

RECORD OF PROCEEDINGS

Town of Estes Park, Larimer County, Colorado, May 14, 2009.

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 14th day of May, 2009.

Committee: Chairman Homeier, Trustees Blackhurst and Ericson

Attending: Chairman Homeier, Trustees Blackhurst and Ericson

Also Attending: Town Administrator Halburnt, Deputy Town Administrator Richardson, Utilities Dir. Goehring, Finance Officer McFarland, and Deputy Town Clerk Deats

Absent: None

Chairman Homeier called the meeting to order at 8:00 a.m.

PUBLIC COMMENT

None

PRESENTATION BY PLATTE RIVER POWER AUTHORITY (PRPA) RELATED TO OPTIONS AVAILABLE TO ADDRESS THE GOVERNOR'S CLIMATE ACTION PLAN.

Governor Ritter has developed a Climate Action Plan (CAP) as a strategy to address global warming. The Governor's voluntary program suggests that Colorado's electricity generators consider methods to reduce carbon emissions to 20% below 2005 levels by 2020, and 80% below 2005 levels by 2050. John Bleem, PRPA Customer and Environmental Services Division Manager, presented climate policy options that PRPA may utilize to meet the guidelines included in the Climate Action Plan. Mr. Bleem's presentation included background on climate studies within the scientific community that conclude the climate is warming as a result of human activity; background on Platte River Power Authority and its record of complete environmental compliance in all operations since its inception; a review of PRPA's resources including the highly reliable Rawhide Energy Station, wind projects, and hydropower sites; and summarized PRPA's history of voluntary environmental projects that have been implemented over the past ten years. PRPA hired KEMA, an international climate planning consultant, and will conduct meetings and open houses prior to the development and submission of PRPA's plan to the Governor's Energy Office (GEO) by June 2009. Some of the options being considered by PRPA to meet the goal of reducing carbon emissions by 700,000 metric tons are promoting participation in energy efficiency programs, utilizing renewable energy resources such as wind and solar, and reducing the amount of reserve energy available for sale. Mr. Bleem pointed out that since the provisions of future state and federal legislation regulating emissions reduction are unknown, the impact compliance with these rules and regulations will have on rates is also unclear at this time.

FINANCIAL REPORTS.

1. Light and Power Financial Report – Finance Officer McFarland reviewed the report stating that through 1st quarter 2009 revenues were at 27% of budget and expenses were at 22% of budget. He said that fiscal year 2008 and 2009 are similar with the exception of the timing of the posting of the fourth \$351,000 payment in the Source of Supply category which results in a discrepancy when compared to 2008. Trustee Ericson requested that variances such as this be footnoted and explained in future reports. Currently financial reports are being provided to the Committee on a quarterly basis, and Finance Officer McFarland said that future reports will be accompanied by a detailed cover memo. The pace of revenues is currently flat and Dir. Goehring stated that mild weather during 1st quarter 2009 resulted in less power being sold, as less was needed to

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heat homes. He also noted that PRPA's sales are down across all four member cities leading to the assumption that, due to the economy, customers are being more conscientious about their energy usage. Finance Officer McFarland said that he and Dir. Goehring review and monitor the financial statements on a monthly basis and will bring concerns to the attention of the Committee. Trustee Ericson requested a report containing information related to rate increases over the last five or six years. Dir. Goehring stated that rate increases began in 2002, but that for the 15 years prior to that there were no increases to the rates. He added that information related to projected rate increases over the next five years to cover bond payments will also be provided in the report.

2. Water Financial Report – Finance Officer McFarland reported that expenses are at 25% of budget, that front-loaded costs within the water fund include the payment of most of the source of supply, that activity in the capital portion of the fund is related to the water loan project, and that revenues are on pace to exceed budget.

MISCELLANEOUS.

Dir. Goehring stated that the Mary's Lake Water Treatment plant is approximately 11 weeks behind schedule and that two temporary treatments units are in place and operating. The Committee requested they be provided with monthly reports on the progress of the treatment plant project.

There being no further business, Chairman Homeier adjourned the meeting at 9:08 a.m.

Cynthia A. Deats, Deputy Town Clerk