

## RECORD OF PROCEEDINGS

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*Town of Estes Park, Larimer County, Colorado, November 13, 2003*

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 13<sup>th</sup> day of November, 2003.

Committee: Chairman Jeffrey-Clark, Trustees Gillette and Newsom

Attending: Chairman Jeffrey-Clark, Trustee Newsom

Also Attending: Town Administrator Widmer, Public Works Director Linnane, Utilities Dir. Goehring, Sr. Electrical Engr. Matzke, Assistant Mangelsen, Fleet Mgr. Mahany, Sr. Meter Specialist O'Connor, Construction/Facilities Mgr. Sievers, Clerk O'Connor

Absent: Trustee Gillette

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

### **LIGHT AND POWER DEPARTMENT.**

#### **Platte River Power Authority – Presentation of 1/01/04 Wholesale Rate Increase.**

Public Works Dir. Linnane introduced Jon Little, Community Relations and Marketing Manager and John Bleem, Division Manager, Customer Services/PRPA who gave a PowerPoint presentation on Platte River's 3.9% Wholesale Rate Increase that becomes effective January 1, 2004. The outline consisted of the following:

- ◆ Rates history. PRPA has maintained stable rates for the past 20 years, and in 2002, rates were 3.3% less than rates paid in 1983.
  - In a Colorado Residential Rate Comparison of 58 CAMU (Colorado Assn. of Municipal Utilities) municipalities, Estes Park ranks 9<sup>th</sup> lowest. The average monthly bill in 2002 was \$46.38, 9% less than Poudre Valley REA.

Outline of rate increase drivers:

- ◆ Decreasing revenues/Increasing operating costs
- ◆ Large capital investment due to city growth
- ◆ Debt service costs to increase after experiencing years of decreasing costs
- ◆ Operating cost increases
  - WAPA rate increases of 17% in 2002 and 12% in January, 2004
  - Between 1991-2002, there are 50% more customers, 63% more energy used, and 90% higher peak
  - Total Capital Additions. PRPA has spent \$220 Million since 1997 and additional upgrades are expected in the future.

In summary, the single 2004 3.9% increase will not meet future needs; therefore, PRPA expects another increase between 3.9 to 6.9% in 2005. Pending additional information, this two-phase approach should help minimize the overall long-term increase.

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Mr. Little confirmed that each municipality not PRPA, schedules local press releases and communication with utility customers. Additional discussion followed on long-term planning, with Dir. Linnane confirming that the 2004 Budget includes the wholesale rate increase as well as a retail rate increase for a total increase of approximately 8.3%.

Chairman Jeffrey-Clark expressed the Committee's appreciation to both PRPA Representatives for their presentation.

**Owner Request to Vacate Utilities Easement, Lot 9, Stanley Heights.**

Frank and Jeoffrey Schageman granted an easement for under-grounding of the electric line crossing Lot 12 owned by George and Dorothy Gibbs. The Gibb's request to underground the electric service at Town expense was denied at the 7/22/03 Town Board meeting, thus, the Schagemans are now requesting the easement be vacated. The Public Works Dept. issued notice to all concerned parties informing them of this request and consideration by the Public Works Committee. If recommended for approval, Town Attorney White will prepare all necessary documentation. **The Committee recommends approval of the request to vacate the electric utility easement for Lot 9, Stanley Heights, authorizing Town Attorney White to prepare a Quit Claim Deed.**

**Mobile Meter Reading Equipment Upgrade – Request to Purchase.**

Approximately 8,000 radio-type electric and water meters divided into 43 radio frequency zones are read each month. The physical operation requires the meter reader to drive routes adjacent to these 43 zones/routes, and each zone crossover point requires the driver to input the data necessary to read the next route. Currently, a single-frequency mobile data collector is being used.

Hardware and software have been improved significantly, allowing multiple routes to be loaded via an 8-frequency system and read at the same time, resulting in a significant labor savings. This type of system would reduce the number of zones to 1/3 the existing number. Additionally, this equipment is an important component in plans to completely upgrade the meter reading system with automated radio frequency equipment by 2007.

Mountain States Pipe & Supply has submitted a quote for \$23,750, and the 2003 Revised Budgeted amount is \$25,000. Sr. Meter Specialist O'Connor confirmed that radio reads can be obtained from 2,000-3,000 feet away in the service area, and readings are more accurate than front-range areas. Although "false readings" do occur, this equipment will reduce the occurrence. Although the customer base has significantly increased within the past 15 years, the staffing level has not increased due to the automated radio frequency equipment, and staff anticipates a 40% savings in terms of vehicle and personnel cost with installation of the equipment upgrade. **The Committee applauded staff's proactive stance on the meter reading system plan, and recommends acceptance of the Mountain States quote in the amount of \$23,750.**

**Request Authorization to Purchase ATV Vehicle (Replacement).**

The 2003 Budget includes \$12,000 for replacement of the 1992 Polaris 6x6 ATV. This vehicle is used to provide employee access to remote power lines, poles, and transformers during storm trouble and to patrol power lines. The Replacement Policy does not address miscellaneous vehicles, and Fleet Mgr. Mahany confirmed that this vehicle now requires significant maintenance and is unreliable. The following bids were received:

Ft. Collins Motor Sports	\$7,500 w/trade-in
Colorado Power Sports	\$8,142 w/trade-in

The Committee commended Mgr. Mahany for the successful management of the fleet, and recommends acceptance of the Ft. Collins Motor Sports bid for a Polaris 6x6 ATV in the amount of \$7,500 with trade-in.

**WATER DEPARTMENT.**

**Riverside Drive Project – Request approval of Change Order.** As staff reported previously at the July Utilities and Public Works Committee meetings, a change order was anticipated due to unavailable on-site fill material resulting from the snow conditions during construction of the project. The review and concurrence of the consulting engineer/project manager and subsequent documentation by the contractor, G. L. Hoff Co., the removal and replacement of fill has been accounted for. The cost allocation is as follows:

Original 2002 Purchase Order/Contract	\$410,433.32
Total project cost	<u>-444,481.71</u>
<b>Deficit</b>	<b>(\$ 34,048.39)</b>
Cost Allocation to fund the Deficient:	
Light and Power 2003 Revised Budget, Capital, underground Conductors	\$ 10,000.00
Water 2003 Revised Budget, Capital, Capital Infrastructure	17,048.39
Community Reinvestment 2003 Revised Budget, Capital Streets/Misc.	<u>7,000.00</u>
<b>Total Change Order</b>	<b>\$ 34,048.39</b>

Although a time delay was experienced due to lack of documentation supplied by the Contract, Dr. Linnane complimented the worthwhile project and job performance by Construction/Facilities Mgr. Sievers. **The Committee recommends approval of the Change Order in the amount of \$34,048.39 with cost allocation as outlined above.**

**REPORTS.**

**Light and Power Dept.**

- Fall River Hydro Plant Museum Award. Museum Dir. Kilsdonk displayed an Award from the American Assn. for State and Local History for the restoration and rehabilitation of the Historic Fall River Hydroplant. PRPA was a significant partner on this project and a local press release was issued. Chairman Jeffrey-Clark applauded the efforts of Mike Mangelsen and Betty Kilsdonk and their staff on this prestigious award and suggested this project also be publicized in the front-range media outlets.
- The Monthly Financial Report was unavailable due to budget process; however, with recent budget revisions, calculations are on target.
- Utilities Late Payment Policy Revision – Update. An employee team has been researching a revision to the late payment policy and the policy will be submitted to the Committee for their review/consideration in the near future. When this item is placed on the agenda, Staff will include statistics on the percentage of delinquent accounts on the utility system.
- Financial Plan – Update. Black and Veatch will present the Financial Plan Report at the December 9<sup>th</sup> Town Board meeting. An annual 3.9% increase

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in 2005 through 2008 is proposed in addition to the 2003-2004 rate increases and the 2004 Purchased Power Rider Charge.

- Committee Meeting Scheduling Conflict. The PRPA Board meeting is scheduled December 11<sup>th</sup> and this date creates a scheduling conflict with the Utilities Committee. **Committee recommends cancellation of the Dec. 11<sup>th</sup> meeting; however, such an emergency arise, the Committee could re-schedule.**
- Miscellaneous Projects. The Christmas Decoration Project is 50% complete at this time, and the Contractor, Estes Valley Home & Garden, must complete installation by Thanksgiving.

**Water Dept.**

- The Monthly Financial Report was unavailable due to the budget process; however, as with the Light and Power Fund, with recent budget revisions, calculations are on target.
- Lienemann/Fall River Estates Lawsuit. Mr. Lienemann had sued the Town based on his 1971 Agreement for water service to his development. Mr. Lienemann claimed the Town was prohibited by contract from connecting additional properties to the water system. The judge has ruled in the Town's favor stating the Town was in compliance with the contract by allowing additional properties to connect to the system.
- Water Dept. Rate Study – Update. Black & Veatch will also present the Water Rate Study at the Dec. 9<sup>th</sup> Town Board meeting. A water rate increase of 2.9% in 2007 and 2008 is proposed. With the 2.9% increase approved in 2001 through year 2006, the rate increase will be extended through 2008.
- Miscellaneous Projects Update. Design for the Fall River Tank Project that extends service to RMNP boundary should be completed the end of December, 2003, and staff anticipates beginning construction in spring, 2004.

There being no further business, Chairman adjourned the meeting at 9:00 a.m.

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Vickie O'Connor, CMC, Town Clerk