



Heads up!  
Heads up!

October 26, 2012

Dear City Council members:

Here's some need-to-know information for the week:

**Residents to receive letters about possible annexation this weekend**

This week, the Energy Future team reached out to neighborhood leaders in areas that are adjacent to city limits and enclaves about Boulder's Energy Future and the possibility of annexation. They discussed where the city is – and isn't – in terms of looking at the service area that a potential electric utility might serve. The leaders represented home owner associations or other organized committees in the following neighborhoods: Orange Orchard, Palo Park, Githens Acres, The Reserve, Crestmoor/Hoover Hill and Gunbarrel Greens. The team also met with State Rep. Dickey Lee Hullinghorst, who lives in Gunbarrel Estates, which is not subject to annexation according to the Boulder Valley Comprehensive Plan.

In addition to hearing feedback from these leaders, the city shared a one-page letter (attached) that will go out to all residents in Area II communities by mail today. The letter offers a general project update, spells out next steps and pledges to seek neighborhoods' input at a later date. It is anticipated that staff and council will have a better idea in the first quarter of 2013 about where further dialogue and negotiation might be appropriate.

Annexation has been a challenging issue in the past, and the neighborhood leaders at these meetings appreciated the city's proactive outreach to them. These neighborhood leaders are very engaged, and we look forward to keeping the lines of communication open as we explore the variety of options before us.

*For more information on the neighborhood meetings, please contact Sarah Huntley, Communication Manager-Media Relations, at 303-441-3155.*

Regards,

Jane



## CITY OF BOULDER

### Energy Strategy and Electric Utility Development

---

1720 14<sup>th</sup> Street, Suite 101 • P.O. Box 791, Boulder, Colorado 80306-0791  
phone 303-441-3274 • fax 303-441-2174 • [www.BoulderEnergyFuture.com](http://www.BoulderEnergyFuture.com)

Dear neighbors,

Recently, there has been increased discussion about the work the City of Boulder is doing to explore whether to create a local electric utility and the impact this might have on you and your neighborhood.

As is often the case with these issues, there is a lot of speculation about what the city may or may not do. The fact is that much research remains to be done before we can provide concrete answers about whether the city will create a utility, what customers the city would seek to serve if it does and what that might mean for residents in enclaves and areas adjacent to our current city limits.

We'd like to update you about where this project currently stands, both in general and with regards to potentially controversial issues, including annexation.

As you may know, City of Boulder voters approved two ballot initiatives in November 2011 that authorized the city to continue exploring the possibility of breaking ties with its current electricity provider, Xcel Energy, and creating an electric utility of its own. This process is called municipalization. Analysis conducted so far suggests that the creation of a city electric utility could help the community achieve a set of goals it outlined last year. These are:

- Accessing and generating cleaner energy that comes from more renewable sources, such as solar, wind and hydro power;
- Stabilizing and even lowering electric rates;
- Matching or increasing the reliability of the service that is currently offered; and
- Providing more opportunities for decision-making by local customers based on our community values, as opposed to those of less connected shareholders.

Since the November decision, Boulder has hired an executive director and contracted with attorneys and engineers to determine if municipalization would accomplish these objectives, and whether the city can meet additional specific requirements set by city voters. A significant amount of work will occur over the next few months, and a report is expected to go to City Council in the first quarter of 2013. Depending on how council decides to proceed, an ultimate court decision could take several more years.

The city is not asking non-city voters to foot the bill for this exploration. All work to determine the best path for achieving the community's energy goals is being funded through a Utility Occupation Tax paid by City of Boulder electric customers only, as well as by some General Fund revenue. As a result, your neighborhood likely has not been engaged in this conversation.

At the end of August and as part of a wide-ranging study session on the work plan, City Council asked staff if and when the city will determine whether it will be necessary to annex any property outside city limits as a result of municipalization. We know this caused concern among some of our neighbors.

Here are the key points of the city's response:

- The city has not made any decision at this time about whether to seek to annex any neighborhoods.
- The city is in the early stages of developing what is called a "separation plan." This will involve hiring an electrical engineer to study the system that Xcel currently has in place. This engineer will advise the city about what it would take, both technically and financially, to separate Xcel's system from the poles and wires that are necessary to provide power within existing city limits.
- It is anticipated that the separation planning process will result in a spectrum of options, each of which will need to go through a rigorous cost-benefit analysis.
- The city has no inherent desire to provide electricity to areas outside of existing city limits. However, because of the way Xcel's substations and power lines are currently configured and operated, there could be some parts of our community that will be more difficult than others to separate from Xcel's system. We will explore technical solutions, and depending on the separation options, it is possible that the city will begin to evaluate the pros and cons of seeking to annex some enclaves or neighborhoods that are on the edge of existing limits.
- The city knows that issues around annexation are complex and vary from neighborhood to neighborhood. We are 100 percent committed to involving any potentially impacted residents and businesses in the evaluation and discussion process when and if we reach that point in the overall effort.

So what's next? At this point, we anticipate having more information in the early part of 2013. Our promise in the meantime is to keep you informed. If annexation becomes an option the city needs to consider, we will begin providing regular updates, engaging you in the conversation, hearing your feedback and working with you to respond to your questions.

We invite you to check out the annexation tab on the project website at [www.BoulderEnergyFuture.com](http://www.BoulderEnergyFuture.com). Basic information is already posted there and we will make other reports and data available as they come in. If you would prefer to receive updates about all issues related to this project and not have to remember to check the website, please sign up for our e-mail list at [www.BoulderEnergyFuture.com](http://www.BoulderEnergyFuture.com). There is also a comment form on the main website, so if you have questions or feedback to provide before our next update, that is a great way to get it to us.

Thank you for your interest in our work.

Sincerely,



Jane S. Brautigam  
City Manager  
City of Boulder



Heather Bailey  
Executive Director  
Energy Strategy and Electric Utility Development