

RECORD OF PROCEEDINGS

Town of Estes Park, Larimer County, Colorado, January 17, 2008.

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 17th day of January 2008.

Committee: Chairman Homeier, Trustees Newsom and Pinkham

Attending: Chairman Homeier and Trustees Newsom

Also Attending: Town Administrator Halburnt, Director Goehring, Finance Officer McFarland, Asst. Utilities Dir. Mangelsen, Town Clerk Williamson

Absent: Trustee Pinkham

Chairman Homeier called the meeting to order at 8:05 a.m.

PUBLIC COMMENT

None.

LIGHT & POWER DEPARTMENT

Reports

Light and Power

1. **Light and Power Dept. Financial Report** – Dir. Goehring and Finance Officer McFarland reviewed the financial reports.
2. **Regulatory Updates** – The proposed regulatory updates include net metering, energy efficiency and the Governor’s Energy Office.

Net Metering

The state legislators, lobbyists, citizen advocates, environmentalists and public officials are in the process of drafting a renewable energy bill that will satisfy all interested parties. The Light and Power Department had planned on and was close to implementing an on-site renewable energy/net metering tariff. If the legislation passes, the proposed Town tariff may or may not qualify and meet all the requirements of the bill. As a result, the Town has placed the tariff on hold pending a decision by the lawmakers. Following are some of the elements of the new proposal that are being debated:

- It would amend the state Renewable Portfolio Standard.
- It would require municipalities with 5,000 or more customers to establish a net metering program.
- It would require that projects up to 25 kW would have to be considered.
- It would allow municipalities to reimburse customers in a manner they deem appropriate for excess customer generation.
- It would prohibit charging “standby fees”, “lost revenue charges,” or “supplemental charges” not charged to non-solar customers.
- It would require municipalities that turned down a project to “provide a technical and or economic explanation” to the customer.
- It would require utilities to adopt and post small interconnection standards functionally similar to those adopted by the PUC.

Energy Efficiency

The proposed bill would require municipal utilities serving 5,000 or more customers to engage in conservation and energy efficiency programs and to devote funding equal to 1% of sales revenue in their first year, and 2% in their second and subsequent years. However, a utility would be exempt from the requirement in any year in which the utility’s retail electricity sales, in megawatt-hours, fall at least 3% below its sales for the immediately preceding year. The bill requires periodic reports from the utilities to the Governor’s Energy Office.

Utilities Committee – January 17, 2008 - Page 2

Governor's Energy Office (GEO)

The governor's Climate Action Plan calls for the state's electric utilities to reduce greenhouse gas emissions to 20% below 2005 levels by 2020. The GEO would develop funding for PV projects, domestic hot water projects, micro wind projects and grants for energy audits of industrial and large commercial customers. The GEO also would like to make \$2 per watt matching funds available for the installation of solar and other renewable systems by homeowners and businesses. The funds would be available to all utilities. The GEO proposes the development of a system whereby energy efficiency improvements can be funded by the utilities and paid back through monthly bills. These proposals could cost the L&P fund \$250,000 per year.

3. **Light and Power Loan Update** – The Town received an “A+” rating due to an excellent financial record within the L&P fund. The interest rate is a favorable 3.875% for 20 years. The bond issuance totaled \$6,180,000 with soft costs (closing costs, surety bond, etc.) totaling \$146,146.07. This leaves a total of \$6,033,873.93 for construction. Funds were delivered on December 13, 2007 to an account set up in Colo Trust.
4. **Substation Update** – The upgrade to the Mary's Lake Sub-station are scheduled for May through November 2008. Platte River Power Authority's cost estimate was \$3,860,000 and the updated estimate is \$4,033,000.

Water

1. **Water Financial Report** – Dir. Goehring and Finance Officer McFarland reviewed the financial reports.
2. **Membrane Procurement Update** – HDR solicited bids at the end of 2007 from Siemens and General Electric for the procurement of the water filtration membranes. The bids are being evaluated by HDR and a recommendation will be reviewed by the Utilities Committee in February. An equipment pre-purchase of 10-15% would be required after the Notice of Award in March. The construction design would follow based on the physical requirements of the type of filtration chosen. Bids for General Contractor would be requested in April/May with construction beginning in August 2008 through June 2009.
3. **Drinking Water Per-Loan Planning and Design Assistance Grant Acceptance** – The Town and HDR Engineering have applied for a federally funded loan program to aid in the financing of the upgrades to the Town Water System. The Colorado Water Resources and Power Development Authority and the Water Quality Control Division have awarded the Town a \$10,000 grant for the planning costs associated with the development of the Environmental Assessment and/or Engineering Design Documents for the loan application.

MISCELLANEOUS

Mike Mangelsen/Asst. Utilities Dir. stated the Eagle Rock School contacted the Town to participate in Earthfest. A brochure was developed to highlight the energy efficiency measures taken by the Town over the past 25 years. Town staff and a member from Platte River Power Authority will have a booth at the event to answer questions.

Town Administrator Halburnt commented that she would be attending the Public Works/Community Development and Utilities Committee meetings and Deputy Town Administrator Richardson would attend the Community Services (CVB, Senior Center, Museum) and Public Safety Committee meetings.

There being no further business, Chairman Homeier adjourned the meeting at 8:52 a.m.