Muni Naughty List – November 19, 2019

The Muni continues its downward spiral of lost money, lost time, and lost opportunities to reduce our carbon footprint. We have now officially spent, and lost, over 9 years (2011-2019) and $32 million. Oh, what we could have achieved with that time and money that is now forever lost! Worse, we must now wait for another two years to even get a chance to vote and perhaps finally figure out what a bad idea the Muni has become. If Santa had a list of the Naughty Boulder Muni Monopoly Failures it would be long and include the following:

1. Separation costs that were originally estimated to be $10 million are now around $110 million.
2. Taking millions ($4.3 million) from the General fund with no certainty of repayment from Muni profits.
3. Rate increase of 30% 18 months after “day-one” as revealed by a cash flow analysis that had to be acquired by legal (CORA) action.
4. Outdated and inaccurate engineering and cost analysis as a basis to form a Muni AND a court case because of that ended the Paper Muni.
5. Ignoring the fact that new renewables like the Rush Creek Wind Farm have already increased the stranded costs, and a failure to even include stranded costs in recent cost analysis. In just the last 2 months the stranded costs were given a value of zero in the financial analysis, thus making all the great financial projections corrupt. Stranded costs will never be zero.
6. Not including the costs of other department’s working on the muni until forced to do so, and taking years to finally admit that these are true muni costs in financial reports. Some employees worked 60% to 100% of their time on the muni, but were not billed to the muni.
7. The Muni schedule was supposed to be complete in 2017 but may extend to 2029 just to pay stranded costs, while Xcel will be at 80% renewables by 2030.
8. Failure to include about 120 to 300 million in Going Concern costs as part of condemnation on the flimsy basis that it has never been done
before in Colorado even though it has occurred in Colorado and has occurred nationally.

9. Original intent to take 5,700 Gunbarrel customers and facilities outside of the city.
10. Ignoring 10 million dollars and more in lost undergrounding.
11. Trying to claim that shared poles don’t decrease safety and reliability, and thinking that Xcel could be forced to share poles when there was no reason for them to do so.
12. Costly legal missteps at the district court level, and at the FERC. Wasting 4 years.
13. Numerous costly missteps at the PUC.
14. Blaming all these missteps on the PUC rather than poor Boulder leadership and legal decisions.
15. Failure to get a significant majority of voters to support anything other than limitations on the Muni effort.
16. Rejecting the conversion of all street lights to LED’s for some bizarre reason, when all the towns around us have already accepted them.
17. Boulder’s early plans:
   - Assumed No requirement to submit a separation plan to the PUC
   - Assumed Acquiring a 30-mile transmission loop without FERC approval
   - Assumed Forcing Xcel to serve its customers over city-owned facilities
   - Assumed Forcing Xcel to design, build and test Boulder’s side of the system
   - Assumed Forcing Xcel to finance Boulder’s separation and be paid after completion
   - Assumed Xcel would finance its own expenses for Boulder’s municipalization
   - Assumed that a third party would do the work for Xcel

All of these assumptions were wrong.
18. Boulder still assumes it can get all costs estimated by 2020 but it never will. Costly court cases will drag this out to at least 2021.

19. April 2017 - City Council rejected putting Xcel’s settlement offers on the ballot thus DE-democratizing the Muni by preventing a vote on:
   a. Partnership settlement to help Boulder achieve its environmental goals. OR
   b. A Negotiated Buy-out Process in which Boulder would acquire the Boulder electric distribution system. Xcel estimated the buy-out at $550-$750 million. Boulder estimated the cost up to $900 million just to reject this option. Boulder conducted a bad faith negotiation.

20. June 2018 - the Colorado Supreme Court ruled to preserve Xcel’s right to challenge Boulder’s compliance with its own Muni creation criteria, thus ending the paper muni.

21. Boulder continues to collect over 8 million dollars in carbon taxes, most are not used for carbon reduction and apparently, we see no contradiction in this illogical position.

22. So now we are stuck with no vote or exit ramp on a Muni for 2 years thus highlighting the De-democratization of the Muni Monopoly.

23. There is no item in the Muni Project schedule for dealing with the FERC Stranded Cost issue. The ridiculous Boulder response regarding this indicates the FERC process is part of two other process that are scheduled to be complete by December 2019. This is ludicrous.

24. October 2019 - The Condemnation process has only been partially approved and facilities INSIDE substations still need to be resolved. This will either add to the condemnation costs, or the separation costs. This will thus add to the True Costs.

This is the Muni Past, Present, and Future. Boulder fiddles while the planet burns and floods.
Plan B - 
Solar incentives, wind incentives and a renewable energy certificates (REC’s) broker would actually democratize, decentralize and decarbonize Boulder’s electric supply. The Muni has failed us on all of these. Xcel is not the problem. The Muni is the problem, and is the only thing standing between us and our climate goals. Xcel hate is not getting it done. Lack of true self-critical review is hurting us. Let’s end this growing naughty list.

More details at: http://tinyurl.com/BoulderMuni
Lies and omissions.

Boulder doesn’t lie, it omits. Omits the truth, the full truth.

The long and growing Muni Naughty List documents that fact. You now each have a copy of the Growing Muni Naughty List and it’s now in the record. You’ll need to explain your position, not just now, but in the distant future. The Muni has not been wise, truthful, or successful at any step along the way. We have paid for, and lost, nine years of steps.

The inability to critically review the Muni is not a sign of intelligence. You have not critically and publicly reviewed the Muni or honestly evaluated the alternatives. When I asked the previous mayor, what is plan B if the muni fails. The mayor answered that there was a plan B, C and D. Please tell us what those plans are so we can fully evaluate what might be faster, cheaper, better and smarter than the muni. Plan B, C, or D may actually work and not take until 2021 to find out that the Muni debt would be laughable and insane.

What ever happened to “We are in a hurry to reduce carbon”.

What ever happened to “The Muni will be up and running by 2017”.

What ever happened to “local control” when we are forced to give up control for two years to financially evaluate a ten-year-old muni.

What ever happened to “The Muni financials are sound and robust” but some of the high costs are treated as zero.

Who starts a business and treats some of the larger costs as zero and expects to be taken seriously? Boulder does, that’s who.
# True Past Costs

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# True Future Costs

| Assets ($150,000,000) | $150,000,000 |
| Going Concern ($120,000,000+) | $120,000,000 |
| Stranded?? ($300,000,000) | $300,000,000 |
| Separation ($110,000,000) | $110,000,000 |
| Startup ($37,486,086) | $37,486,086 |

**True Total Cost**

$753,898,854

With bond costs, the total will be well over $1 BILLION.