

## RECORD OF PROCEEDINGS

---

*Town of Estes Park, Larimer County, Colorado, October 18, 2007.*

Minutes of a Regular meeting of the **UTILITIES COMMITTEE** of the Town of Estes Park, Larimer County, Colorado. Meeting held in the Town Hall in said Town of Estes Park on the 18<sup>th</sup> day of October 2007.

Committee: Chairman Homeier, Trustees Newsom and Pinkham  
Attending: All  
Also Attending: Deputy Administrator Halburnt, Utilities Director Goehring, Finance Director McFarland, Deputy Town Clerk Deats  
Absent: Administrator Repola

Chairman Homeier called the meeting to order at 8:02 a.m.

### **PUBLIC COMMENT**

None

### **LIGHT & POWER DEPARTMENT**

#### **NET METERING – REQUEST APPROVAL.**

In November of 2004, Colorado voters passed Amendment 37 that requires Colorado utilities with 40,000 or more customers to generate or purchase 10 percent of their electricity from renewable sources by the year 2015. The initiative establishes a standard rebate offer for solar electric generation equipment and a state-wide net metering system. Because the Town of Estes Park Light and Power Department has fewer than 40,000 customers it is not subject to the requirements of Amendment 37, however, because of concerns about global warming and climate change, the department worked with the City of Loveland to develop a cost neutral net metering rate. When used in conjunction with on-site renewable generation such as solar or wind, this type of rate allows the customer/generator to sell back excess power to the utility.

Staff requests approval to implement the cost neutral net metering rate. Residential and commercial customers participating in this program will buy energy from the utility at the retail rate and will be able to sell any excess energy back to the utility at the established renewable generation rates:

	<b>RESIDENTIAL</b>	<b>COMMERCIAL</b>
<b>Base Charge</b>	\$4.36	\$7.91
<b>kWh charge from utility</b>	\$0.0863	\$0.0857
<b>kWh buyback paid to customer</b>	\$0.0220	\$0.0210

Dir. Goehring stated that customers who wish to participate in the program must obtain a permit from the Town to install a renewable energy generation device, and pay approximately \$90 for the meter. The meter will supply three readings: 1. energy used, 2. energy sold back to the utility, and 3. the net difference. Surplus energy generated by the customer will be sold back to the utility at the wholesale rate at which it is purchased by the Town from Platte River Power Authority (PRPA). When the net difference is a negative number, monetary credit will be applied to the customer's utility bill; when it is a positive number, the customer will be charged for the excess energy used.

Chairman Homeier asked if there was any public comment on the topic.

Utilities Committee – October 18, 2007 - Page 2

Tom Street/Allenspark, stated that the proposal is clearly not what customers have been asking for in a net metering program. The proposal does not have the makings of a successful program because, in his opinion, full credit at the retail rate should be given for energy sold back to the utility. He stated that incentives should be offered for participation in the program and questioned whether utility customers would be polled regarding the net metering program.

Dir. Goehring stated that to credit at a retail rate is not feasible, as the utility has costs related to the distribution of energy. He stated that with Town Board approval the rate will be advertised as a new tariff in a mailer to all customers and will include information and a questionnaire about net metering, including incentives.

Dir. Goehring introduced Dan Keough, City of Loveland, who stated that the proposed net metering rate program was formulated exactly the same as the City of Loveland's net metering program. He reiterated that the utility has costs related to the distribution of energy whether the energy is purchased from a customer or PRPA, making a one-for-one program unrealistic, and that distribution costs in an area like Estes Park are much higher than in Loveland.

Paul Newendorp/First Methodist Church, stated that his church may be interested in installing solar panels and participating in the net metering program, but that without incentives for front-end costs related to system installation, he doubted that the church could participate. He stated that he has researched the types of incentives offered by Xcel Energy and noted that Xcel's incentives would cut front-end costs in half. He inquired as to the rate the church would pay for energy and was told the church would be charged at the commercial rate.

Eric Waples/1519 Raven Circle, questioned whether the Light and Power Enterprise Fund could be used for an incentive program and questioned why monies were transferred to the General Fund, what the history of this transfer is, and why these transferred funds are not used to reduce electricity costs and maintain infrastructure, calling the transfer a tax on utility customers.

Susan Wolff/Allenspark, urged the Committee to provide incentives for solar energy to save the environment from the effects of coal-fired energy production.

Rich Stratton/Sustainable Mountain Living Group, expressed general dissatisfaction with the proposed net metering program stating that resources on our planet are being depleted, that the planet is facing a climate emergency, adding that he gets the impression the Committee does not care about these issues. The Committee responded that environmental issues are important.

**The Committee recommends the proposed Net Metering Rate Structure be taken to the October 23<sup>rd</sup> Town Board meeting as an action item for a public hearing.**

**SECONDARY WIRE TRAILER – REQUEST APPROVAL.**

The Light & Power Department budget includes \$15,000 for a new secondary wire trailer to be used for transporting secondary power wire to job sites. The trailer will be equipped with a turret to better align the wire reel when un-spooling wire in tight areas. Bids were solicited with the following results:

<b>Sauber Manufacturing Company – Virgil, IL</b>	
2007 Sauber Model #1519 Turret Wire Trailer	\$ 14,439
Freight	<u>\$ 1,250</u>
<b>Bid Price</b>	<b>\$ 15,689</b>

**Utilities Committee – October 18, 2007 - Page 3**

**Sherman & Reilly Inc. – Chattanooga, TN**

2007 Sherman & Reilly Model TRT-172-6K-T Turret Wire Trailer (fob factory)  
**Bid Price      \$ 18,500**

**Henry & Wright Corporation – Cleveland OH**

2007 Henry & Wright Model # Single Turret Wire Trailer      **NO RESPONSE**

Staff requests approval to purchase a Secondary Turret Wire Trailer from Sauber Manufacturing Company at a cost of \$15,689 from account #502-6501-560-26-43 with the additional \$689 from account #502-7001-580-34-42 from funds available due to a savings realized when purchasing a Light and Power bucket truck. **The Committee recommends approval of the purchase as outlined from account #502-6501-560-26-43 and account #502-7001-580-34-42 budgeted.**

**WATER DEPARTMENT**

**REIMBURSEMENT RESOLUTION: MARY'S LAKE WATER TREATMENT FACILITY UPGRADE – REQUEST APPROVAL.**

HDR Engineering was hired to design Phase 1 Mary's Lake Water Treatment expansion and upgrade. The design will change the filtration system from rapid sand to membrane-type filters and increase the filter yield from 2 MGD to 4 MGD. HDR will spec and bid the membranes in order to determine the product to be used for the project, which is necessary for the design of the proposed modifications to the Water Plant, as each manufacturer requires slightly different piping and electrical configurations. The cost of the membranes is estimated at \$1,200,000.

In October, HDR will bid this equipment, and require the Water Department to prepay 10%, or approximately \$120,000, to start the manufacturing process and provide shop drawings to HDR. The remaining amount of approximately \$1,080,000 will be due in January of 2008. These funds will initially come from the 2007 and 2008 Water Department budgets, (account #503-7000-530-32-22) but will ultimately be repaid from proceeds from bonds issued in May of 2008. The Reimbursement Resolution is necessary to maintain the tax exempt status of the bonds.

The Committee requests the Reimbursement Resolution be taken to the October 23, 2007 Town Board meeting as an action item and **recommends approval of the Resolution authorizing reimbursement from the proceeds of Bonds issued in May of 2008 and to maintain the tax exempt status of the Bonds.**

**BIG THOMPSON WTF METAL SCADA SAMPLING BUILDING – REQUEST APPROVAL TO ACCEPT BID.**

The 2007 budget contains \$98,000 to remove two abandoned buildings from the Big Thompson Water Treatment Facility and purchase and install a metal security building for access, SCADA monitoring and sampling of the existing water storage tank on site. Building quotes were solicited for a complete, electrical wired, 8 ft. x 14 ft. metal building with the following results:

<b>United Steel</b>	<b>NO RESPONSE</b>
<b>US Chemical Storage, LLC</b>	
8 ft. x 14 ft. Metal Building w/12 year factory warranty	\$ 17,846
Freight	<u>\$ 4,576</u>
	<b>Bid Price      \$ 22,422</b>
<b>Safety Storage, Inc.</b>	
8 ft. x 14 ft. Metal Building (no factory warranty)	\$ 26,619
Freight	<u>\$ 2,634</u>
	<b>Bid Price      \$ 29,253</b>

**Utilities Committee – October 18, 2007 - Page 4**

Staff requests approval to purchase a metal 8 ft. x 14 ft. building from US Chemical Storage, LLC at a cost of \$22,422. Demolition costs associated with the removal of the existing buildings, which were approved in July, were \$37,842, for a total expenditure of \$60,264 for the project.

**The Committee recommends approval to purchase a metal building from US Chemical as outlined above, at a cost of \$22,422 from account #503-6300-540-25-02 budgeted.**

**BUREAU AREA WATER MAIN REPLACEMENT – REQUEST APPROVAL.**

Staff has previously had discussions with Estes Park Sanitation regarding partnering with them to replace and relocate the existing utilities within the Bureau of Reclamation subdivision. Both utilities share a common trench that runs through the backyards of the properties in this area. During the July 2006 Utilities meeting, the Committee discussed this replacement project and recommended implementation of a six to eight year, phased program at a cost of approximately \$150,000 annually. Request for Proposals were solicited for the engineering design of the entire project, and construction drawings, specifications and bid documents to be used for each annual phase with the following responses:

**HDR Engineering, Inc.**

Includes: Complete project design, construction and bid documents.

Hydraulic modeling for base demand plus fire flow conditions.

822 Task Hours included \$ 95,210

Sub-Consultants: Surveying, Geotechnical, Potholing \$ 23,100

**Bid Price \$118,310**

**Landmark Engineering**

**NO RESPONSE**

**Nolte Associates, Inc.**

Includes: Overall System Evaluation Plan, design and construction documents only for Phase 1.

332 Task Hours included \$ 38,406

Sub-Consultants: Potholing \$ 1,320

**Bid Price \$ 39,726**

**RG Consulting Engineers**

Includes: Complete project design, construction and bid documents.

430 Task Hours included \$ 33,485

Sub-Consultants: Potholing \$ 990

**Bid Price \$ 34,475**

Dir. Goehring explained that the large discrepancy in bid prices was due to an inconsistency in the services quoted by HDR Engineering, Inc., whose bid included more services than requested. He recommended contracting with RG Consulting Engineers based on their bid price, and the recommendation of Public Works Dir. Zurn who has knowledge of the company's reputation.

**The Committee recommends approval to accept the proposal for engineering design of the Bureau Area Water Main Replacement by RG Consulting Engineers at a cost of \$34,475 from account #503-7000-580-35-54 budgeted.**

**REPORTS**

**LIGHT & POWER**

**RECORD OF PROCEEDINGS**

---

**Utilities Committee – October 18, 2007 - Page 5**

1. Financial Reports – Dir. McFarland reviewed the report and pointed out a clerical error involving invoices from Platte River Power Authority that will be corrected by the Finance Department.

**WATER**

1. Financial Reports – Dir. McFarland reviewed the report and responded to a question about the “Water Budget vs Projected Actuals” graph stating the charted information starts at \$1.9 million not at zero.
2. Prospect Mountain Water Company is a privately owned system that currently contracts with the Bureau of Reclamation (BOR) for water. The BOR has informed the owner that water will not be provided to the Prospect Mountain Water system after 2012. The HOA, with the help of the PUC, is considering forming a special improvement district and purchasing the water system. They have approached the Town requesting permission to purchase water in bulk in the event their water system discontinues operation. Dir. Goehring stated that the Town would be agreeable to furnishing the water for their system and that the Town has done so in the past when water has been unavailable due to BOR maintenance activities.

There being no further business, Chairman Homeier adjourned the meeting at 9:11 a.m.

---

Cynthia A. Deats, Deputy Town Clerk