Platte River. Front Range Internet was conducting maintenance that disabled service.

Trustee Pinkham expressed concern over the increase in energy costs and questioned how the Town might encourage its customers to conserve energy and reduce waste. Dir. Linnane stated Platte River has an energy efficiency program. He will contact them to see if they could speak at an upcoming Town Board meeting.

There being no further business, Chairman Jeffrey-Clark adjourned the meeting at 8:53 a.m.

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Jackie Williamson, Town Clerk