



Council may take formal action on any item appearing on this Agenda. However, formal action WILL NOT be taken at this meeting on any item of business first identified during the course of the meeting as a change to the Agenda, other business, or Citizen, Councilmember and Staff Comments.

A G E N D A

**Delta City Council
Regular Meeting**

**October 18, 2016
7:00 p.m.**

- A. Pledge of Allegiance**
- B. Changes to the Agenda**
- C. Minutes**
- D. Citizen Comments**
- E. Appoint Members to the Youth Council**
- F. Resolution #10, 2016; Intergovernmental Agreement with the Delta Urban Renewal Authority**
- G. Approval to Submit a Community Development Block Grant Application for Blight Remediation**
- H. Purchase and Acquisition of the 2016 Garnet Mesa Electric System and Customers from Delta Montrose Electric Association**
- I. Ordinance #9, 2016; First Reading
Amending 13.04 of the Delta Municipal Code**
- J. City Attorney Comments**
- K. City Manager Comments**
- L. Councilmember Comments**

Item A:

Pledge of Allegiance



Item B:

Changes to the Agenda

Mayor Pro Tem Ron Austin called the meeting to order at 7:00 p.m. Also present were Councilmembers Christopher Ryan and Gerald Roberts, along with City Manager David Torgler. A meeting notice was posted in the south window at City Hall at least twenty-four hours prior to the meeting.

Pledge of Allegiance

The Mayor Pro Tem led everyone present in the Pledge of Allegiance.

Changes to the Agenda

There were none.

Minutes

It was moved by Councilmember Roberts and seconded by Councilmember Ryan to approve the minutes of the September 20, 2016 regular meeting, as submitted by the Clerk. All in favor, motion carried.

Citizen Comments

There were none.

Public Hearing: Community Development Block Grant; Blight Remediation

The Mayor Pro Tem recessed the regular meeting and convened a public hearing.

The public hearing was held for the application of a Community Development Block Grant.

The Mayor Pro Tem called for public comment and when there was none he closed the public hearing and reconvened the regular meeting.

Resolution #8, 2016; Vision Statement

Resolution #8, 2016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DELTA,
COLORADO, AMENDING AND APPROVING THE CITY OF DELTA VISION
STATEMENT

was read by the Clerk.

It was moved by Councilmember Ryan and seconded by Councilmember Roberts to adopt Resolution #8, 2016 adopting the vision statement. Roll call vote: Councilmember Ryan, aye; Roberts, aye; and Austin, aye. Motion carried.

Approval to Adopt the Strategic Plan

Mayor Pro Tem Austin stated that the Council reviewed this during the work session that preceded this meeting.

It was moved by Councilmember Roberts and seconded by Councilmember Ryan to approve the strategic plan. All in favor, motion carried.

Repair of Centrifuge at the Wastewater Treatment Plant

Utilities/Public Works Director Steve Glammeyer explained that staff originally received Council approval to contract with Dairy Specialists West/Nutrifuge to repair the centrifuge unit at the WWTP for the amount of \$39,650. The good news is that we are saving approximately \$3,000 from the original estimate to repair the rotating assembly once the contractor was able to open up the unit for inspection. However, several things have occurred that have increased the amount of that repair since the original approval in August. The contractor estimated the repair of the motor (rotodiff) to include an exchange for an old obsolete unit that was in stock assuming the internal components running the motor were in working order. Once the contractor was able

Regular Meeting, Delta City Council, October 4, 2016 (cont.)

Repair of Centrifuge at the Wastewater Treatment Plant (cont.)

to open the unit and inspect the motor, it was determined that the components that run the motor are not working properly and are causing intermittent overheating of the unit. Those internal parts and old type motor are now obsolete (this unit was installed originally in 2005). Therefore, we are now required to install a newer motor and internal parts causing an increase in cost from \$15,500 to \$34,500 or a total increase of \$19,000. We have also seen an increase in the original amount estimated for shipping in order to get the unit out and back as quick as possible. This unit is critical to our operations and we need it as quick as we can get it. We hope to shave some of this cost as we get the unit shipped back.

Additionally, there was a massive failure of the crane and trolley system originally installed to remove the unit for repair. The trolley I-beam failed as we were preparing to move the unit out of the building to load for transport. The unit hit hard onto the concrete driveway. This required that we have the entire unit inspected for additional damages which cost us \$2,650.00. During that inspection, it was determined that the main motor suffered bearing damage due to this fall and required repairs cost \$886.00. Staff is seeking a claim with CIRSA and possible restitution from the original design engineers for the additional repairs. Staff will also need to have a new crane and trolley system designed in order to move the unit in and out for repairs in the future.

Director Glammeyer stated that there are unspent monies available to pay for the additional costs. He recommended that Council approve an additional amount of \$23,455.

Councilmember Ryan thanked staff for all their work getting Council the information.

Director Glammeyer recognized Andy Mitchell who did a lot of the work.

There was discussion on the equipment and why it is critical for the operation.

It was moved by Councilmember Roberts and seconded by Councilmember Ryan to approve a not to exceed amount of \$63,105 to Dairy Specialists West/Nutrifuge for the repair to the centrifuge system. All in favor, motion carried.

Resolution #9, 2016; Approval of a Youth Council

City Manager David Torgler stated that Council approved staff to move forward with the youth council. This resolution will establish the youth council.

It was moved by Councilmember Roberts and seconded by Councilmember Ryan to adopt Resolution #9, 2016. Roll call vote: Councilmember Ryan, aye; Roberts, aye; and Austin, aye. Motion carried.

Street Closure Permit; Parade of Lights

The Clerk reported that the Delta Area Chamber of Commerce has submitted an application for a street closure permit for the parade of lights. The parade of lights will be held on November 26, 2016 which is one week earlier than past years. The application is complete and all requirements have been met.

Darnell Place-Wise, Executive Director of the Delta Area Chamber of Commerce, stated that the Chamber wanted to capitalize on small business Saturday.

It was moved by Councilmember Ryan and seconded by Councilmember Roberts to approve the street closure permit for the Delta Area Chamber of Commerce Parade of Lights on November 26, 2016. All in favor, motion carried.

Ordinance #8, 2016; Second and Final Reading
Amending 17.04.240 of the Delta Municipal Code Establishing Utility Locations

Ordinance #8, 2016

AN ORDINANCE OF THE CITY OF DELTA, COLORADO,
AMENDING SECTION 17.04.240 OF THE DELTA MUNICIPAL
CODE

was read by the Clerk.

Regular Meeting, Delta City Council, October 4, 2016 (cont.)

**Ordinance #8, 2016; Second and Final Reading
Amending 17.04.240 of the Delta Municipal Code Establishing Utility Locations (cont.)**

It was moved by Councilmember Roberts and seconded by Councilmember Ryan to adopt Ordinance #8, 2016 on second and final reading. Roll call vote: Councilmember Ryan, aye; Roberts, aye; and Austin, aye. Motion carried.

City Attorney Comments

There were none.

City Manager Comments

City Manager David Torgler requested that Utilities/Public Works Director Steve Glammeyer update Council on a few items.

Director Glammeyer reported that he attended the Colorado Department of Transportation's annual meeting for the western slope area. CDOT has updated their budget. The city does have a grant application for the trail under the bridge. CDOT has received 13 applications to review. The announcement should be in November.

He also updated Council on the truck route. Staff is working on filing a petition with CDOT to designate the truck route as a hazmat route. The truck route is already permitted for oversized vehicles. There currently are traffic counters that are collecting data to submit with the petition application. He stated that the truck route was built to CDOT standards and trucks are allowed to use it.

Mayor Pro Tem Austin stated that the more CDOT is involved that could only help down the road.

Councilmember Ryan questioned if this petition process will help with the ownership transfer of the truck route.

Director Glammeyer stated that it might help but does not have anything to do with the transfer.

Director Glammeyer then updated Council on the Delta Montrose Electric Association (DMEA) lawsuit. DMEA has 42 days to appeal the Court of Appeals decision and that date has come and gone so that case is now closed.

Mayor Pro Tem Austin thanked staff for all their efforts during the lawsuit.

Director Glammeyer also stated that the fall cleanup will be starting on October 17, 2016.

Manager Torgler stated that there will be a work session scheduled on October 11, 2106 at 5:30 p.m. to go over the budget process.

Councilmember Comments

Councilmember Ryan recognized Sheryl Trent for her help with the strategic planning. He thanked David Torgler for his efforts in communicating with the Council to keep them updated on items.

Mayor Pro Tem Austin, also stated that he appreciates David Torgler as the City Manager.

The meeting was adjourned at 7:31 p.m.

Item D:

Citizen Comments





360 Main St. • Delta, Colorado 81416 • Phone (970) 874-7566 • Fax (970) 874-8776

October 18, 2016

TO: Mayor and City Councilmembers

FROM: Matt Hirschinger, Administrative Intern

RE: City of Delta Youth Council Appointments

Recommendation:

Staff recommends that City Council appoints the following individuals to the City of Delta Youth Council:

- Jaspe Arias (Sophomore)
- Reagan Clay (Sophomore)
- Claire Corbasson (Sophomore)
- Ashley Frentzel (Senior)
- Logan Goodrich (Senior)
- Sameha Haque (Sophomore)
- Meysa Mulford (Senior)
- Hannah Owens (Senior)
- Kaylie Rankin (Senior)
- Kayla Teel (Sophomore)

Background:

At the October 4th, 2016 Council Meeting, Council unanimously passed Resolution #9 establishing a Youth Council. Resolution #9 further established that the Youth Council has eleven members appointed by the City Council. The above ten Delta High School students have applied to be members of the Youth Council.

All ten students have signed an *Interest and Commitment Agreement* to commit to the Youth Council through the school year, to attend the meetings, and to meet the goals set forth in Resolution #9. Each student is recommended by the school's representative, Shawn Magtutu.

Action:

Per Resolution #9 an appointment is for one year and in the future will be made annually in September. To align these appointments should be made effective through September 1, 2017.

Next Steps:

Once the Youth Council members are appointed, the Youth Council can move forward with selecting its Chair and Vice Chair, determining bi-monthly meeting times and place, develop policies and procedures and establish roles and responsibilities for individual Youth Council members.

RESOLUTION # 10, 2016

A RESOLUTION OF THE DELTA CITY COUNCIL AUTHORIZING THE EXECUTION OF THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF DELTA AND THE DELTA URBAN RENEWAL AUTHORITY

WHEREAS, the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 (the “Urban Renewal Law”) provides for urban renewal of slums and blighted areas; and

WHEREAS, the Delta Urban Renewal Authority (the “Authority”) is a duly constituted urban renewal authority, established and operating pursuant to the laws of the State of Colorado, and in particular the provisions of C.R.S. § 31-25-104; and

WHEREAS, the City of Delta (the “City”) is a Colorado home-rule municipal corporation, established and operating pursuant the Article XX of the Colorado Constitution; and

WHEREAS, Colorado law, C.R.S. § 29-1-201 *et seq.*, authorizes and encourages local governments to contract with one another to provide any function, service, or facility, and C.R.S. § 31-25-112, provides that the City may cause funds and administrative or other services to be expended or furnished to the Authority; and

WHEREAS, in order to further the purposes of the Urban Renewal Law, the Authority and the City have negotiated an intergovernmental agreement (the “IGA”) regarding the sharing of City staff and the reimbursement of third party out of pocket costs incurred by the City on behalf of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE DELTA URBAN RENEWAL AUTHORITY:

Section 1. The foregoing recitals are incorporated herein by this reference.

Section 2. The Authority hereby approves the IGA negotiated by the Authority and the Town in order to appropriately administer the Authority and effectively accomplish the goals of eliminating blight and preventing injury to the public health, safety, morals, and welfare of the residents of the City.

Section 3. The Executive Director of the Authority is authorized and directed to execute the IGA on behalf of the Authority.

Section 4. This Resolution shall be effective immediately upon its adoption.

Adopted this 18th day of October, 2016.

City of Delta

By: _____
Edward C. Sisson, Mayor

ATTEST:

City Clerk

**BYLAWS
OF
DELTA URBAN RENEWAL AUTHORITY**

ARTICLE I – THE AUTHORITY

Section 1. Name of Authority. The name of this urban renewal authority shall be the “Delta Urban Renewal Authority”, which authority was established by Resolution #14, 1985, on August 13, 1985, by the City Council of the City of Delta (the “City Council”). The Delta Urban Renewal Authority shall be referred to in these Bylaws as the “Authority.”

Section 2. Office of Authority. The office of the Authority shall be 360 Main Street, Delta, CO 81416, or at such other place in the City of Delta (the “City”), Colorado as the Authority may direct.

Section 3. Authority to Enact Bylaws. The Authority is authorized by C.R.S. § 31-25-105(1)(a) to make and adopt bylaws, orders, rules, and regulations to effectuate the purposes of Part 1 of Article 25 of Title 31, Colorado Revised Statutes (the “Urban Renewal Law”).

ARTICLE II – OFFICERS

Section 1. Commissioners. In accordance with C.R.S. § 31-25-115(1), and pursuant to Resolution #14, 1985, the City Council, comprised of five (5) members, including the Mayor of the City, designated itself to serve as the Authority, and the City Council continues to serve as the Authority and may take any actions necessary or permitted by Urban Renewal Law

Per C.R.S. § 31-25-104(2.5), prior to the modification of an existing urban renewal plan or adoption by the City of a new urban renewal plan, the Authority Board of Commissioners (the “Commissioners”) shall consist of:

- (a) Five Commissioners who are the elected members of the City Council, including the Mayor of the City, the numbers and terms of which shall coincide with the terms of office for the City Council;
- (b) A Commissioner appointed by the Delta County Board of County Commissioners, whose term of office as a Commissioner shall be as established by the Delta County Board of County Commissioners;
- (c) A Commissioner who is a board member of a special district selected by agreement of the special districts levying a mill levy within the boundaries of the Authority area, whose term of office as a Commissioner shall be as established by the agreement of the special districts;
- (d) A Commissioner who is an elected member of the Delta County School District 50J board of education, the school district levying a mill levy within the boundaries of the Authority area, appointed by the Delta County School District 50J, whose term of office as a Commissioner shall be as established by the Delta County School District 50J; and

- (e) If the number of Commissioners pursuant to section (a) – (d) above causes the Authority to have an even number of Commissioners, the Mayor shall appoint an additional Commissioner to restore an odd number of Commissioners to the Authority, whose term of office as a Commissioner shall be for five (5) years.

Section 2. Compensation. No Commissioner shall receive compensation for his or her services, but shall be entitled to necessary expenses, including travel expenses, incurred in the discharge of his or duties as a commissioner pursuant to C.R.S. § 31-25-104(2)(b).

Section 3. Officers. The officers of the Authority shall be a Chairperson, Vice Chairperson, Secretary and Executive Director. The Mayor of the City shall serve as the *ex officio* Chairperson of the Authority. The Mayor Pro-Tem of the City shall serve as the *ex officio* Vice Chairperson of the Authority. The City Manager of the City shall serve as the *ex officio* Executive Director of the Authority. The City’s Director of Community Development as the *ex officio* Deputy Director of the Authority. The Finance Director of the City shall serve as the *ex officio* Treasurer of the Authority. The City Clerk of the City shall serve as the *ex officio* Secretary of the Authority.

Section 4. Chairperson. The Chairperson shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chairperson shall sign all agreements, contracts, deeds, and other instruments made by the Authority.

Section 5. Vice Chairperson. The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson and in case of the resignation or the death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as the Chairperson is replaced.

Section 6. Temporary Chairperson. In the absence of both the Chairperson and Vice Chairperson, the Commissioners may appoint an acting chairperson to preside at any meeting of the Authority.

Section 7. Executive Director. The Executive Director of the Authority shall oversee the day-to-day operations of the Authority, including the administration of the Authority’s business and affairs and shall be authorized to sign agreements, contracts, deeds, conveyances, and checks for the payment of money and other documents made by the Authority on behalf of the Authority subject to the discretion of the Authority. The Executive Director shall serve as an advisor to the Authority and may serve on committees or in other capacities consistent with the Urban Renewal Law as the Commissioners may determine; provided, however, that the Executive Director shall not be considered a Commissioner of the Authority within the meaning of the Urban Renewal Law, any other applicable law, or these Bylaws, and shall not be permitted or required to act in the capacity of a Commissioner at any time.

Section 8. Deputy Executive Director. The Deputy Executive Director shall perform the duties of the Executive Director in the absence or incapacity of the Executive Director and in case of the resignation or the death of the Executive Director, the Deputy Executive Director

shall perform such duties as are imposed on the Executive Director until such time as the Executive Director is replaced.

Section 9. Treasurer. The Treasurer shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Authority may select. The Treasurer shall sign all orders and or checks for the payment of money and shall pay out and disburse such moneys under the discretion and direction of the Authority. Except as otherwise authorized by resolution of the Authority, all such orders and checks shall be countersigned by the Executive Director. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Authority, as requested, an account of the transactions and also of the financial condition of the Authority. The Treasurer shall prepare and submit the Authority's annual budget pursuant to the Local Government Budget Law of Colorado at Part 1 of Article 1 of Title 29, Colorado Revised Statutes. The Treasurer shall give such bond for the faithful performance of her/his duties as the Authority may designate.

Section 10. Secretary. The Secretary shall keep the records of the Authority, shall act as secretary at the meetings of the Authority and record all votes, keep a record of the proceedings of the Authority and perform all duties incident to this office. The Secretary shall keep in a safe custody all Resolutions, contracts and instruments entered into by the Authority.

Section 11. Legal Counsel for the Authority. The Authority may employ an attorney or attorneys licensed to practice in the state of Colorado to provide legal counsel to the Authority and the Executive Director on issues relating to the Urban Renewal Law and other general and special legal matters of interest to the Authority.

Section 12. Additional Personnel. The Authority may from time to time employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the Urban Renewal Law, and all other laws of the State of Colorado and the City.

ARTICLE III – MEETINGS

Section 1. Meetings. Meetings of the Authority shall be held at such times and places as may be called by the Chairperson of the Authority when he or she deems it necessary or upon the written request of three commissioners of the Authority to the Executive Director. The notice for the meeting shall be twenty-four (24) hours written notice to each Commissioner, served personally or left at his/her usual place of residence or place of business, but a meeting may be held on shorter notice if all Commissioners are present or have waived notice thereof in writing. At a meeting, no business shall be considered other than as designated in the notice, but if all of the Commissioners of the Authority are present at a special meeting, any business which may lawfully come before the Authority may be transacted. Provided that reasonable efforts are made to contact a Commissioner as provided in this Section 1, failure of a Commissioner to receive notice shall not invalidate any meeting. Notice must be posted prior to such meetings as required by the Colorado Open Meetings Law, Part 4 of Article 6 of Title 24, Colorado Revised Statutes.

Section 2. Quorum. A majority of the Commissioners (excluding any vacancies) shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained.

Section 3. Order of Business. The order of business for meetings of the Authority shall be determined by the Authority, although the following order shall typically be used as a guide for the Authority's order of business:

1. Call to Order
2. Roll Call
3. Consideration of minutes of the previous meeting
4. Consideration of Resolutions
 - a. Public hearings
 - b. General business
5. Other business
6. Adjournment

All actions taken by the Authority shall be recorded in the official minutes of proceedings of the Authority. An opportunity for general public comment on matters not listed on the agenda may, at the discretion of the Chairperson, be provided to persons in attendance at any meeting of the Authority.

Section 4. Manner of Voting. The voting on all questions before the Authority shall be by voice or by show of hands unless a roll call vote is requested by any Commissioner of the Authority or required by law. The yes votes, no votes and abstentions shall be entered in the minutes of each meeting. Every Commissioner of the Authority, when present, must vote unless excused from voting on matters involving the consideration of his or her own official conduct or when his or her personal or financial interest is involved. Any Commissioner of the Authority must state at the time of abstention the reason for abstention.

ARTICLE IV – CONFLICT OF INTEREST

The conflict of interest provision of the Urban Renewal Law found at C.R.S. § 31-25-104, as amended, applies to the Authority and is restated here as follows:

No Commissioner, other officer, or employee of the Authority nor any immediate member of the family of any such Commissioner, officer, or employee shall acquire any interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall he or she have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any project. If any Commissioner, other officer, or employee of the Authority owns or controls an interest, direct or indirect, in any property included or planned to be included in any project, he or she shall immediately disclose the same in writing to the Authority, and such disclosure shall be entered upon the minutes of the Authority. Upon such disclosure, such Commissioner, officer, or other employee shall not participate in any action by the Authority affecting the carrying out of the

project planning or the undertaking of the project unless the Authority determines that, in the light of such personal interest, the participation of such Commissioner in any such act would not be contrary to the public interest. Acquisition or retention of any such interest without such determination by the Authority that it is not contrary to the public interest or willful failure to disclose any such interest constitutes misconduct in office.

ARTICLE V – POWERS

Section 1. General Powers. The Authority shall have all of the general powers of such an authority granted to it under the Urban Renewal Law.

Section 2. Acquisition of Real Estate. The Authority may expend monies for the acquisition of real estate, or interests therein, and utilize the laws of eminent domain for such acquisition purposes; provided however, such acquisition of real estate shall be for the purpose of effecting a redevelopment project or urban renewal project specifically approved by the Commissioners.

ARTICLE VI – GIFTS

The Colorado Gift Law found at C.R.S. § 24-18-104, as amended, applies to the Authority and is restated here as follows:

Proof beyond a reasonable doubt of commission of any act enumerated in this section is proof that the actor has breached his fiduciary duty and the public trust. A public officer, a member of the general assembly, a local government official, or an employee shall not: [...] Accept a gift of substantial value or a substantial economic benefit tantamount to a gift of substantial value:

- (I) Which would tend improperly to influence a reasonable person in his position to depart from the faithful and impartial discharge of his public duties; or
- (II) Which he knows or which a reasonable person in his position should know under the circumstances is primarily for the purpose of rewarding him for official action he has taken.

Definitions. As used in Article VI – GIFTS of these Bylaws, the definitions are as found at C.R.S. § 24-18-104, as amended.

ARTICLE VII - AMENDMENTS

These Bylaws may be amended only by an affirmative vote of two-thirds of the membership of the Commissioners at any regularly scheduled or special meeting of the Authority.

[Signatures on following page]

APPROVED AND ADOPTED:

By: _____
Edward C. Sisson, Chairperson

Date: _____

APPROVED AS TO FORM:

By: _____
Caitlin S. Quander, Authority Counsel



October 18, 2016

TO: Mayor and City Councilmembers

FROM: David Torgler, City Manager

RE: Community Development Block Grant Application

Recommendation:

Staff is recommending that the City Council apply for a \$507,000 Community Development Block Grant (CDBG) for blight remediation projects and commit to a local match of 20% (\$101,400).

Background:

City staff has been advised by DOLA officials that there is the strong possibility the City would be eligible for an out-of-cycle USDA grant in the amount of approximately \$507,000 that must be used for blight remediation projects; e.g. site acquisition, site assessment, environmental assessment and remediation, professional services, site stabilization, remediation, demolition and documentation. The City must commit a local match equal to 20% - 25% to qualify for this grant. Due to limited local funds staff is recommending a 20% match or approximately \$101,400.

Because funding is from the federal government there are certain limitations and requirements for the use of these funds. One requirement is that properties to be acquired must receive notice that their property is being considered for acquisition before the grant application is submitted. Another requirement is that properties to be acquired cannot be acquired through eminent domain. Other requirements to use these funds include, but are not limited to, the application of wage requirements, review by the State Historic Preservation Office (SHPO), EEO documentation, bidding requirements, meeting state and federal remediation requirements.

This grant opportunity can be used for the acquisition and clean-up of one or more properties. Staff has identified five properties that will meet the blight requirements and are located in or near downtown Delta that should be prioritized by the City Council for acquisition, demolition and site remediation. Staff recommends a discussion with the City Council regarding how these sites can be acquired, cleaned-up and redeveloped as part of a prioritization process.

This is urban renewal, and can be linked to the City's urban renewal projects through DURA.

The City Council can work with DURA to fund the proposed local match once DURA has funds available, and work on project timing with DURA that will maximize TIF benefits to fund DURA activities. If the successful project(s) are within close proximity to the proposed DURA Gateway and river activation projects then TIF proceeds from the CDBG funded projects can be used to provide funding for these other urban renewal projects provided that they are included within the urban renewal project plan area.

Cost:

The City must commit a local match equal to 20% - 25% to qualify for this grant. Due to limited local funds staff is recommending a 20% match or approximately \$101,400. As discussed above, by the City Council reaching an agreement with DURA it is possible for DURA to reimburse the City of Delta for local match expenses.

Alignment with Strategic Planning:

Applying for these funds is in alignment with several core priorities of the City including, but not limited to: maintaining financial stability, Delta pride, and keeping and improving the quality of life in Delta. The City's Mission is to *Preserve and enhance our community through collaborative efforts providing services that improve the quality of life*. Working with DOLA and DURA on these urban renewal project(s) is in alignment with the City's Mission. The City's Vision: *Destination Delta: An All-America City in the heart of western Colorado with community spirit and abundant natural resources that fosters responsible economic growth and prosperity to create an attractive and vibrant rural community for residents, business owners and visitors of all ages*. The proposed urban renewal projects are in alignment with the City's Vision.

Actions to be Taken if Approved:

Following completion of a public hearing for the Community Development Block Grant to provide funding for blight remediation staff will notify owners of properties identified as being of interest for acquisition and then the City Council will need to approve the CDBG application for funding. The City Council will need to provide funding in the 2017 City of Delta Budget as local match. The City Council will need to meet with DURA to discuss if the proposed urban renewal activities can be part of DURA's project plans and if DURA will provide reimbursement to the City for urban renewal expenses.

MEMO

To: City Council
From: Steve Glammeyer, Utilities Director
Date: October 18, 2016
Subject: Purchase and Acquisition of the 2016 Garnet Mesa Electric System and Customers from DMEA



Utilities Department

Recommendation:

It is recommended that the Council approve payment to Delta Montrose Electric Association (DMEA) for the 2016 Garnet Mesa acquisition in the amount of \$128,834.57. See attached map for the area being acquired.

Background:

During the 2015 budget process, staff included money to continue acquisition of facilities and customers in the Garnet Mesa area. Staff informed DMEA in April of the City's intentions to acquire facilities as indicated on the attached map. The total number of acquired customers for this acquisition is approximately 73. Acquisition of facilities and customers need to follow the State Statute for fair compensation.

Staff has been working on fair compensation and negotiating provisions of the statute since that request in April. The statute provides for compensation of loss of revenue to DMEA for existing and new services over a period of 10 years. More specifically, the statute requires payment annually of 25% of the revenue received by the City for each existing service in the area and 5% of the revenue received annually by the municipality from the sale of electric power to services that come into existence in the area for a period of 10 years from the date of acquisition. Staff is prepared to track those costs and will budget funds to pay this annually.

Cost for the actual facilities and manpower necessary to close this deal are also a required to be paid by the City. Those numbers were calculated by DMEA and are attached for your review. Staff feels these numbers are reasonable and represent fair compensation.

All of this information is captured in the attached agreement, exhibits, and invoice. Staff has reviewed the agreement and is ready to execute with your approval.

Cost:

Total cost of the acquisition includes \$105,734.57 for the facilities, \$23,100.00 DMEA man-hours for a total acquisition cost of \$123,834.57. This cost falls well below the budgeted amount for 2016 of \$320,000.

Alignment With Strategic Planning:

It has been the direction of the City Council to continue to invest in the Municipal Light and Power department, as established by the City Charter, by acquiring accounts and customers from

Delta Montrose Electric Association as allowed by State Statute and as provided for in the budget appropriations.

Actions To Be Taken if Approved:

Staff will sign the agreement, pay the invoice, and begin the work of moving the facilities over to our system. We anticipate having the majority of the customers moved to our system by December 31, 2016, if this is approved tonight.



Delta-Montrose Electric Association

11925 6300 Rd
PO Box 910
Montrose, CO 81402

A Touchstone Energy Cooperative

STATEMENT: 31838

Statement Date: 10/01/2016

CITY OF DELTA
ATTN: STEVE GLAMMEYER
360 MAIN STREET
DELTA CO 81416

Total Due:	128,834.57
Current Due:	0.00
1 - 29 Past Due:	0.00
30 - 59 Past Due:	0.00
60 - 89 Past Due:	128,834.57
90 & Over Past Due:	0.00

Account: 5080

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Date	Invoice	Description	Amount
		PREVIOUS BALANCE:	128,834.57
		Total Due:	128,834.57

Messages

QUESTIONS ABOUT YOUR INVOICE, CALL
1-877-687-3632.

RETURN BOTTOM PORTION WITH PAYMENT



Delta-Montrose Electric Association

11925 6300 Rd
PO Box 910
Montrose, CO 81402

A Touchstone Energy Cooperative

Statement Date:	10/01/2016	Total Due:	128,834.57
Statement:	31838	Amount Enclosed:	<input type="text"/>
Account:	5080		

CITY OF DELTA
ATTN: STEVE GLAMMEYER
360 MAIN STREET
DELTA CO 81416

Remit To:
DELTA-MONTROSE ELECTRIC ASSOC.
PO BOX 910
MONTROSE CO 81402

2016 DMEA acquisition's

- 73 new residential electric customers.
- Purchase Price to DMEA is \$128,834.57
- Average cost per new customer is \$1,764.85
- Annual Increase in revenue after payment of 25% revenue to DMEA and cost of wholesale power to MEAN \$35,760.00

Acquisition Price Breakdown

- \$105,734.57 for facilities
- \$7,854.00 for DMEA crew's field work during acquisition.
- \$14,414.40 for DMEA's staff to Inventory sales and Depreciation calculations.
- \$831.60 for DMEA's Management and Legal review.

City of Delta and DMEA Electrical Service Territories January, 2016



Legend

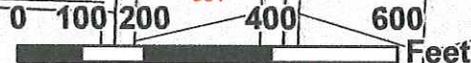
Electrical Service Territories

- DMEA Customers
- City Electrical Service, 2016
- Proposed 2016 acquisition

City of Delta GIS Data Disclaimer

These data are being provided on an "as is" basis and may contain errors of content, completeness and positional accuracy. Data are retrieved from several sources, federal, state, county and municipal agencies. The City of Delta specifically disclaims any warranty, either expressed or implied, including, but not limited to the use of the data for establishing legal title, boundary lines, precise location of improvements, ownership, maintenance easements or public right-of-ways. The entire risk as to quality and performance of the data is with the user. In no event will the City of Delta or its staff be liable for any direct, indirect, incidental, special, consequential, or other damages arising out of the use of these data.

If you have questions concerning these data, you should contact the Community Development Department, GIS, at (970) 874.7566 extension 230 or by email at frank@cityofdelta.net





We energize and serve our communities

June 27, 2016

City of Delta
360 Main Street
Delta, Co 81416

Attn: Steve Glammeyer

Re: Acquisition of Facilities, "Young Estates and Viente Estates"

Dear Mr. Glammeyer,

Within the municipal boundaries of the City of Delta (City), the City has requested acquisition of 73 meters within the "Young Estates and Viente Estates" subdivisions (see attached map). In accordance with Colorado Revised Statute 40-9.5-204, this letter provides the cost of just compensation to Delta-Montrose Electric Association (DMEA) for those electric facilities:

- The present day reproduction cost, new, of the electric distribution facilities being acquired; less depreciation computed on a straight-line basis over thirty five years with such depreciation being limited to one-half of such cost is **\$105,734.57**.
- Labor cost for the inventory of plant, engineering fees, transfer of meters, crew time for reintegration, administrative costs and legal counsel is **\$23,100.00**.
- Your total cost for the Acquisition of the facilities is **\$128,834.57**.

Also, pursuant to C.R.S. 40-9.5-204, for a period of ten (10) years following the date of acquisition please provide the following:

- Payment of twenty-five percent (25%) of gross revenue received by the City along with documents verifying power sales for all acquired customers.
- Payment of five percent (5%) of gross revenue for any additional new services acquired within the acquisition area.

Attached is the Asset Acquisition Agreement and Invoice for the acquisition. Once the acquisition is finalized, DMEA will coordinate the transfer of facilities with the City.

Sincerely,



Jasen Bronec
CEO
Delta-Montrose Electric Association



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ASSET ACQUISITION AGREEMENT

BETWEEN

CITY OF DELTA

AND

DELTA-MONTROSE ELECTRIC ASSOCIATION

This Agreement is made and entered into as of _____, 2016, by and between Delta-Montrose Electric Association ("DMEA"), a cooperative organized and existing under the laws of the State of Colorado, and the City of Delta ("City"). Reference may be made to either DMEA or City as a "Party," or collectively as the "Parties."

Recitals

A. DMEA is engaged in transmitting and distributing power and energy to its consumers in Delta and Montrose counties.

B. DMEA provides, transmits and distributes power and energy to the Young Estates and Viente Estates within the incorporated area of the City. The City has exercised its right to acquire from DMEA its service rights and associated assets located on Garnet Mesa in the Young Estates and Viente Estates area, as reflected on Exhibit 3 hereto ("Young Estates and Viente Estates"), pursuant to the provisions of C.R.S. 40-9.5-204.

C. This Agreement is intended to provide for the acquisition of the Young Estates and Viente Estates in accordance with its terms.

Now, therefore, in consideration of the Recitals above and the mutual covenants below, the adequacy of which are acknowledged, the Parties agree as follows:

1. Effective Date. The Effective Date shall mean the date on which the City acquires title to the Young Estates and Viente Estates assets subject to the terms and conditions herein. It is agreed that the Effective Date shall occur no later than November 1, 2016.

2. Purchase Price. The Parties have reviewed the statutory provisions of C.R.S. 40-9.5-204(1)(a)-(b), and using that criteria agree that the total cost for this acquisition is \$128,834.57 calculated as follows:

A. The value of the electric distribution assets in the Young Estates and Viente Estates Service Territory is agreed to be \$105,734.57 – which represents the present day reproduction costs of the assets, less depreciation on a straight line basis over thirty five (35) years.

B. Cost of construction necessary to reintegrate the DMEA system located outside the Young Estates and Viente Estates Service Territory, including inventory of plant, engineering fees, transfer of meters, crew time, administrative fees and legal counsel @ 250 man-hours - \$23,100.00.

C. Within five business days of the Effective Date, DMEA will issue the invoice attached as Exhibit 4 and the City will pay to DMEA within five business days thereafter the sum of \$128,834.57 for current plant and associated labor expenses.

3. **Additional Payments.** Having reviewed the statutory provisions of C.R.S. 40-9.5-204(1)(c)-(d), the parties further agree that on the anniversary date of the Effective Date each year for a period of ten (10) years, the City will provide to DMEA documentation showing annual gross power sales for those customers in the Young Estates and Viente Estates who received service from DMEA prior to the Effective Date ("Existing Customers"), and shall pay DMEA a sum equal to twenty-five percent (25%) of the gross sales to those Existing Customers. The City shall, at the same time, provide to DMEA documentation showing annual gross power sales to all new retail electric accounts in the Young Estates and Viente Estates, which began service after the Effective Date ("New Customers"), and shall pay DMEA a sum equal to five percent (5%) of the gross power sales to those New Customers.

4. **Responsibility for Service.** As of the Effective Date, DMEA shall not be responsible for transmitting and distributing power and energy to consumers in the acquired area and the exclusive right and responsibility for the same shall be assumed by the City. DMEA shall bill its customers within the Young Estates and Viente Estates for costs of power through the date prior to the Effective date, and the City shall bill those customers for power delivered beginning as of the Effective Date.

5. **Liabilities and Hold Harmless.** To the extent permitted by law, DMEA will be responsible for facilities it owns and operates and for providing service to the Young Estates and Viente Estates prior to the Effective Date and DMEA shall hold harmless the City, including its officers, directors, employees, and agents, from any claim arising from the acquired assets or delivery of such power prior to the Effective Date, except when the act or omission of the City or its agents was a proximate cause of the loss or injury. To the extent permitted by law, the City will be responsible for facilities it owns and operates and for providing service to the Young Estates and Viente Estates as of and after the Effective Date and the City shall hold harmless DMEA, including its officers, directors, employees, and agents, from any claim arising from the delivery of such power, except when the act or omission of DMEA or its agents was a proximate cause of the loss or injury.

6. **Mutual Assistance.** During the transition between service being provided by DMEA and the City, the Parties will cooperate in the operations of their respective facilities and will to the extent possible coordinate any necessary interruption in service in a manner which causes the minimum of disruption to the customers of the Young Estates and Viente Estates.

7. **Modification of Agreement.** This Agreement may be modified, amended, or altered only with the written agreement of the Parties. It shall not set a precedent of any nature, kind or consequence in regard to any future agreement between the Parties.

8. **Property.** DMEA represents and warrants that it has good, marketable, and transferable title to the Assets conveyed to the City under this agreement. The Assets are free and clear of all encumbrances except for that Mortgage granted by DMEA in favor of the United States of America Rural Utilities Service (RUS), CoBank, ACB (CoBank), and National Rural Utilities Cooperative Finance Corporation (CFC) recorded in Delta County on October 9, 2002 in Book 952 at Page 558, and as supplemented by instruments recorded at Reception #591977 and #632347, and by a Financing Statement recorded with the Colorado Secretary of State at instrument #200221128872 and as supplemented in Instrument #20052061380, #20092018037 and #210204857; and by a Supplemental Mortgage and Security Agreement granted by DMEA in favor of RUS, CoBank, and CFC recorded in Delta County on November 20, 2015 at Reception #684227, and by a Financing Statement Amendment recorded with the Colorado Secretary of State at instrument #20152106490. DMEA shall remain solely responsible for the repayment of any indebtedness secured by the Assets, and shall indemnify and hold the City harmless for all liability for the payment of such indebtedness. All the Assets are in good operating condition and repair, ordinary wear and tear excepted. There are no other agreements, oral or written, pursuant to which DMEA grants to any third party the right to have, occupy or use any of the Assets or creates any obligation of DMEA, or a third party with respect to the Assets.

9. **Exhibits.** Attached to this Agreement are the following Exhibits:

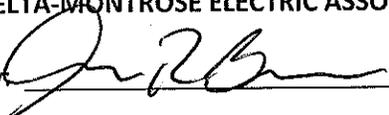
- Exhibit 1 – Labor Hour Details
- Exhibit 2 – Bill of Sale
- Exhibit 3 – Assets (Spreadsheets and Maps)
- Exhibit 4 – Invoice

10. **Disputes/Attorney Fees.** Any action to enforce or interpret the provisions of this Agreement shall be brought in the District Court for Delta County, Colorado. In the event a Party finds it necessary to commence a legal action or proceeding to enforce the terms and conditions of this Agreement, or obtain a remedy related to such Party's rights hereunder, the prevailing Party shall be entitled to its reasonable attorney fees, incurred prior to the commencement of such proceedings, and during such proceedings, and the costs and expenses incurred in bringing and maintaining such action or proceedings.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officers or agents.

DELTA-MONTROSE ELECTRIC ASSOCIATION

CITY OF DELTA

By: 

By: _____

Date: 6-28-16

Date: _____

Exhibit 1

Labor Hour Detail

1. Plant Field Inventory – System Design	150 Hours
2. Transfer of Meters – Field Reps	40 Hours
3. System Reintegration – Operations	45 Hours
4. Depreciation Calculations	6 Hours
5. Legal Council	3 Hours
6. Management Review	6 Hours
Total Hours	250 Hours
Labor Cost @ \$92.40 per hour	\$23,100.00



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Exhibit 2

Bill of Sale

This BILL OF SALE is made this ____ day of _____, 2016 by Delta-Montrose Electric Association, a Colorado cooperative corporation whose address is 11925 6300 Road, Montrose, Colorado 81401 ("DMEA"), for the benefit of the City of Delta, a Colorado municipality, 360 Main Street, Delta, Colorado ("City"). Capitalized terms used but not defined shall have the meanings ascribed to them in the Agreement (defined below).

WHEREAS, in accordance with the provisions of C.R.S. 40-9.5-204 the City has elected to acquire certain assets owned by DMEA described in the attached Exhibit 3 ("Assets") and,

WHEREAS, DMEA and the City have entered into an Asset Acquisition Agreement dated _____, 2016, ("Agreement") wherein DMEA has agreed to sell, convey, and transfer and the City has agreed to acquire the Assets.

NOW, THEREFORE, in consideration for payment of \$128,834.57, the receipt and sufficiency of which is hereby acknowledged, consistent with the Agreement, DMEA hereby grants, bargains, sells, conveys, assigns, transfers to and sets over to the City all of its right, title, and interest in and to the Assets.

Member hereby transfers, assigns and conveys the Assets to the City free and clear of all encumbrances, rights of third parties and interests created or suffered by DMEA except for those liens and Mortgages defined in the Agreement.

This Bill of Sale shall be governed by, interpreted and construed under, and is enforceable in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, DMEA has executed this Bill to Sale as of the day and year first written above.

DELTA-MONTROSE ELECTRIC ASSOCIATION, a Colorado cooperative corporation.

By: _____

Title: _____

City of Delta Property Acquisition - Veinte Estates & Youngs Estates

Assembly Unit	Description	Unit Installed Cost	Qty	Total Installed Cost	Yrly Dep Rate (35 Yrs Straight Line)	Years Depreciated	Value After Depreciation
Property Installed in 2010							
UD-1/0C	CONDUCTOR, UG PRIMARY, 1/0 CIC	\$ 10.76	2279	\$ 24,526.28	0.0285	6	\$ 20,332.29
UG-25	25 KVA PADMOUNT XFMR, 7200-120/240 V	\$ 3,228.44	2	\$ 6,456.89	0.0285	6	\$ 5,352.76
UM3-1-C	PRIM CBL TERM, 1/0 220 MIL, 15KV JK	\$ 386.97	12	\$ 4,643.60	0.0285	6	\$ 3,849.54
UM6-11	INSULATING CAP	\$ 103.60	1	\$ 103.60	0.0285	6	\$ 85.88
				\$ 35,730.37			\$ 29,620.47
Property Installed in 2013							
UD-1/0C	CONDUCTOR, UG PRIMARY, 1/0 CIC	\$ 17.63	171	\$ 3,015.05	0.0285	3	\$ 2,757.26
UM3-1-C	PRIM CBL TERM, 1/0 220 MIL, 15KV JK	\$ 634.38	1	\$ 634.38	0.0285	3	\$ 580.14
				\$ 3,649.42			\$ 3,337.40
Depreciation - 1/2 of Cost per CRS 40-9.5-204							
Property Installed in 1976 & 1980							
30-6	POLE, 30' CLASS 6	\$ 691.63	3	\$ 2,074.89	0.5	N/A	\$ 1,037.45
35-6	POLE, 35' CLASS 6	\$ 762.71	4	\$ 3,050.83	0.5	N/A	\$ 1,525.42
A5	1-PH PRIM DEADEND (SINGLE)	\$ 116.81	1	\$ 116.81	0.5	N/A	\$ 58.41
A7	1-PH X-ARM CONST DEADEND (SINGLE)	\$ 253.55	1	\$ 253.55	0.5	N/A	\$ 126.78
A8	1-PH X-ARM CONST DEADEND (DOUBLE)	\$ 389.74	1	\$ 389.74	0.5	N/A	\$ 194.87
D2ACSR	CONDUCTOR, #2 ACSR	\$ 0.88	50	\$ 43.98	0.5	N/A	\$ 21.99
D4ACSR7	CONDUCTOR, #4 ACSR	\$ 0.84	380	\$ 319.52	0.5	N/A	\$ 159.76
E1-4J	SINGLE DOWN GUY THROUGH BOLT TYPE	\$ 182.50	3	\$ 547.51	0.5	N/A	\$ 273.76
F1-2S	ANCHOR ASSEMBLY, 8000LB, SCREW TYPE	\$ 107.76	2	\$ 215.51	0.5	N/A	\$ 107.76
F1-4S	ANCHOR ASSEMBLY, 12,000LB, SCREW TYPE	\$ 152.93	1	\$ 152.93	0.5	N/A	\$ 76.47
G10	7200 V, 1PH XFMR @ DEADEND	\$ 698.17	1	\$ 698.17	0.5	N/A	\$ 349.09
G-10	10 KVA CONV. XFMR, 7200-120/240 V	\$ 1,493.21	1	\$ 1,493.21	0.5	N/A	\$ 746.61
K1-1/0AT	CONDUCTOR, OH SERVICE 1/0 AL TRIPLEX	\$ 2.47	280	\$ 691.48	0.5	N/A	\$ 345.74
K14C	SERVICE ASSEMBLY	\$ 38.59	3	\$ 115.76	0.5	N/A	\$ 57.88
K16C	SERVICE ASSEMBLY	\$ 49.85	4	\$ 199.38	0.5	N/A	\$ 99.69
K2-1/0AT	CONDUCTOR, UG SERVICE, 1/0 AL TRIPLEX	\$ 3.08	455	\$ 1,401.40	0.5	N/A	\$ 700.70
K2-4/0AT	CONDUCTOR, UG SERVICE, 4/0 AL TRIPLEX	\$ 3.74	5,480	\$ 20,507.09	0.5	N/A	\$ 10,253.55
K2-6ALDU	CONDUCTOR, UG SERVICE, #6 AL DUPLEX	\$ 1.34	45	\$ 60.09	0.5	N/A	\$ 30.05
M2-11	GROUNDING ASSM - GRD ROD TYPE	\$ 68.01	3	\$ 204.04	0.5	N/A	\$ 102.02

City of Delta Property Acquisition - Veinte Estates & Youngs Estates

Assembly Unit	Description	Unit Installed Cost	Qty	Total Installed Cost	Yrly Dep Rate (35 Yrs Straight Line)	Years Depreciated	Value After Depreciation
M2-12	POLE PROTECTION PLATE TYPE	\$ 58.84	1	\$ 58.84	0.5	N/A	\$ 29.42
M26-5501	175W 120V MV SL WOOD POLE MTG	\$ 325.60	1	\$ 325.60	0.5	N/A	\$ 162.80
M3-4	1 PHASE SECTIONALIZING FUSE CUTOUT	\$ 624.12	3	\$ 1,872.35	0.5	N/A	\$ 936.18
M42-11-1	AUTOMATIC DEADEND 2ACSR	\$ 19.92	2	\$ 39.83	0.5	N/A	\$ 19.92
M42-11-2	AUTOMATIC DEADEND 4ACSR	\$ 16.85	4	\$ 67.38	0.5	N/A	\$ 33.69
M42-11-3	AUTOMATIC DEADEND 1/0ACSR	\$ 22.78	2	\$ 45.56	0.5	N/A	\$ 22.78
M5-0-AL	STIRRUP 4/0 ACSR DBL	\$ 40.99	7	\$ 286.94	0.5	N/A	\$ 143.47
UD-1/0	CONDUCTOR, UG PRIMARY, 1/0 XLP 15KV	\$ 7.35	995	\$ 7,310.01	0.5	N/A	\$ 3,655.01
UD-1/0JK	CONDUCTOR, UG PRI, 1/0 220 MIL XLP JACKET	\$ 5.16	1,065	\$ 5,492.02	0.5	N/A	\$ 2,746.01
UD-2-220	CONDUCTOR, UG PRIM, #2XLP	\$ 3.02	2,070	\$ 6,251.32	0.5	N/A	\$ 3,125.66
UG-10	10 KVA PADMOUNT XFMR, 7200-120/240 V	\$ 2,079.26	1	\$ 2,079.26	0.5	N/A	\$ 1,039.63
UG-25	25 KVA PADMOUNT XFMR, 7200-120/240 V	\$ 2,008.30	16	\$ 32,132.85	0.5	N/A	\$ 16,066.43
UG-37.5	37.5 KVA PADMOUNT XFMR, 7200-120/240 V	\$ 2,171.16	1	\$ 2,171.16	0.5	N/A	\$ 1,085.58
UG6	1 PH PADMOUNT XFMR W/INSULATING CAP	\$ 798.78	1	\$ 798.78	0.5	N/A	\$ 399.39
UG7	1 PH PADMOUNTED XFMR, FEED THROUGH	\$ 863.88	19	\$ 16,413.69	0.5	N/A	\$ 8,206.85
UJ1-4250	SEC CONN BLK 4POS 250 MCM MECHANICAL	\$ 20.33	45	\$ 914.85	0.5	N/A	\$ 457.43
UJ2-4-A	TRANS CONN BLK 4 POS 5/8 STUD	\$ 37.98	60	\$ 2,278.76	0.5	N/A	\$ 1,139.38
UK6	SECONDARY SERVICE PEDESTAL, UNDERGROUND	\$ 403.60	15	\$ 6,054.05	0.5	N/A	\$ 3,027.03
UM1-2	PLASTIC PAD ASSEMBLY	\$ 233.58	20	\$ 4,671.56	0.5	N/A	\$ 2,335.78
UM2-6-3U1	3-PH CABLE TRML POLE, OH SOURCE	\$ 3,555.33	1	\$ 3,555.33	0.5	N/A	\$ 1,777.67
UM3-04	1-PH SECTIONALIZING ASSY PAD MOUNTED	\$ 1,078.20	3	\$ 3,234.59	0.5	N/A	\$ 1,617.30
UM3-1-B	PRIM CBL TERM, #2 STRND, 175MIL, 15KV	\$ 238.03	10	\$ 2,380.27	0.5	N/A	\$ 1,190.14
UM33	MULTI-PHASE PAD MT SECTIONALIZING ASSEMBLY	\$ 2,427.28	1	\$ 2,427.28	0.5	N/A	\$ 1,213.64
UM5-2	SECONDARY CABLE TERMINAL POLE	\$ 370.45	1	\$ 370.45	0.5	N/A	\$ 185.23
UM6-11	INSULATING CAP	\$ 64.45	2	\$ 128.89	0.5	N/A	\$ 64.45
UM6-8-2FX	UM6 2" FLEX PIPE	\$ 2.12	5,455	\$ 11,574.86	0.5	N/A	\$ 5,787.43
WG-1/0	DEADEND WEDGE GRIP, #4 TO 1/0	\$ 13.47	6	\$ 80.79	0.5	N/A	\$ 40.40
				\$ 145,553.16			\$ 72,776.70
Total Value of Property							\$ 105,734.57

MEMO

To: City Council
From: Steve Glammeyer, Utilities/Public Works Director
Date: October 18, 2016
Subject: Various code changes – Title 13



Utilities Department

Recommendation: Staff is recommending a number of code changes for adoption to Title 13 of the Delta Municipal Code.

Background: Staff has been reviewing and contemplating changes and additions to the Delta Municipal Code Title 13 – Public Utilities for quite some time. The changes will help us clarify customer/staff responsibility, update billing practices to align with other surrounding utilities, address new technology, allow for new practices in billing notifications, and further collect for costs incurred with operating and managing the systems. Staff will highlight the changes below in order to help answer questions in advance of the meeting.

13.04.050(C): This helps further clarify where the point of service begins for the City. This falls more in line with what the National Electric Code requires and helps both the customer and staff understand who is responsible and for what.

13.04.050(E): Corrects a reference.

13.04.060(A): Most surrounding utilities have adopted the practice of only billing the owner of a property or service rather than billing both the owner and tenant, if requested by the owner. Making this change will allow us to better collect billings. Often, tenants will “skip out” on a bill in the middle of the cycle or night and we struggle to collect those payments. This change places that burden directly on the owner of the property or premise and allows them the ability to seek collection in advance from renters. The change does contain a provision to honor current billing accounts that are set up with us billing the tenant until such time that the tenant terminates service.

13.04.120(B): Allows for a charge for new LED lighting technology we are installing on street lighting. Staff has a plan to replace all street lights with LED technology over the next 10 years.

13.04.140(B): Staff has been piloting a program to provide a 24 hour pre-disconnect notice to accounts that are about to be shut-off for non-payment. We have had great success with this program, reducing the amount of shut-offs by over 70%, but we recognize there is a small cost to provide this service. This change allows us to provide the service and collect a small fee, proposed at \$10.00, to cover the costs of providing this service.

13.04.140(I): Many surrounding utilities have adopted a courtesy turn-on/off policy and fee to cover the costs for this service. Staff has experienced a number of requests, particularly in the spring, to have the water turned on or off for repairs of sprinkler systems or for returning snow bird travelers. Typically these requests come during non-working hours and end up costing all of the rate payers in additional overtime expenditures. This change allows us to collect a small fee to cover the costs for either turn-on or turn-off requests that are “non-emergency” in nature. We do intend to treat sprinkler system breaks as non-emergency in that they do not pose a detriment to the health, safety or welfare of an individual. As an example, we had a situation where one rate payer continued to request on-call water turn-on and off 7 times in one weekend for a sprinkler repair.

13.04.170: This change will allow staff the ability to immediately “ticket” an individual for tampering with utilities. Currently, the only recourse for such action is to cite the individual into Municipal Court. The types of cases have been difficult to prosecute. Staff feels an immediate fine with the ability to pursue further court action will help deter these situations. Currently, we experience many occasions where individuals will open the water meter and turn water on or off with our knowledge. These components should only be operated by a trained water professional and we have experienced times when individuals have damaged our equipment. Additionally, we have experienced individuals tampering to resume service after a turn-off for non-payment.

13.04.260: There are a few changes to the electric rate table. The first is to provide a rate for LED yard lighting. As we move forward with changing out the street lighting to LED, we anticipate that some individuals may want to upgrade their yard lights to LED. This will allow us to charge for the reduced cost of consumed power. The table also contains charges related to the net metering policy that was adopted many years ago and recently updated. This allows us to quantify the avoided cost credit applied when individuals enter into the policy. The second rate quantifies the amount the net metering customer will pay to help us recover our distribution network charge from MEAN.

13.04.270: The addition of the pre-disconnect notice fee, allowed for in the 13.04.140(B) change, is now included in this table.

Staff has vetted these changes with the City Manager and City Attorney and both have approved moving forward with all of these as presented.

Cost:

Publication costs for the ordinance.

Actions To Be Taken if Approved:

Staff will publish the ordinance as required.

Ordinance No. 9, 2016

AN ORDINANCE OF THE CITY OF DELTA, COLORADO,
AMENDING CHAPTER 13.04 OF THE DELTA
MUNICIPAL CODE.

WHEREAS, pursuant to Article IV of the Home Rule Charter and Title 31 the City is responsible for setting rates, regulations and fines associated with public utilities within the City.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DELTA, COLORADO, as follows:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council.

Section 2. Subsection 13.04.050(C)(1) of the Delta Municipal Code is amended to read as follows:

C. Electric system

1. The City shall install, own and maintain all lines, facilities, and service connections up to the customer's service point, unless otherwise specified by written agreement. The service point for an overhead electric service is the point where the service conductor connects to the structure. The connection point shall be decided by the City. The service point for an underground electrical service shall be at the meter box line side connectors. All costs the City incurs in extending service to the customer's building or facility shall be paid to the City by the customer, except that the City shall bear the first \$300 of costs to extend service to permanent individually owned residential dwelling units. The City's estimated costs of extending service shall be paid by the customer in advance, unless otherwise provided by contract. The City shall own and maintain the electric meter itself regardless of its location in relation to the service point and shall have a right of access to said meter.

Section 3. Subsection 13.04.050(E) of the Delta Municipal Code is amended to read as follows:

E. Separate Non-Residential Irrigation Meters. The City will install, own and maintain all meters and related back-flow prevention devices requested by a customer to utilize the landscape irrigation rate of subsection

13.04.110(F). The customer shall reimburse the City for the cost of such installation and shall be responsible for the installation and ownership of all landscape irrigation facilities downstream of the back-flow prevention devices.

Section 4. Subsection 13.04.060(A) of the Delta Municipal Code is amended to read as follows:

A. Charges for water, sewer and electric service shall be payable, assessed and billed at periodic intervals specified by the City Council. Any existing accounts on January 1, 2017 for which service is being billed to a tenant or renter shall be allowed to continue under this condition until such time as the tenant or renter terminates the lease or agreement with the owner; provided, however, the owner shall still be liable for timely payment of any bills not paid by the tenant or renter. Except only as provided in the immediately preceding sentence, all charges shall be payable, assessed and billed to the owner of the property or premise for which service is provided.

Section 5. Subsection 13.04.120(B) of the Delta Municipal Code is amended to read as follows:

B. Security lights and yard lights shall be charged as set out in Section 13.04.260 per light per month. Street lighting, electricity for traffic lights, and other electricity used by the City shall be charged as set out in Section 13.04.260. KWH for nonmetered street lights shall be determined as follows:

100 Watt High Per Sodium Light - 40 KWH per month.
250 Watt High Per Sodium Light - 115 KWH per month.
Small LED Street Light - 15 KWH per month.
Large LED Street light - 24 KWH per month.

Section 6. Subsection 13.04.140(B) of the Delta Municipal Code is amended to read as follows:

B. Prior to shutting off the electricity or water, the City shall send a notice to the address of the customer concerned, as shown on City records, stating the reason for the shut off, and the date upon which service may be shut off unless the charges are paid or other specified violation is corrected. Such date shall be at least ten (10) days after the deposit of the letter giving notice of the shut off in the United States mail. Additionally, the City shall send or deliver a pre-disconnect notice 24 hours prior to the date of service

disconnection and shall charge a pre-disconnect fee as set out in Section 13.04.270.

Section 7. Adding Subsection 13.04.140(I) of the Delta Municipal Code which shall read as follows:

I. Customers may request that utilities be shut off for convenience at any time. Any person desiring their service temporarily shut off or turned on shall pay the City a disconnect or shut-off fee of fifteen dollars (\$15.00) or a reconnect or turn-on fee of fifteen dollars (\$15.00) for such service. Consumptive charges shall not accrue during the period when the service is disconnected or shut-off.

Section 8. Subsection 13.04.170 of the Delta Municipal Code is amended to read as follows:

13.04.170 Tampering with and unauthorized use of utilities and service. It shall be unlawful to tamper with, damage or destroy any City water, sewer or electric lines, mains, meters or facilities, or to utilize any City utility service without lawful authority, or to operate any City utility facilities without lawful authority. Violation of this Section shall be a Municipal violation subject to a fine of not less than \$250 in addition to such other fines or penalties as may be determined by the Delta Municipal Court.

Section 9. Subsection 13.04.260 of the Delta Municipal Code is amended to read as follows:

Service Size/Type	Monthly Base Charge	Consumption Charge	Monthly Demand Charge
Residential	\$20.00	\$0.1000/KWH	N/A
Security/Yard Lights	\$11.00	N/A	N/A
LED Security / Yard Lights	\$6.00	N/A	N/A
Street Lights	N/A	\$0.0900/KWH	N/A
Single Phase Commercial	\$25.00	\$0.0989/KWH	N/A
Three Phase Commercial	\$41.00	\$0.0989/KWH	N/A
Industrial	\$140.00	\$0.0700/KWH	\$9.00 X cust. monthly kW demand
City buildings service	N/A	\$0.0900/KWH	N/A
Net metering avoided rate credit	N/A	\$0.0460/KWH	N/A
Net metering dist. network charge	N/A	\$2.79 x month/y peak A/C production rate of renewable generation	

Section 10. Subsection 13.04.270 of the Delta Municipal Code is amended to read as follows:

Late Payment Penalty and Non-Payment/Resumption of Service Fees	
Late Payment	\$25.00
Pre-disconnect notice	\$10.00
Non-Payment penalty*	\$40.00
*After hours shall be double	

Section 11. Severability. Each section of this Ordinance is an independent section and a holding of any section or part thereof to be unconstitutional, void or ineffective for any cause shall not be deemed to affect the validity or constitutionality of any other section or part thereof.

Section 12. Safety Clause. The City Council hereby finds, determines, and declares that this Ordinance is promulgated pursuant to the City's home rule authority and under the general police power of the City of Delta and that it is promulgated for the protection of health, safety, and welfare of the citizens of the City of Delta. The City Council further determines that this Ordinance bears a rational relationship to the legislation proposed herein.

Section 13. Effective Date. This Ordinance shall become effective thirty (30) days after final publication as provided in City Charter and C.R.S. section 31-16-105.

ADOPTED on first reading and ordered published this ____ day of _____, 2016.

Mayor

ATTEST:

City Clerk

ADOPTED on second and final reading and ordered published this ____ day of _____, 2016.

Mayor

ATTEST:

City Clerk

Items: J, K & L

Attorney Comments



City Manager Comments



Councilmember Comments

