



LOVELAND UTILITIES COMMISSION
REGULAR MEETING
June 19, 2013 - 4:00 p.m.
Service Center Board Room
200 North Wilson Avenue



AGENDA

4:00 pm - **CALL TO ORDER**

4:05 pm - **APPROVAL OF MINUTES - 5/15/2013**

CITIZENS REPORTS

4:10 pm - **CONSENT AGENDA**

1. Public Service Company of Colorado, Platte River Power Authority, and City of Loveland Wheeling Agreement Update – Russel Jentges

4:20 pm - **REGULAR AGENDA**

2. Power Cost of Service and Rate Study Presentation – Jim Lees & Mark Beauchamp
3. CBT Market Price Consideration – Scott Dickmeyer

5:20 pm - **STAFF REPORT**

4. Water Supply Update – Larry Howard

5:35 pm - **5. COMMISSION / COUNCIL REPORTS**
- Tri-City Water Conference – May 16, 2013

6. **DIRECTOR'S REPORT** – Separate Document

INFORMATION ITEMS

7. Electric Legislative Update – Kim O'Field
8. Financial Report Update – Jim Lees
9. Executive Order on Statewide Water Plan – Larry Howard

ADJOURN

The City of Loveland is committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, age, color, national origin, religion, sexual orientation or gender.

The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act. For more information, please contact the City's ADA Coordinator at bettie.greenberg@cityofloveland.org or 970-962-3319.

The password to the public access wireless network (colguest) is accesswifi.

Commission Members Present: CJ McKinney, David Schneider (Chair), Gary Hausman, Gene Packer (Vice Chair), John Rust Jr., Randy Williams

Council Liaison: Daryl Klassen

City Staff Members: Bob Miller, Chris Matkins, Darcy Hodge, Glenna Depperschmidt, Gretchen Stanford, Jim Lees, John McGee, Kim O'Field, Larry Howard, Laura Homiak, Steve Adams, Scott Dickmeyer, Sharon Citino

Guest Attendance: none

CALL TO ORDER: Dave Schneider called the meeting to order at 4:04 pm.

APPROVAL OF MINUTES: Dave asked for a motion to approve the minutes of the April 24, 2013 meeting.

Motion: Gene Packer made the motion to approve the minutes of the April 24, 2013 meeting.

Second: CJ MCKinney seconded the motion. The minutes were approved unanimously.

CITIZEN REPORTS: none

CONSENT AGENDA

Item 1: USA Construction Contract Renewal for 2013 Small Water and Wastewater Treatment Plant Projects – John McGee This item is to renew for the fifth and final time the yearly contract with USA Construction for small capital construction projects at the Water and Wastewater Treatment Plants.

Recommendation: Adopt a motion approving the renewal of the existing agreement with USA Construction for 2013 for a not-to-exceed contract price amount of \$865,000 and authorizing the City Manager to execute the agreement.

Motion: John Rust Jr. made the motion to accept the consent agenda as written.

Second: Gary Hausman seconded the motion. The motion was approved unanimously.

STAFF REPORTS

Item 2: Regional Water Treatment and Transmission Study Update – Chris Matkins Staff will update the Commission regarding a study of potential alternatives for a future multijurisdictional water treatment plant and associated water transmission lines.

Staff Report only. No action required.

Comments: The Board inquired if the potential water treatment plant site at Chimney Hollow would be a supplemental supply to the Chasteen's Grove to which staff responded that it would not replace the Chasteen's Grove, but be in addition to that supply. Staff clarified that the three locations identified on the map (which do not include Chimney Hollow) are possible water treatment plant sites, but they would narrow it down to recommend construction at only one site. The principle supply of water would be from the north for a regional water treatment plant. Board inquired on the possibility of gravity feeding lines from Horsetooth Reservoir to The Ranch area and then to the surrounding areas. Discussion ensued on the size and costs of the regional plant and the projected demand from each participant as well as other alternatives or the city for treating and storing Loveland's water including expanding the Green Ridge Glade Reservoir or utilizing the Chimney Hollow Reservoir.

Steve Adams recognized the efforts of staff in doing an amazing job getting ready for and coordinating efforts in less than a week's time for the Governor's visit to sign two legislative bills in the Service Center parking lot.

COMMISSION/COUNCIL REPORTS

Item 3: Commission/Council Reports

- City Council Study Session regarding the Drought Management Plan and Water Conservation Plan – May 14, 2013
- Platte River Power Authority Stakeholder Meeting – May 8, 2013

C.J. McKinney: none

John Rust Jr: During his trip to Washington D.C. last week, he spoke with Congressman Cory Gardner and discussed the excessive numbers of employees around the monuments and the need for additional staff in Rocky Mountain National Park to help with the forests and beetle killed trees. Rust commented, with tongue-in-cheek that if the federal government passed the ammunition clip size restrictions they may need to modify the Marine Memorial which shows a clip larger than ten.

Rust suggested installing a solar panel and windmill powered electric vehicle charging station in the downtown area which could be both education and help to draw traffic downtown. He jokingly added that it may even increase the length of stay particularly if it's cloudy with no wind.

Randy Williams: Expressed that the board will miss Darell Zimbelman who has been steady, knowledgeable, calm and a very helpful board member. He hoisted a Diet Dr. Pepper soda can in honor of Darell. Steve Adams commented that he has invited Darell Zimbelman to attend a future meeting to provide the opportunity to recognize his service and to give staff and board members the opportunity to say good-bye.

Gene Packer: Commented that in addition to the solar and wind powered charging station that John Rust Jr. suggested, we should also include at that charging station a stationary bike pedal station to generate energy in an emergency. He reported enjoying the opening of the time capsule and catching up with Ralph Mullinix. Gene also shared that *The Coloradoan* had a good article entitled, *Warm temperatures loosen snowpack, bring roar to Poudre River west of Fort Collins*. The anticipated flow as of April 1, 2013 was 65%, and it is now about 89% of average and anticipated to increase as the weather warms up. The Big Thompson River is way up and flowing very well. Lake Dillon will open for boating near the first of June. The Larimer County Commissioners will send the Governor a letter asking him to veto Senate Bill 252 which would require rural electric associations to increase from 10% to 20% in renewable energy sources and increase energy costs.

Steve Adams commented that Fort Collins was able to treat some of the Poudre River water over the winter because the water was not very stirred up. Fort Collins is building a pretreatment facility to attempt getting some of this water to settle out, but as soon as snow began melting and the water came down the river they had to cut off the feed to the treatment plant because of the additional ash washed down with the water. Half of Fort Collins' water supply comes from the Poudre.

Gary Hausman: none

Dave Schneider: Spoke to legislators at a legislative session held at the Chilson Center. Commented that we can invite legislators and their staff to attend a future LUC meeting to discuss topics that would be good to have discussed in the next legislative session. Commented that by increasing renewable energy sources requirement will have an impact on power rates.

Council Report: Daryle Klassen

April 30, 2013: City Council Study Session

- None

May 7, 2013: City Council Meeting

- IGA with Platte River Power Authority for substation maintenance

May 14, 2013: City Council Study Session

- Water Conservation Plan: Staff presented to City Council the City of Loveland Conservation Plan
- Drought Response Plan: Staff presented to City Council the City of Loveland Drought Response plan and recommended voluntary water restrictions.

Comments: Commented on the excellent presentation at City Council the previous night. Council focused on the difference in the amount of water treated verses the amount that is sold and on what happens to the difference. City Council is interested in reducing the amount of system losses. Discussed the fine line between when water conservation efforts are so successful that they begin to eat into the necessary revenue stream for the water revenue.

Steve Adams commented on the listening session of Platte River Power Authority (PRPA). There was low attendance due in part to heavy rain. Only two people showed up from the public, Mindy Moore, representing the Chamber of Commerce, and Paul Davis, a PRPA staff member living in Loveland. With only two public people present, it was decided to not go through the listening session process. Instead, they are proposing to send out a video link of the presentation that would have been given. After people watch the video, viewers will be asked a few questions and be able to communicate directly to PRPA their feedback. Fort Collins had forty people present at their listening session and broke out into four groups.

DIRECTOR'S REPORT

Item 4: Director's Report – Steve Adams

Comments: Water and Power will participate in a City Council Study Session on June 11, 2013 to talk about the 10-year financial plans. The Water and Power Utilities are tracking well on the 10-year financials. However, the Wastewater Utility faces challenges a few years out due to the State changing a regulation on the design criteria of how solids handling systems may be operated at wastewater treatment plants. To conform to these changes, which were adopted in December 2012, it will cost between \$15 and \$20 million. The impact of this is anticipated to hit the Wastewater Utility in 2015, when the wastewater treatment plant 5-year permit will need to be renewed.

David Schneider inquired if this more stringent regulation is due to the State anticipating changes from the federal government, such as the EPA.

We currently have a slot on the August 27, 2013 City Council Study Session to have Mark Beauchamp, the rate consultant for Power, talk about the Power Cost of Service and Rate Study. This year's power rate study will focus on some new areas such as what the electric vehicle charging rate should be and coincident peak/demand side management and how to work with some of our larger customers.

At the Friday, May 10, 2013 Northern Board meeting, because of all the recent rain the board accepted public comment on whether the quota should be raised from 60% to a higher number. Following public comment and board discussion a decision was made not increasing the quota. Instead the available water will be stored for use in future years. The Windy Gap Project is now pumping and expected to provide about 25,000 acre-feet this year, which should reduce or eliminate the borrowing needed for collateralization of Windy Gap water.

Discussion ensued about events which occurred at the Water Treatment Plant leading to the Tier 2 Notification and letter.

INFORMATION ITEMS

Item 5: Electric Legislative Update – Kim O’Field This item and the attachment are intended to give a brief update on electric-related legislation being contemplated by the Colorado General Assembly. Loveland staff relies primarily on the Colorado Association of Municipal Utilities (CAMU) for information on electric-related legislation.

Information item only. No action required.

Item 6: Water Legislative Update – Greg Dewey This item and the attachment are intended to give a brief update on water-related legislation being contemplated by the Colorado General Assembly. Loveland staff relies primarily on the Colorado Water Congress for information on water-related legislation. Their assistance has proved invaluable in providing the following information.

Information item only. No action required.

Comments: Discussion ensued about the grey water legislation that is expected to be signed into bill which would allow a person within the city limits to use grey water, but has to be in accordance with the city’s water rights.

Item 7: Water Supply Update – Larry Howard Projection for water supply in 2013.

Information item only. No action required.

Comments: The 3,761 acre feet shown at the bottom of the Water Supply Update Report is a projected surplus at this point in time, available above and beyond what Loveland expects use and store in Green Ridge Glade Reservoir and in the CBT carryover program.

Item 8: Financial Report Update – Jim Lees This item summarizes the monthly and year-to-date financials for April 2013.

Information item only. No action required.

ADJOURN The meeting was adjourned at 5:40 pm. The next LUC Meeting will be June 19, 2013 at 4:00 pm.

Respectfully submitted,

Michelle Stalker
Recording Secretary
Loveland Utilities Commission



AGENDA ITEM: 1
MEETING DATE: 6/19/2013
SUBMITTED BY: Russel Jentges, Senior Electrical Engineer *Russel Jentges*

TITLE: Public Service Company of Colorado, Platte River Power Authority, and City of Loveland Wheeling Agreement Update Wheeling Agreement Update

DESCRIPTION:

The current Wheeling Agreement between the City, Public Service Company of Colorado, and Platte River Power Authority (PRPA) was last updated in June of 2005. The City's Power Division, Public Service Company of Colorado, and PRPA have been working on updating the wheeling agreement since 2009. The version presented in this item has been approved by all three entities.

SUMMARY:

Since 2009, the City's Power Division, Public Service Company of Colorado, and PRPA have been meeting to update the current Wheeling Agreement that states the conditions of allowing the Public Service Company of Colorado to connect to the City's distribution system to serve customers around the City of Loveland. The major changes to the agreement have been updating the service points and load required at each point, changing of the rates, and wording in Section 6: Emergency Conditions.

RECOMMENDATION:

Adopt a motion recommending that the City Council adopt the updated Public Service Company of Colorado, Platte River Power Authority, and City of Loveland Wheeling Agreement.

REVIEWED BY DIRECTOR: *MS for SA*

ATTACHMENTS:

Updated Public Service Company of Colorado, Platte River Power Authority, and City of Loveland Wheeling Agreement

WHEELING AGREEMENT

THIS WHEELING AGREEMENT (“Agreement”) is entered into this _____ day of _____, 2013, by and among the **City of Loveland, Colorado** (“City”), **Public Service Company of Colorado** (“PSCo”), and **Platte River Power Authority** (“Platte River”) (collectively, the “Parties”). This Agreement generally provides for the delivery of power and energy by the City to PSCo at 12.47 kV from certain delivery points on the City’s distribution system. The City simultaneously receives such power and energy from Platte River’s 115 kV system. Transmission wheeling arrangements between Platte River and PSCo are set forth in the Network Integration Transmission Service Agreement effective April 12, 2007. This Agreement replaces in its entirety the Wheeling Agreement between the Parties dated June 20, 2005.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Delivery Points:

- a.** Delivery Points from the City to PSCo shall be designated and maintained by the Parties as set forth on **Exhibit A**, attached hereto and incorporated herein by reference.
- b.** Delivery Points may be removed or added, and the maximum kW levels may be modified by PSCo and the City upon written agreement. For the purposes of this Section, written agreement shall mean execution by PSCo and the City of a revised Exhibit A. PSCo shall provide the City with a list of all proposed changes to Exhibit A on or before March 1 of each year, and PSCo and the City shall meet within thirty (30) days following such submission to review the proposed changes. Notwithstanding the foregoing, PSCo and the City may approve changes to Exhibit A at any time by written agreement. The City expressly delegates authority to its Director of Water and Power to approve any such changes on behalf of the City.

2. Services and Facilities Provided by PSCo:

- a.** PSCo owns and shall operate and maintain, at no expense to the City, all of the necessary facilities (including, but not limited to, voltage regulators, switches, protective devices, metering equipment, telemetry systems, and its own distribution lines) to establish the Delivery Points and from the Delivery Points to PSCo’s customers. PSCo’s equipment shall be capable of converting a nominal 7200/12470 grounded wye voltage to PSCo’s utilization voltage. PSCo shall own, operate, and maintain the billing meters that measure the power and energy delivered by the City to the Delivery Points.
- b.** Metering equipment shall be suitable for remote reading via a telemetry and Supervisory Control and Data Acquisition (“SCADA”) system that meets the

approval of the City and Platte River. The installed cost of the metering equipment and SCADA system shall be borne by PSCo.

- c. PSCo shall be solely responsible for delivering power of the proper voltage, phase, and quality to its customers.
- d. PSCo shall be responsible for maintaining a power factor greater than 0.95 lagging or leading at each Delivery Point, as measured by PSCo's meters. During the months of July and August of each year, power registering at PSCo's meters at a power factor of less than 0.95 lagging or leading will be billed as outlined in **Exhibit B**, attached hereto and incorporated herein by reference.
- e. PSCo shall be responsible for balancing its customer load between phases at all Delivery Points. Current balance shall be calculated by dividing the maximum deviation between phases by the average of the three phases. The current balance shall not exceed twenty percent (20%). Current balance shall be measured monthly by the City's meters. The City may elect to measure current balance at other Delivery Points. If the City does measure current balance at other Delivery Points, PSCo shall be responsible for maintaining a current balance that does not exceed Twenty percent (20%) as measured in accord with this paragraph.

3. Services and Facilities Provided By the City:

- a. The City grants to PSCo a license for the term of this Agreement for the joint use of the City's electric distribution line right-of-way and poles for PSCo's SCADA/telemetry circuits.
- b. The City grants to PSCo a license for the term of this Agreement for the joint use of the City's electric distribution right-of-way and 22 kV distribution line poles for the underbuild of a 13.2 kV three phase circuit from the West Delivery Point to the west side of Namaqua Road complete with placement of delivery tap structures and equipment within the first 100 feet west of the West Substation fence. The City further grants to PSCo a license for the term of this Agreement to construct, install, and maintain PSCo facilities on City property necessary to serve the PSCo customers that are accessed from the Delivery Points on Exhibit A, subject to the maximum kW for each Delivery Point on Exhibit A.
- c. The City grants to PSCo a license for the term of this Agreement to operate and maintain PSCo's existing telecommunication facilities in the City's substations. PSCo's crews or contractors will only be allowed access to the substations with prior City approval.
- d. The City shall deliver to PSCo power and energy of the same phase and frequency supplied to the City by Platte River at the Delivery Points as set forth in Exhibit A. The City will provide service at its nominal voltage, plus or minus three

percent (3%), provided that PSCo complies with the current balance requirements in Paragraph 2.e.

- e. The City shall continue to furnish, install, operate, and maintain its distribution facilities so that it can reliably deliver to PSCo at the Delivery Points firm power and energy at the maximum monthly kW levels set forth on Exhibit A. The sum of the maximum monthly kW demands of all Delivery Points will not exceed the total of the amounts set forth on Exhibit A. The maximum kW for each Delivery Point is considered to be firm capacity at that Delivery Point. Firm capacity shall mean that the City will reserve capacity in its distribution system to serve PSCo's maximum demand under normal operating conditions. It does not include abnormal operating conditions such as system disturbances, natural disasters, or other emergencies. All Delivery Points are subject to underfrequency load shedding schemes, which shall apply on a non-discriminatory basis across the City's distribution system, such that PSCo's customers are treated in the same manner as the City's customers under the City's underfrequency load shedding scheme.
- f. The Parties acknowledge and agree that the City and PSCo facilities at each Delivery Point are capable of delivering the maximum amount of kW listed for each Delivery Point on Exhibit A. However, these facilities may not be able to accommodate substantial demands above the maximum KW amounts set forth on Exhibit A. The City may take immediate remedial action and notify PSCo of such action in the event any delivery point exceeds 500 kW over the capacity set forth in Exhibit A for that specific delivery point.
- g. If PSCo requires increases in the maximum kW at any Delivery Point, PSCo shall notify the City of its increased needs in accordance with Paragraph 1. If such increases are approved by the City, the City shall use good faith efforts to provide for increased deliveries within a reasonable period of time. PSCo shall be responsible for its pro rata share of the cost of any City facility upgrades necessary to accommodate increased deliveries above the maximum kW levels set forth on Exhibit A.

4. Services Provided By Platte River:

- a. Platte River shall coordinate with the City and PSCo to ensure that billing metering and telemetering equipment are compatible and meet the needs of all Parties.
- b. Platte River shall read or cause to be read the billing meters at the end of each month. The readings shall be provided to the City and PSCo.
- c. Platte River shall account for the billing of all deliveries of power and energy to the Delivery Points specified herein. The accounting shall be done in such a

manner so that the City is not charged for the power and energy delivered to PSCo.

- d. Upon thirty (30) business days written notice, Platte River shall afford PSCo and the City, or their respective representatives, reasonable access to the records utilized in calculating any charge or credit hereunder and Platte River's books of account for the prior twenty-four (24) month period.

5. Rates and Billing:

- a. For service during the months of July and August of each year, PSCo agrees to pay the City for the Total Reserved Demand. Total Reserved Demand means the sum of the maximum kW load figures set forth in Exhibit A. For all other months of the year, PSCo agrees to pay the City for PSCo's actual maximum kW load metered at each Delivery Point. The rate per kW is set forth on line a. of Exhibit B. PSCo further agrees to pay the City an additional charge per kW as set forth on line b. of Exhibit B for all kW that exceed the maximum kW amount at a specific Delivery Point as set forth on Exhibit A. During the months of July and August only, PSCo also agrees to pay a charge for power factors that are less than .95 lagging or leading as set forth by the formula on line c. of Exhibit B. All payments shall be due within thirty (30) calendar days following receipt by PSCo of the City's invoice.
- b. The City may adjust the rates set forth on Exhibit B as provided in Article 13 of the Loveland Charter. The City will notify PSCo of the proposed adjustment as soon as practical. Said rate adjustments shall be deemed amendments to Exhibit B of this Agreement.

6. Emergency Conditions:

- a. It is mutually understood that this Agreement only covers normal operating conditions as indicated in Paragraph 3.e. of this Agreement. PSCo is not paying for reserved backup capacity under emergency conditions, and the City is not required to provide backup capacity.
- b. When restoring the system to normal after an outage, the City shall give restoration of service to the Delivery Points the same priority as restoring its own load.
- c. Underfrequency load shedding may be automatically initiated to maintain system integrity. Such load shedding schemes will include PSCo's Delivery Points on a non-discriminatory basis with the shedding of City load.
- d. If the failure of a protective device on PSCo's facilities causes a failure or operation of a City protective device, PSCo agrees to pay for all expenses,

including, but not limited to, labor, equipment, and administrative costs, incurred by the City for restoration of service to its customers.

- e. In the event that, during planned or emergency conditions at the City's West or Horseshoe Substations, the City requests PSCO to take an outage, the City will allow PSCO to serve the combined West and Northwest Delivery Points loads from either West or Northwest Delivery Point. Under these conditions, PSCO will not be charged the higher rate set forth in line b of Exhibit B due to demand being in excess of the capacity set forth in Exhibit A for that specific delivery point.

7. Metering:

- a. Meters used for measurement of power and energy deliveries hereunder shall be sealed, and the seals shall be broken only when the meters are to be inspected, tested, or adjusted. Authorized representatives of each Party shall be afforded a minimum ten (10) business days advance notice to be present upon these occasions.
- b. Metering equipment shall be inspected and tested at least once each year by the Party that provides the equipment and at any reasonable time upon request by any Party. Upon request, copies of completed test reports shall be provided to any Party within thirty (30) calendar days of the completion of the test. Any metering equipment found to be defective or inaccurate shall be repaired, adjusted, or replaced by the providing Party.
- c. Should any meter fail to register, the power and energy delivered during such period of failure shall be estimated for billing purposes by the authorized representatives of the Parties using the best information available.
- d. If any test or inspection reveals an error of two percent (2%) or greater, a correction will be made in the billing for the time period in error not to exceed six (6) months. All such corrections shall be made on the next monthly billing. This procedure shall constitute adjustment of the claims of any Party arising out of the inaccuracy of the metering equipment.

8. Uncontrollable Forces:

A Party to this Agreement shall not be considered to be in default in the performance of any obligation hereunder if failure of performance shall be due to uncontrollable forces. The term "uncontrollable forces," as used herein, means any cause beyond the control of the Party affected, including, but not limited to, failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, labor disturbance or strike, sabotage, and restraint by court or public authority which, by the exercise of due diligence, it shall be unable to overcome. However, no Party shall be relieved of liability for failure of performance if such failure is due to causes arising out of its own

negligence or due to removable or remediable causes which it fails to remove or remedy within a reasonable time.

9. Term of Contract and Termination:

- a.** Except as provided in Paragraph 9.b., this Agreement shall become effective on the date of its execution and shall remain in effect until midnight December 31, 2020; provided that this Agreement shall remain in effect from year-to-year thereafter until it is terminated by any Party by giving written notice to the other Parties at least two (2) years prior to the date of intended termination. In the event that this Agreement has not been terminated by any party prior to December 31, 2025, it shall automatically terminate at midnight on said date.
- b.** PSCo may terminate this Agreement, upon two (2) years notice to the City, whenever the City makes an adjustment to the rates under Paragraph 5.b. that is not acceptable to PSCo.
- c.** Upon termination of this Agreement, the Parties shall be individually responsible for removal of their own equipment. Equipment shall be dismantled and removed from the site within ninety (90) calendar days of the termination of this Agreement.
- d.** In the event that the City continues to provide power to PSCo's Delivery Points beyond the term or termination of this Agreement, PSCo shall continue to pay the City as set forth in Paragraph 5., above.

10. Miscellaneous:

- a.** This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Larimer, State of Colorado. In addition, the Parties recognize the legal constraints imposed upon them by the constitutions, statutes, and regulations of the State of Colorado and of the United States, and imposed upon the City by its Charter and Municipal Code and, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision in this Agreement to the contrary, in no event shall any of the Parties hereto exercise any power or take any action which shall be prohibited by applicable law.
- b.** No Party shall assign its rights or obligations under this Agreement without the other Parties' prior written consent, which consent shall not be unreasonably withheld.
- c.** This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors and assigns.

- d. This Agreement, together with the Network Integration Transmission Service Agreement effective April 12, 2007 between PSCo and Platte River, contain the entire agreement of the Parties relating to the subject matter hereof and may not be modified or amended except by written agreement of the Parties.
- e. In the event a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Agreement. In such event, the Parties agree to use their best efforts to replace the invalid or unenforceable provision with a valid and enforceable provision to the extent possible to preserve the intended bargain negotiated under this Agreement.
- f. Paragraph headings used in this Agreement are for convenience of reference and shall in no way control or affect the meaning or interpretation of any provision of this Agreement.
- g. The authorized representatives of the Parties will meet once each calendar year during the term of this Agreement, or at other times as requested by any Party, to discuss any matter set forth in this Agreement.
- h. Written notices required under this Agreement and all other correspondence between the Parties shall be directed to the authorized representatives of the Parties. All notices shall be delivered by email and by either hand-delivery or by certified mail and shall be deemed received when hand-delivered or three (3) calendar days after being sent by certified mail, return receipt requested. The initial authorized representatives of the Parties are set forth below. Any Party may change its authorized representative by providing written notice to the other Parties.

Authorized Representatives:

For the City: Steve Adams
Director of Water & Power
City of Loveland
200 North Wilson Avenue
Loveland, CO 80537
Email: Steve.Adams@cityofloveland.org

With a copy to: John Duval
City Attorney
500 East Third Street
Loveland, CO 80537
Email: John.Duval@cityofloveland.org

For PSCo: Lynn Worrell
1123 W. 3rd Ave.

Denver, CO 80223
Email: Lynn.Worrell@xcelenergy.com

For Platte River: Jackie Sargent
General Manager
2000 East Horsetooth
Fort Collins, CO 80525
Email: sargentj@prpa.org

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

CITY OF LOVELAND, COLORADO

By: _____

Title: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

Assistant City Attorney

PUBLIC SERVICE COMPANY OF COLORADO

By: _____

Title: _____

PLATTE RIVER POWER AUTHORITY

By: _____

Title: _____

APPROVED AS TO FORM:

General Counsel

EXHIBIT A

Delivery Points and Reserved Demand

Delivery Point	Substation	Location	Maximum kW
West	West	West Substation	2500
WAPA	Airport/Crossroads	City vault near the intersection of County Road 7 and County Road 26	1000
Northwest	Horseshoe	Horseshoe Substation, east side of railroad tracks and 550 feet north of 57 th Street	5000
Madison	East #2	West side of Madison Avenue, approximately 350 feet south of the intersection of 11 th Street and Madison Avenue	500

Total Reserved Demand: 9,000 kW

Accepted and agreed to this ____ day of _____, 2013.

Public Service Company of Colorado

City of Loveland, Colorado

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT B

City of Loveland Rates as of _____, 2013

a.	Charge per kW per month	\$ 4.07
b.	Charge per kW for exceeding amount set forth in Exhibit A for a specific delivery point	\$ 5.34
c.	Charge for power factor below .95	For the months of July and August only: the metered kW shall be multiplied by .95 and then divided by the metered power factor. Subtract from this quotient the metered kW. The difference shall be added to the metered kW and charged at the rate set forth in a. above.



AGENDA ITEM: 2
MEETING DATE: 6/19/2013
SUBMITTED BY: Jim Lees, Utility Accounting Manager

TITLE: Power Cost of Service and Rate Study Presentation

DESCRIPTION:

The purpose of this item is to provide the LUC with an overview of the Power cost-of-service rate study and get recommendations from the Commission on three key study components.

SUMMARY:

As a step in our 2013 cost-of-service rate study for Power, Staff will be seeking direction from the Loveland Utilities Commission at this month's meeting on key decisions that will need to be made during the study. The rate study is now underway with our consultant, Utility Financial Solutions (UFS). A kickoff meeting was held on June 7, 2013 and great volumes of data have made their way already to UFS. Staff really appreciated the attendance and participation of Loveland Utilities Commission Chair Dave Schneider and Board Member Gene Packer at the Kickoff meeting. Mark Beauchamp, President of UFS, will be with us today to give us an overview of what we will be looking to accomplish in the study and will lead us through the feedback process on three study components that follow.

Background

It has been five years since the last cost-of-service rate study for Power, so it is natural at this point to ask the question of how have things gone since the rate study in 2008. There are two matters that step to the forefront of this discussion:

- A) Last year, as part of the cost-of-service rate study for Water and Wastewater, the monthly base charge was increased significantly in order to lower our dependence on weather to meet our revenue projections, and consequently, a higher percentage of our Water and Wastewater revenues comes from a very reliable revenue source. Power revenues are not as sensitive to the weather as Water revenues, but the dependence on weather to meet revenue projections is still clearly a reality with Power. The downside of this dependence on weather was felt most dramatically in 2009, when we had our lowest consumption per customer that we have on record. Currently, the larger customer classes are close to or at cost of service for the base charge, but the Residential, Residential Demand and Small General Service classes are below cost of service for the base charge by probably \$4+ per month. So, the question is whether we want to move in the same direction with Power and increase the monthly base charge, as we did last year with Water and Wastewater? This would enable us to firm up a higher percentage of our revenue stream.

- B) Since the 2008 study, we have had inquiries from some of our large customers as to whether we could offer a rate which would allow them to save on their power bill if they were able to lower their demand at the time of Platte River Power Authority's (PRPA) monthly system peak. This is known as a coincident peak demand rate structure, and developing this rate is the biggest key addition to this year's cost-of-service study. Large customers who are currently on the Large General (LG) or Primary with Customer-owned Transformer (PT) rates are billed just their peak monthly demand. With a coincident peak rate design, large customers would continue to be billed for their monthly peak demand (at a much lower rate per kW than they are now) and would also be billed for what their demand is at the time of PRPA's monthly system peak. If a customer is able to shed load at the time of PRPA's monthly system peak, they can save on their power bill. Mark will be taking some time to explain this more at the meeting.

There are three study components that Staff is looking to the Commission to weigh in on:

- 1) Increase the monthly base charge for Power and, therefore, be collecting a lower percentage of total revenues from the volume charge

PROS:

- Provide a more dependable, less weather-driven revenue stream, making both short-term and long-range financial planning easier
- Benefits high usage customers
- Makes Power consistently philosophically with Water and Wastewater

CONS:

- A lower charge per kWh could discourage power conservation
- Depending on how much the base charge is increased, it could be a disadvantage for customers with low usage

Staff recommends that we generate rate scenarios with increased base charges for Power to bring back for the Commission's consideration.

- 2) Implement full cost-of-service results for each customer class, regardless of what those rate increases or decreases might be, or put some limitations on how much each customer class will be adjusted for 2014

In the last cost-of-service rate study for Power in 2008, the overall rate increase necessary was 11.1%. The LUC made two key decisions at that time: 1) to phase the 11.1% increase in over three years; and 2) to implement a 4.4% overall rate increase in

the first year, 2009, and structure it so that the rate increases for each customer class would be no more than 4.4% + or – 2%. So, no increase for any customer class would be higher than 6.4%, and none would be lower than 2.4%.

The primary pro and con of implementing full cost-of-service results are as follows:

PRO:

- Each customer class would be paying just what it should – there would be no subsidizing of costs between classes

CON:

- There is a potential, depending on the outcome of the cost of service, that some classes could have large adjustments to their current rates

Staff recommends that implementing full cost-of-service results at least be explored for 2014, and that the results be brought back to the Commission for their consideration.

- 3) Implement full cost-of-service results for each customer class, for the differential between the Summer and non-Summer seasons, regardless of what those rate increases or decreases might be, or continue to gradually step toward full cost-of-service differential between Summer and non-Summer rates

2012 was the first year of implementing seasonal rates for Loveland, and this was done in response to PRPA implementing a seasonal rate structure for wholesale power. In developing the rates for Loveland for 2012, Mark decided to take a gradual approach to implementing the full differential between Summer and non-Summer rates, and he took another step toward the full differential in 2013. The City of Fort Collins opted to implement the full cost-of-service differential between Summer and non-Summer in 2012, and some of their customers experienced dramatic increases in their Summer electric bills.

The primary pro and con of implementing the full cost-of-service differential between Summer and non-Summer rates are:

PRO:

- Each customer would be getting billed as closely as possible in alignment with the wholesale power cost signal coming from PRPA

CON:

- There is a potential, depending on the outcome of the cost of service, that customers could see large increases in their Summer bills

Staff recommends that implementing full cost-of-service results for the differential between Summer and non-Summer rates at least be explored for 2014, and that the results be brought back to the Commission for their consideration.

Another item to be developed as part of the rate study is a rate design for public charging stations for plug-in electric vehicles (PEV). In addition to the two existing public charging stations, the Power Utility will be installing two more public charging stations, and a fee will be charged for using these charging stations by credit card at the point of sale. Mark will discuss this more at the meeting.

Attached for informational purposes is a table showing comparative rate structure data for Loveland, Fort Collins, Longmont and Greeley's (Xcel) power utilities for the Residential, Residential Demand and Small General Service classes (these are the classes where the base charge is currently below cost of service). The Residential Demand class was established back in the 1980's to provide an option to residential customers who had all-electric homes a rate design with a demand component that could potentially save them on their electric bill. We currently have only three customers on the Residential Demand rate. The Small General Service class is for small commercial customers whose average monthly demand is less than 50kW.

RECOMMENDATION: Listen to the presentation and be ready to make recommendations on Study Component items 1-3 above.

REVIEWED BY DIRECTOR: *MS for SA*

ATTACHMENTS:

Comparison of 4 Cities Power Rate Structures - 2013

COMPARISON OF 4 CITIES POWER RATE STRUCTURES - 2013

RESIDENTIAL:	Loveland	Fort Collins	Longmont	Greeley (Xcel)
SUMMER RATES				
Base Charge:	\$8.91	\$4.75	\$10.40	\$7.93
Charge per kWh	\$0.07853	\$0.08766 (0-500 kWh) \$0.10441 (501-1,000 kWh) \$0.13791 (above 1,000 kWh)	\$0.0713 (0-750 kWh) \$0.0781 (751-1,500 kWh) \$0.0878 (above 1,500 kWh)	\$0.09639 (0-500 kWh) \$0.14806 (above 500 kWh)
NON-SUMMER RATES				
Base Charge:	\$8.91	\$4.75	\$10.40	\$7.93
Charge per kWh	\$0.07193	\$0.08098 (0-500 kWh) \$0.08501 (501-1,000 kWh) \$0.09381 (above 1,000 kWh)	\$0.0713 (0-750 kWh) \$0.0781 (751-1,500 kWh) \$0.0878 (above 1,500 kWh)	\$0.09639
RESIDENTIAL DEMAND:	Loveland	Fort Collins	Longmont	Greeley (Xcel)
SUMMER RATES				
Base Charge:	\$18.00	\$7.67	\$15.40	\$14.40
Charge per kWh	\$0.03297	\$0.07197	\$0.03250	\$0.05405
Charge per kW	\$8.75	\$2.65	\$8.35	\$11.02
NON-SUMMER RATES				
Base Charge:	\$18.00	\$4.75	\$15.40	\$14.40
Charge per kWh	\$0.03266	\$0.07081	\$0.03250	\$0.05405
Charge per kW	\$8.21	\$2.65	\$8.35	\$8.69
SMALL GENERAL SERVICE:	Loveland	Fort Collins	Longmont	Greeley (Xcel)
SUMMER RATES				
Base Charge:	\$14.20	\$3.68	\$16.40	\$12.63
Charge per kWh	\$0.07686	\$0.09127	\$0.07800	\$0.11798
NON-SUMMER RATES				
Base Charge:	\$14.20	\$3.68	\$16.40	\$12.63
Charge per kWh	\$0.07194	\$0.07431	\$0.07800	\$0.08825



AGENDA ITEM: 3
MEETING DATE: 6/19/2013
SUBMITTED BY: Scott Dickmeyer, Staff Engineer

TITLE: CBT Market Price Consideration

DESCRIPTION:

The City's cash-in-lieu fee is based primarily on the market price of one Colorado-Big Thompson Project (C-BT) unit as recognized by resolution of the Loveland Utilities Commission (LUC). On April 19, 2006 the LUC determined with staff the process in which the LUC members desire to keep abreast of the changes to the market price of Colorado-Big Thompson Project units. On February 20, 2013, the LUC adopted Resolution R-1-2013U, changing the City's recognized price for CBT water to \$10,667 per unit. Because of the trend in prices increasing for all transactions, staff recommends changing the City's recognized C-BT market price to \$11,800 per unit.

SUMMARY:

The City's cash-in-lieu fee is based primarily on the market price of one Colorado-Big Thompson Project (C-BT) unit as recognized by resolution of the Loveland Utilities Commission (LUC). The cash-in-lieu fee equals market price of one C-BT unit divided by the yield of one C-BT unit, multiplied by 1.05 ($\$11,800 / 1.0 * 1.05 = \$12,400$). Staff is bringing forth this item to assist the LUC in recognizing the current market price, and recommends a change to the City's currently recognized price of \$10,667 to \$11,800 per C-BT unit. Making this change would result in an increase in the cash-in-lieu price from \$11,200 to \$12,400.

On April 19, 2006 the LUC discussed with staff the process in which the LUC members desire to keep abreast of the changes to the market price of Colorado-Big Thompson Project units. The LUC direction was as follows:

- Using sales as reported in the Water Strategist trade publication, any change of 5% in the C-BT sales price, up or down, over a running six-month period from the City's currently recognized price should trigger consideration of a price change by the LUC. Please note the Water Strategist is no longer published, but Stratecon, Inc sends out a monthly CBT Transactions Report. These reports were used in this analysis.
- Because use of cash-in-lieu payments in the current raw water policies is included as a convenience for small transactions of 4 acre-feet or less, more weight should be given to the smaller blocks of C-BT unit sales.
- Rapid trends in price for significant numbers of units over shorter periods of time should be pointed out to the LUC for evaluation and possible changes as needed.

Although every transfer of units from one party to another is published, some of the transfers are to meet development requirements and do not list a price. Only the transactions which list the selling price are taken into consideration.

The transactions were broken out into the following four categories: (1) 5 units or less, (2) 10 units or less, (3) 20 units or less, (4) all reported transactions regardless of number of units. The sale prices were used to determine the weighted average per unit in each of the above four overlapping categories. The weighted average values for a particular month and the previous five months were used to determine the six-month running weighted average. The most recent data is from April 2013 and the attached table and graphs show data back to November 2012.

Focusing on the transactions with smaller blocks of units, the six-month running weighted averages for transactions of five units or less and ten units or less increased from the City's currently recognized C-BT market price by 10.3% and 10.6%, respectively. The same six-month running weighted averages for transactions of 20 units or less increased from the City's currently recognized C-BT market price by 9.4%. The six month running average for all transactions increased from the currently recognized C-BT market price by 11.4%.

The transaction data from Stratecon is typically available no earlier than 2 months previous. For example, in June 2013 the most recent data is from April. Three transactions were reported in April: 5 units at \$13,500/unit, 40 units at \$14,000/unit and 62 units at \$15,000/unit.

Using a six-month running average tends to attenuate the volatility of the market. Since recent prices have increased rapidly the six month average does not accurately reflect current high market conditions. The city can time its purchases of CBT water to avoid where possible buying at peak prices. A shorter period for averaging prices, say 3 or 4 months, would more accurately reflect trending markets, but the City has tended to follow rising markets rather than leading them.

Using the currently adopted LUC recommended procedure, staff recommends changing the City's currently recognized C-BT market price to \$11,800/unit, resulting in a cash-in-lieu fee of \$12,390, rounded to \$12,400 per acre-foot.

Staff will continue to monitor the market and provide updated information in the future.

RECOMMENDATION:

Adopt the attached Resolution R-2-2013U increasing the City's currently recognized price for C-BT water from \$10,667/unit to \$11,800/unit.

REVIEWED BY DIRECTOR: *MS for SA*

ATTACHMENTS:

- 1 - Resolution
- 2 - CBT Market Price Table, through April 30, 2013

LOVELAND UTILITIES COMMISSION

RESOLUTION #R-2-2013U

**RESOLUTION RECOGNIZING THE MARKET PRICE OF ONE
COLORADO-BIG THOMPSON PROJECT UNIT AS AUTHORIZED BY
LOVELAND MUNICIPAL CODE SECTION 19.04.040**

WHEREAS, Section 19.04.040 of the Loveland Municipal Code authorizes the Loveland Utilities Commission to recognize the market price of one Colorado-Big Thompson Project (“C-BT”) unit by resolution; and

WHEREAS, the Loveland Utilities Commission has reviewed relevant C-BT market data; and

WHEREAS, following said review, the Loveland Utilities Commission is of the opinion that the market price of one C-BT unit is \$11,800.

NOW, THEREFORE, BE IT RESOLVED BY THE LOVELAND UTILITIES COMMISSION OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the Loveland Utilities Commission hereby recognizes that the market price of one C-BT unit is \$11,800.

Section 2. That Resolution #R-1-2013U of the Loveland Utilities Commission is hereby repealed and superseded in all respects by this Resolution.

Section 3. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 19th day of June, 2013.

Chairman, Loveland Utilities Commission

ATTEST:

Secretary, Loveland Utilities Commission

APPROVED AS TO FORM:

Assistant City Attorney

CBT Unit Market Price Summary

April 2013

Current Market Price: \$10,667

All Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Nov 2012	0		\$9,058	-15.1 %
Dec 2012	9	\$10,667	\$9,600	-10.0 %
Jan 2013	12	\$10,833	\$10,109	-5.2 %
Feb 2013	6	\$10,500	\$10,380	-2.7 %
Mar 2013	45	\$12,833	\$11,208	5.1 %
Apr 2013	107	\$14,556	\$11,878	11.4 %

20 Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Nov 2012	0		\$8,829	-17.2 %
Dec 2012	9	\$10,667	\$9,371	-12.2 %
Jan 2013	12	\$10,833	\$9,870	-7.5 %
Feb 2013	6	\$10,500	\$10,245	-4.0 %
Mar 2013	45	\$12,833	\$11,208	5.1 %
Apr 2013	5	\$13,500	\$11,667	9.4 %

29

10 Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Nov 2012	0		\$9,328	-12.6 %
Dec 2012	9	\$10,667	\$9,663	-9.4 %
Jan 2013	12	\$10,833	\$10,129	-5.0 %
Feb 2013	6	\$10,500	\$10,504	-1.5 %
Mar 2013	13	\$13,500	\$11,375	6.6 %
Apr 2013	5	\$13,500	\$11,800	10.6 %

5 Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Nov 2012	0		\$9,218	-13.6 %
Dec 2012	9	\$10,667	\$9,580	-10.2 %
Jan 2013	6	\$10,667	\$10,088	-5.4 %
Feb 2013	6	\$10,500	\$10,463	-1.9 %
Mar 2013	3	\$13,500	\$11,333	6.2 %
Apr 2013	5	\$13,500	\$11,767	10.3 %



AGENDA ITEM: 4
MEETING DATE: 6/19/2013
SUBMITTED BY: Larry Howard, Senior Civil Engineer – Water Resources

TITLE: Water Supply Update

DESCRIPTION:

Summary of projection for water supply in 2013.

SUMMARY:

"It was the best of times. It was the worst of times...it was the spring of hope, it was the winter of despair..." So starts the famous Charles Dickens book, *A Tale of Two Cities*.

We started so bleakly and then ended so well. This month is the end of the snowpack watching, as it has melted from the Bear Lake Snowtel site. Now we continue to enjoy the runoff, anticipate the peak and wait for the end of the snowmelt in late July. We are enjoying a good supply going into the high-use time of the year. We have a nearly full reservoir, all of our 2013 CBT quota water and most of our 2012 CBT carryover. Staff also confirms that the voluntary response for the Drought Management Plan is still appropriate. The Executive Dashboard, June 4, 2013, is attached as well.

What a difference a month can make! The first attachment is the *Snow-Water Equivalent, June 5, 2013, Bear Lake*, the final date at which the presence of snow was recorded at the site. This graphical representation compares snow-water equivalent conditions over time for several years of interest, compared to the 30-year mean values. The very wet conditions of 2011 are shown as compared to the very dry conditions of 2002. The near total absence of snowfall after March 1 during the 2012 season, and the large March snowstorm in 2003, are both illustrated clearly. For 2013, conditions were very dry, near the levels of 2002, until April and May. The April snows improved conditions a great deal. The last date at which the presence of snow was recorded this year (June 5, 2013) coincided with the 30-year median date for the last snow at this site. The 2013 peak at the Bear Lake site reached about 90% of the median in early May, about a week later than normal.

Additional information from Natural Resources Conservation Service, Reclamation or Northern Water will be provided at the meeting if available.

RECOMMENDATION:

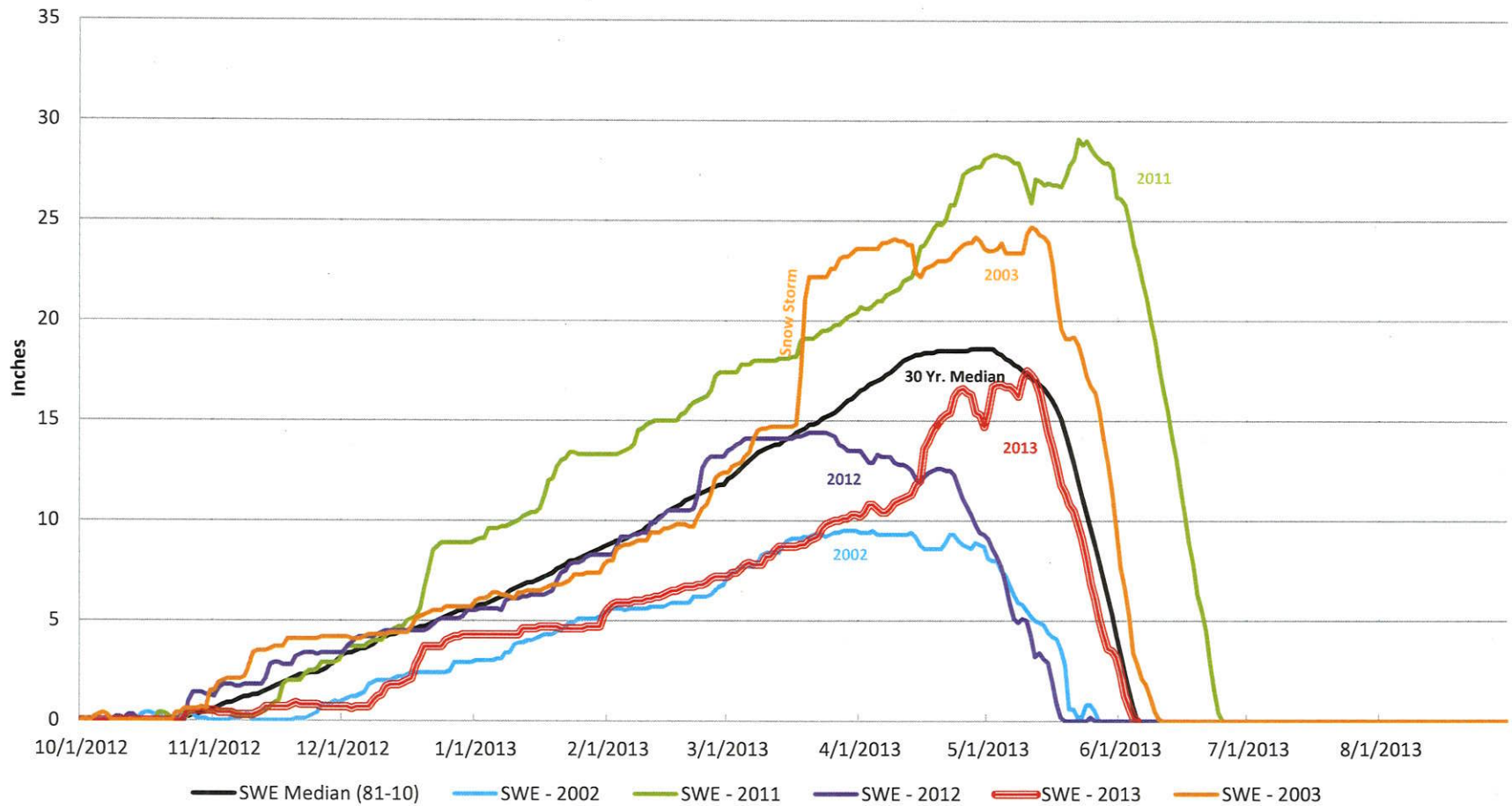
Staff report only. No action required.

REVIEWED BY DIRECTOR: *ms for SA*

ATTACHMENTS:

- *Snow-Water Equivalent June 5, 2013, Bear Lake*
- Executive Dashboard, June 4, 2013

Snow - Water Equivalent June 5, 2013 Bear Lake



Water Supply Update Report

City of Loveland Water Year 2013

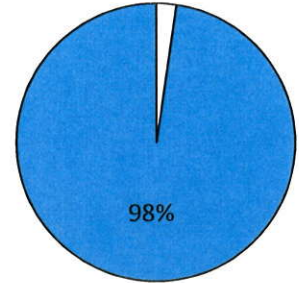
All values in acre-ft

June 4, 2013

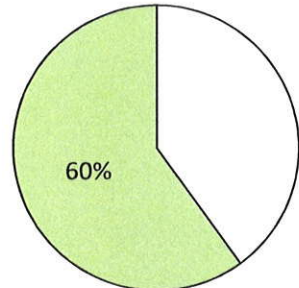
	Demand	Supply	Totals
Storage			
GRG Reservoir			
Volume Necessary to Fill	(158)		
C-BT System			
Eureka Ditch Available		0	
Balance Carried Over		2,900	
Quota Water Available		7,241	
Estimated Windy Gap		1,500	
Carryover for Next Year	(2,651)		
Supplemental Carryover	(1,566)		
Net Storage Available			7,266
Big Thompson River Rights			
Direct Domestic			
20		0	
10.5		59	
4		326	
2		411	
1		1,433	2,228
202 A			
10.5		77	
7		167	
6		1,798	
4		428	
1&2		733	3,203
392			
10.5		62	
7		296	
6		35	
4		343	
1&2		438	1,173
Net River Rights Available			6,604
System Demands			
Remaining Demand	(9,171)		
Remaining Parks Leases	(700)		
Net Remaining Demands			(9,871)
Water Supply Status November 1, 2013			3,999

Water Year is from November 1 through October 31

Projected Demand Based on 2010 Production



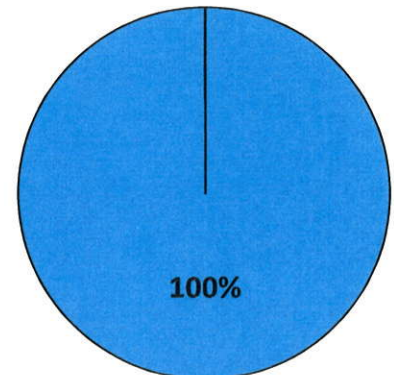
Current GRGR Volume



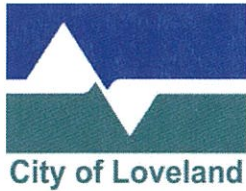
C-BT Quota

Projected Storage*
November 1, 2013

□ Empty Storage ■ Nov. 1st Storage



*Storage = Carryover + GRG Reservoir



CITY OF LOVELAND
WATER & POWER DEPARTMENT
200 North Wilson • Loveland, Colorado 80537
(970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

AGENDA ITEM: 5
MEETING DATE: 6/19/2013
SUBMITTED BY: Steve Adams, Director *MS for SA*

TITLE: Commission/Council Report

SUMMARY:

- Tri-City Water Conference – May 16, 2013

RECOMMENDATION:

Commission/Council report only.

REVIEWED BY DIRECTOR: *MS for SA*



AGENDA ITEM: 6
MEETING DATE: 6/19/2013
SUBMITTED BY: Steve Adams, Director *MS for SA*

TITLE: Director's Report

SUMMARY:

- **Darell Zimbelman** – Recognition of the years of service on the LUC board – Larry Howard
- **2014 Budget updated:** The 10-Year Capital Improvement Programs (CIP) for each of the utilities was reviewed at the June 11, 2013 City Council Study Session. – Jim Lees

Significant Upcoming Dates for the Budget Process

Sept. 10, 2013	2014 Budget City Council Study Session
Oct. 1, 2013	First Reading of 2014 City Budget
Oct. 15, 2013	Second Reading of 2014 City Budget

- **Power 2014 Rate and Cost of Service Study** – Jim Lees

Significant Dates for the Rate Study

June 7, 2013 (9 am to noon)	Work session via video conference at the Gertrude Scott Room at the Loveland Public Library with Mark Beauchamp, including LUC Liaisons
June 19, 2013 (LUC meeting)	Mark will present at LUC meeting and seek direction from the Commission on setting 2014 rates
Aug. 27, 2013	City Council Study Session on the Power 2014 Cost of Service and Rate Study with Mark Beauchamp
Sept. 10, 2013	2014 Budget City Council Study Session
Sept. 18, 2013 (LUC meeting)	Mark will present final study results to LUC

- **New Employee Introductions:**
 - Daniel White, Electrical Engineering Intern
 - Bryan Easterly, Water Meter Tech 1

- **Customer Relations Updates** - Please see Attachment A for the July Customer Relations calendar. - Gretchen Stanford
 - **Public Works Day Update** – Loveland Water and Power was invited to participate in the 10th annual Public Works Day on May 21, 2013. Over 1400 Loveland K-5th graders visited educational booths including Loveland Water & Power's backflow demonstration, electricity safety demonstration, pole climbing demonstration, electric vehicle display and the water conservation area. Samples from the "How I Save Water River" can be seen in the Service Center lobby where students colored water drops saying how they save water. - Lindsey Bashline
 - **Garden in a Box Pick-up Day Update** – Customers who purchased gardens through the Garden-In-A-Box program could pick-up them up in Loveland on Saturday, June 1, 2013. The program was a huge success this year as Loveland sold 96 gardens and the Center for ReSource completely sold out of the xeric gardens. - Lindsey Bashline
 - **AWWA ACE13 Conference** – Because this year's AWWA ACE Conference was held locally in Denver, we were able to register 12 staff members for the full conference, which was held June 9, 2013 to June 13, 2013. Topics were broad and offered something for everyone, including:

- Utility Tactical Solutions	- Collaborating Across Political Boundaries
- Regulatory Compliance	- Enhanced Water Treatment Design Principles
- Sustainability: Finding a Balance	- Design, Delivery and Financing of Capital Projects
- Distribution System Optimization	- Innovative Biotreatment & Membrane Treatment Processes
- Communicating the Value of Water	- Water Conservation and Efficiency: Practical Applications
- Technology for Water Utility Operations	
- In addition, for a nominal cost, 24 field operations and support staff attended an *Operators' Day*, with vendor products/presentations of interest to operational needs. – Chris Matkins
- **Platte River Board Update** - Please see Attachment B for an overview of what occurred at the Platte River Power Authority (PRPA) board meeting on May 30, 2013. See Attachment C for a copy of Resolution No. 12-13, and Attachment D for a draft of PRPA's revised vision, mission and values statements. – Steve Adams

RECOMMENDATION:

Director's report only.

REVIEWED BY DIRECTOR: *MS for SA*

Attachment A

JULY

CUSTOMER RELATIONS

Sun

Mon

Tue

Wed

Thu

Fri

Sat

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Larimer County Workforce
Careers in Water & Power

2013

Attachment B

Platte River Power Authority Board Update

The purpose of this agenda item is to give you an update on what occurred at the Platte River Power Authority (PRPA) May 30, 2013 board meeting. There were several items that I believe will be of interest to the Loveland Utilities Commission (LUC).

2014 Wholesale Municipal Rate Forecast

The first item included a continuing discussion on the 2014 Wholesale Municipal Rate Forecast. Over the past few months PRPA staff has provided to the PRPA board several possible 2014 Municipal Rate scenarios. The currently anticipated wholesale rate increase for Tariff 1 is 3.4%. This is a lower rate than earlier predicted because PRPA has been able to lock-in all of the 2014 Rawhide Fuel Costs (coal) which represent approximately 54% of PRPA's total fuel expense. There are other variables that are still in play which could have some impact on a final wholesale Tariff 1 rate increase. Some of these include other fuel prices, surplus sales market prices, impacts of proposed environmental regulations, timing and type of new firm resources/transmission, potential addition of more new renewable energy sources, municipal load growth, security and system reliability requirements, changes to capital project requirements and long term operation and maintenance issues. PRPA staff are predicting right now (subject to change) a 0% wholesale rate increase for 2015, 4.1% for 2016, 0% for 2017 through 2022 with a 1% estimated for 2023. Additional updates are expected and will be shared with the LUC as they become available throughout the 2014 PRPA budget preparation process.

Resolution No. 12-13

At the May 2013 meeting, the PRPA board adopted the attached Resolution 12-13. This resolution authorizes the PRPA General Manager to work with qualified contractors through a Request for Proposal process to look at 30 megawatts (MW) of wind energy. The Federal Production Tax Credit and current low prices for wind turbine equipment offers an opportunity, which may not be possible again, to secure some low priced wind energy in a fixed price contract. PRPA staff estimate that the rate impact for this resource on Tariff 1 to be 2% for 2014 and 1% for each year after up to the 25 year anticipated contract time period. It is anticipated that this purchase cost will be partially off-set by increased surplus sales, reduced fuel costs, and reduced emission costs associated with fossil fuels, including potential greenhouse gas emission charges, over the life of the purchase. The PRPA board is recommending the purchase of this 30 MW of wind energy and rate basing it in Tariff 1 for the following reasons: 1-pricing from bidders is relatively low, 2-fixed priced energy from the wind purchases helps mitigate future fuel price risk, 3- wind energy reduces risk associated with greenhouse gas emissions, 4-this low priced renewable energy could be used to meet the current state renewable energy standard and/or could potentially be used to meet future state or federal renewable energy standards and 5-no adverse impacts to the generation system are anticipated for integrating this level of wind energy.

Updating Vision, Mission & Values

During the May Board meeting there was discussion about the developing PRPA's Vision, Mission and Values. The most current draft is attached for your information. Should you have any comments please let me know so I can forward them on to PRPA prior to the July 2013 board meeting.

Strategic Planning Retreat

The PRPA board has set July 26, 2013 as a Strategic Planning Retreat. The board has discussed some potential topics and identified some staff work items which are in process now for the all-day retreat.

Attachment C

RESOLUTION NO. 12-13

WHEREAS, Platte River Power Authority (Platte River) currently provides renewable energy, as that term is defined by Colorado Revised Statutes § 40-2-124, to the Municipalities through TARIFF – SCHEDULE 7: RENEWABLE ENERGY SERVICE (TARIFF 7); and

WHEREAS, service provided through TARIFF 7 is based on individual requests from the Municipalities, facilitated through Request Letters, with each Municipality paying for renewable energy service based on the amount delivered by Platte River to meet individual requests, with pricing at the TARIFF 7 premium rate; and

WHEREAS, due to the recent renewal of the federal Production Tax Credit and current low prices for wind turbine equipment, Platte River has identified an opportunity to acquire additional renewable energy supply above the amount associated with TARIFF 7 service at a relatively low cost compared to historical wind prices; and

WHEREAS, the purchase of additional wind energy provides a number of opportunities, including reducing greenhouse gas emissions, mitigating potential future costs associated with fossil fuel emissions, reducing future fuel price risk through fixed price energy purchase contracts, and better preparing for potential future renewable energy standard requirements; and

WHEREAS, Platte River issued a Request for Proposals (RFP) for up to thirty megawatts (30 MW) of wind energy and received multiple bids from wind developers that offered to provide wind energy and associated environmental attributes through fixed price energy purchase agreements; and

WHEREAS, Platte River staff has estimated that the average cost for purchase of this 30 MW of wind energy, including transmission and ancillary services, will be approximately \$7,500,000 annually over the term of the purchase agreement, which may be up to twenty-five (25) years; and

WHEREAS, the price for wind energy produced at the wind project site will be fixed

throughout the term of the purchase agreement, though the cost for transmission service and ancillary services charges may vary over the term of the purchase agreement; and

WHEREAS, the purchase cost of the additional wind energy may be partially offset by increased surplus sales, reduced fuel costs and reduced emission costs associated with fossil fuels, including potential greenhouse gas emission charges, over the life of the purchase; and

WHEREAS, Platte River management recommends the purchase of 30 MW of new wind energy supply for the following reasons: (1) pricing from bidders is relatively low, (2) fixed priced energy from the wind purchases helps mitigate future fuel price risk, (3) wind energy reduces risk associated with greenhouse gas emissions, (4) this relatively low priced renewable energy could be used to meet the current state renewable energy standard and/or could potentially be used to meet future state or federal renewable energy standards, and (5) no adverse impacts to the generation system are anticipated for integrating this level of wind energy; and

WHEREAS, management seeks direction from the Board regarding integrating this 30 MW of additional wind energy purchases into Platte River's overall mix of resources for delivery to the Municipalities through TARIFF—SCHEDULE 1: FIRM RESALE POWER SERVICE (TARIFF 1); and

WHEREAS, Platte River staff has estimated that the net increase to TARIFF 1 associated with addition of this new wind energy, including wind energy purchase, transmission and ancillary services costs, surplus sales benefits and reduced fuel charges, will be less than two percent (2%) in 2014 and approximately one percent (1%) averaged over the life of the wind purchase; and

WHEREAS, if integrated, or "rate based," into TARIFF 1 the portion of new wind energy and associated renewable attributes produced annually would be delivered to each Municipality based on each Municipality's pro-rata share of TARIFF 1 energy purchases; and

WHEREAS, if the Board is not interested in placing this purchase within the TARIFF 1 resource mix staff recommends that the purchase not be pursued.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Platte River Power Authority that:

- (1) The General Manager is authorized to select and acquire 30 MW of new wind energy resources, including acquisition of transmission and ancillary services to deliver the wind energy to Platte River's system, provided that the estimated net increase to TARIFF 1 for 2014, accounting for wind energy purchase price, transmission charges, ancillary service charges and increased surplus sales revenues shall not exceed two percent (2%); and
- (2) The General Manager is further authorized to negotiate and execute on behalf of Platte River the final form of contract(s) between Platte River and the acceptable wind energy supplier, transmission provider and ancillary services provider, including such terms and conditions as the General Manager shall determine to be in Platte River's and the Municipalities' best interest; and
- (3) Execution of contract(s) and substantive terms and conditions shall be reported to the Board at the next Regular Board Meeting; and
- (4) The General Manager is directed to place the energy purchased into the TARIFF 1 resource mix, and recover the costs of such energy through TARIFF 1.

AS WITNESS, I have executed my name as Assistant Secretary and have affixed the corporate seal of the Platte River Power Authority this 10 day of June, 2013.

/s/ Esther Velasquez
Assistant Secretary

Adopted: May 30, 2013
Vote: 8-0

Attachment D

Platte River Power Authority

Vision, Mission and Values

Vision: As a respected leader and responsible energy partner, improve the quality of life for the citizens served by our owner communities.

Mission: Provide safe, reliable, environmentally responsible, and competitively priced energy and services.

Values

Safety – Working safely and protecting the public, our employees, and the assets we manage is non-negotiable.

Integrity – Being ethical and holding ourselves accountable to conduct business in a fair, honest, open, compliant, and environmentally responsible manner is at the core of what we do.

Customer Service – Providing quality service at a competitive price while being responsive to our owners' needs provides added value and improves customer satisfaction.

Respect – Encouraging constructive dialogue that promotes a culture of inclusiveness, recognizes our differences, and accepts varying viewpoints will lead us to optimal solutions for even the most difficult challenges.

Operational Excellence – Engaging employees to strive for excellence and continuous improvement ensures that we provide reliable service while managing costs and creating a rewarding work environment.

Innovation – Supporting the development of technologies to promote the efficient use of electricity, protect the environment, and create a diversified energy supply portfolio mitigates risk and creates opportunities.

Sustainability – Maintaining financial integrity, minimizing our environmental impact, and supporting responsible economic development in our owner communities ensures the long-term viability of the organization and the communities we serve.



CITY OF LOVELAND

WATER & POWER DEPARTMENT

200 North Wilson • Loveland, Colorado 80537

(970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

AGENDA ITEM: 7
MEETING DATE: 6/19/2013
SUBMITTED BY: Kim O'Field, Technical Specialist

TITLE: Electric Legislative Update

DESCRIPTION:

This item and the attachment are intended to give a brief update on electric-related legislation being contemplated by the Colorado General Assembly. Loveland staff relies primarily on the Colorado Association of Municipal Utilities (CAMU) for information on electric-related legislation.

SUMMARY:

The Colorado Legislature ended its 2013 Session on May 8, 2013. Attached is a final version of the CAMU legislative tracking sheet with a full list of the House and Senate bills that CAMU was tracking.

RECOMMENDATION:

Information item only. No action required.

REVIEWED BY DIRECTOR: MS for SA

ATTACHMENTS:

Attachment 1: CAMU Legislative Tracking Sheet



Colorado Assn. of Municipal Utilities
2013 State Legislation of Interest

CAMU

[HB13-1027](#) PUC Director Report To GA On Rate Cases

Comment:

Position: Monitor

Short Title: PUC Director Report To GA On Rate Cases

Sponsors: CONTI

Summary: The bill requires the director of the public utilities commission (PUC) or the director's designee to report annually to the joint house and senate transportation committees regarding matters discussed on the record in energy rate case hearings that were decided by the commission during the immediately preceding 2 years. For all rate cases included in the report, the bill directs the commission to estimate the economic impact of the rates involved, including the average increase or decrease in ratepayers' monthly bills.

Status: 03/29/2013 Governor Action - Signed

Amendments: [Amendments](#)

Status History: [Status History](#)

[HB13-1037](#) Cost Of Providing Public Records Under CORA

Comment:

Position: Monitor

Short Title: Cost Of Providing Public Records Under CORA

Sponsors: SALAZAR

Summary: In determining the fee that a custodian of public records is authorized to impose under the "Colorado Open Records Act" (CORA) for the copying of a public record, the bill provides that the fee may not exceed the actual costs of providing the copy in accordance with existing law as well as an amount representing any additional actual costs necessarily incurred by the custodian in complying with the request as long as any such additional component of the fee is a nominal amount. In connection with any such additional component of the fee as specified in the bill, the following additional requirements apply:

- * A custodian is required to use the least expensive means available to him or her in responding to a request for copying of a public record under CORA;
- * No copying fee imposed under CORA may reflect time spent by the custodian in determining whether the public record at issue is subject to inspection or copying under

the act; and
* No fee imposed under CORA may reflect time spent by a public employee in responding to the request for inspection or copying of a public record if the public employee already receives an hourly wage or other form of compensation for responding to requests for inspection or copying under the act.

Status: 01/30/2013 House Committee on Local Government Postpone Indefinitely
Amendments:
Status History: [Status History](#)

HB13-1041 Procedures For Transmission Of Records Under CORA	
Comment:	
Position:	Monitor
Short Title:	Procedures For Transmission Of Records Under CORA
Sponsors:	PETTERSEN / KEFALAS
Summary:	Upon request by a person seeking a copy of any public record for which a right to inspection exists under the "Colorado Open Records Act" (CORA), the records custodian must transmit a copy of the record by United States mail or by any other practicable means of delivery. No fees related to transmission may be charged to the record requester for transmitting public records via electronic mail. The custodian shall notify the record requester that a copy of the record is available but will only be sent to the requester once the custodian receives payment for postage if the copy is transmitted by United States mail, or payment for the cost of delivery if the copy is transmitted other than by United States mail, and payment for any other supplies used in the mailing, delivery, or transmission of the record and for all other costs associated with producing the record. Upon receiving such payment, the custodian shall send the record to the requester as soon as practicable but no more than 3 business days after receipt of such payment.
Status:	03/08/2013 Governor Action - Signed
Amendments:	Amendments
Status History:	Status History

HB13-1090 Construction Contractor Subcontractor Prompt Pay	
Comment:	
Position:	Oppose
Short Title:	Construction Contractor Subcontractor Prompt Pay
Sponsors:	FISCHER / TOCHTROP
Summary:	Accelerated release of construction contract retainage to subcontractors is at the center of HB 13-090. The bill eliminates the ability to hold retainage until a project is completed and a final acceptance of the project is approved by the owner - in this case the public entity. Once retainage is released there is no incentive for the subcontractor to return to correct defects. The bill includes a disincentive for subcontractors to agree on costs for change orders by requiring a cost plus 15 percent payment if the parties cannot agree on a price. Compromise was supposedly reached in 2011, and municipalities made major concessions. CML's board will be asked to oppose this unnecessary legislation.
Status:	02/28/2013 House Committee on Business, Labor, Economic, & Workforce

Development Postpone Indefinitely

Amendments:

Status History: [Status History](#)

HB13-1093

Bidding For Local Government Procurement Contracts

Comment: **Supercedes HOME RULE and imposes state control over local procurement practices. It also eliminates discretion to sole-source or even to RFP, throwing over everything to a blind, lowest-bidder IFB process, which most states & local governments are moving AWAY from because much professional/service work, at least, is more dependent for value on Quality, not merely lowest cost.**

Position: **Oppose**

Short Title: Bidding For Local Government Procurement Contracts

Sponsors: LAWRENCE

Summary: The bill requires an agency of local government (local government) to procure or dispose of supplies, services, or construction through competitive sealed bidding unless the appropriation or expenditure of moneys by the local government for a single contract for the supplies, services, or construction may be reasonably expected not to exceed \$50,000 in the aggregate in any fiscal year. The bill includes an exception to the competitive sealed bidding requirement if the local government does not receive any bids, the agency of local government has rejected all bids, or the responsible officer determines that it is necessary to make procurements or contracts under emergency conditions because there exists a threat to public health, welfare, or safety. The bill prohibits a local government from dividing the procurement or disposal of supplies, services, or construction into 2 or more separate projects for the sole purpose of evading or attempting to evade the competitive sealed bidding requirement.

Status: 02/06/2013 House Committee on Local Government Postpone Indefinitely

Amendments:

Status History: [Status History](#)

HB13-1110

Special Fuel Tax & Electric Vehicle Fee

Comment:

Position: **Monitor**

Short Title: Special Fuel Tax & Electric Vehicle Fee

Sponsors: FISCHER / JONES

Summary: The bill makes the following changes to the special fuel tax:

- * Section 3 of the bill modifies the definition of "distributor" to include persons who sell natural gas, certain fleet operators, and in limited circumstances, public utilities. It also modifies the definition of "gallon" to include gallon gasoline equivalents.
- * Section 4 lowers the tax rates for compressed natural gas, liquefied natural gas, and liquefied petroleum gas. These rates are phased-in over 6 years.
- * Section 5 repeals the annual fee that is charged in lieu of the special fuel tax and the related decal system, so that liquefied petroleum gas and natural gas are subject to the special fuel tax. Section 5 also exempts compressed natural gas that is supplied to a user at a residential home from the special fuel tax. This exemption ends on July 1, 2017.
- * Sections 6, 7, and 8 make conforming amendments related to the preceding changes.
- * Section 9 requires the department of transportation to prepare and submit a report to

the transportation legislation review committee concerning related alternative fuels and the public roads and highways. The bill requires the director of the division of oil and public safety to promulgate the following rules:

* Section 2 requires rules for natural gas setting forth standards related to inspections; specifications; shipment notification; record keeping; labeling of containers; use of meters or mechanical devices for measurement; submittal of installation plans; and minimum standards for the design, construction, location, installation, and operation of natural gas systems and equipment and handling of the natural gas; and

* Section 9 requires rules related to the accurate measurement of liquefied petroleum gas and natural gas. Section 10 requires county clerks and recorders to annually collect a \$30 fee at the time of registration on every motor vehicle that is propelled by plug-in electricity. The money is credited to the highway users tax fund. Upon payment of this fee, a person will receive a decal that the department of revenue creates, and this decal must be attached to the upper right-hand corner of the front windshield on the motor vehicle for which it was issued.

Status: 05/16/2013 Governor action - signed
Amendments: [Amendments](#)
Status History: [Status History](#)

[HB13-1185](#)

Low-income Energy Assistance Transfer From Sev Tax

Comment:
Position: **Monitor**
Short Title: Low-income Energy Assistance Transfer From Sev Tax
Sponsors: GEROU / STEADMAN
Summary: Joint Budget Committee. Current statute provides a schedule that determines when transfers to 3 funds are made in a fiscal year from the operational account of the severance tax trust fund to provide energy-related assistance to low-income households. The bill repeals that statutory section on July 1, 2013. The effect of this repeal is that the transfers for providing energy-related assistance to low-income households will then be made to all 3 funds 3 times in a fiscal year rather than each fund getting only one transfer in a fiscal year. This will help ensure that any proportional reductions that might need to occur as allowed by law are borne equally by the 3 funds throughout the fiscal year. The bill also provides a mechanism for the state treasurer to equalize the distributions for the 2012-13 state fiscal year.

Status: 03/22/2013 Governor Action - Signed
Amendments:
Status History: [Status History](#)

[HB13-1216](#)

Incentives for Distributed Energy

Comment: **This bill undermines local control and will force more expensive renewable energy programs on members communities.**
Position: **Oppose**
Short Title: Incentives for Distributed Energy
Sponsors: DURAN
Summary: Existing law directs the Colorado public utilities commission (PUC) to adopt rules implementing the renewable energy portfolio standards for electric utilities, under which increasing amounts of electricity must be generated from renewable sources.

The bill directs cooperative electric associations and municipally owned utilities that are qualifying retail utilities to derive at least 0.5% of their retail electricity sales for 2016 through 2019, and 1% from 2020 forward, from distributed generation. Cooperative electric associations and municipally owned utilities must also establish standard offers to purchase renewable energy credits from wind generation. The bill also increases the maximum customer generation capacity for cooperative electric associations so that they may allow net metering for up to 25 kilowatts of residential customer-generated electricity and up to 75 kilowatts of industrial or commercial customer-generated electricity.

Status: 04/25/2013 House Committee on Transportation & Energy Postpone Indefinitely
Amendments:
Status History: [Status History](#)

HB13-1247 Innovative Motor Vehicle Income Tax Credit	
Comment:	
Position:	Monitor
Short Title:	Innovative Motor Vehicle Income Tax Credit
Sponsors:	DURAN / JOHNSTON
Summary:	<p>The bill:</p> <ul style="list-style-type: none">* Allows a taxpayer to claim the credit for a plug-in electric motor vehicle that is equipped with a gasoline-powered internal combustion engine;* Clarifies the way the credit is calculated for the purchase or lease of a plug-in electric motor vehicle and compressed natural gas motor vehicle in order to simplify it for administrative purposes; and* Extends the credit for an additional 6 years.
Status:	05/16/2013 Governor action - signed
Amendments:	
Status History:	Status History

HB13-1261 Use Of The Fort Lyon Correctional Facility Prop	
Comment:	
Position:	Monitor
Short Title:	Use Of The Fort Lyon Correctional Facility Prop
Sponsors:	GARCIA
Summary:	<p>The bill designates a portion of the Fort Lyon property, which was the site of a former state correctional facility, as a transitional residential community for the homeless to provide substance abuse supportive services, medical care, job training, and skill development for the residents. For this purpose, the division of housing in the department of local affairs is required to provide for the maintenance and operation of the Fort Lyon property and to enter into a contract with a private contractor to establish the residential community. In addition, the division is authorized to:</p> <ul style="list-style-type: none">* Solicit, accept, and expend gifts, grants, and donations from public and private sources related to the operation of the residential community, which moneys are deposited into the newly created Fort Lyon property cash fund; and* Lease all or part of the Fort Lyon property, with the cooperation of the department of personnel, to Bent county for the purpose of allowing the county to provide for the maintenance and operation of the property. The governor's office or a state agency

designated by the governor is authorized to receive a new quitclaim deed from the federal secretary of veterans affairs that provides the state with title to the Fort Lyon property that does not limit the use of the property. The department of corrections is prohibited from removing any supplies, personal property, or fixtures from the Fort Lyon property. The division is required to annually submit to legislative committees a report about the residential facility.

Status: 05/03/2013 Senate Committee on Appropriations Postpone Indefinitely
Amendments:
Status History: [Status History](#)

HB13-1292 Keep Jobs In Colorado Act	
Comment:	
Position:	Monitor
Short Title:	Keep Jobs In Colorado Act
Sponsors:	LEE / KERR
Summary:	<p>Colorado hiring on public works projects. Current law requires a contractor to use at least 80% Colorado labor for any public works contract that is financed in whole or in part by state, county, school district, or municipal moneys (Colorado labor requirement). Any violation of the Colorado labor requirement is currently a misdemeanor punishable by fine, imprisonment in county jail, or both. Current law does not specifically require any state entity to enforce the Colorado labor requirement. The bill repeals the existing criminal penalties and directs the department of labor and employment (CDLE) to enforce the Colorado labor requirement. In connection with its enforcement duties, CDLE is required to receive complaints about potential violations of the Colorado labor requirement, investigate such complaints, and impose fines for violations. If a contractor has violated the Colorado labor requirements multiple times, the executive director of CDLE may, in his or her discretion, initiate proceedings to debar the contractor. The general assembly is required to appropriate any revenue from the fines collected by CDLE to CDLE to be used for its enforcement of the Colorado labor requirements. The bill specifies that the Colorado labor requirement applies to each construction phase of the public works project separately. The governmental body financing a public works project may waive the Colorado labor requirement for a specific type or class of labor for a construction phase of a public works project if there is reasonable evidence to demonstrate insufficient Colorado labor in a specific type or class of labor to perform the work of that construction phase of the project. Compliance with the requirements of the Colorado labor requirement will be calculated on the total taxable wages and fringe benefits, minus any per diem payments, paid to workers employed directly on the site of the project and who satisfy the definition of Colorado labor. Nonresident bidder reciprocity. Colorado is one of many states that requires reciprocal treatment for a non-resident bidder who is from a state that offers a preference for resident bidders of that state (non-resident bidder reciprocity). Current law does not require any state entity to enforce the nonresident bidder reciprocity requirements. The bill clarifies the current nonresident bidder reciprocity law by specifying that in any bidding process for public works in which a bid is received from a nonresident bidder who is from a state that provides a percentage bidding preference, a comparable percentage disadvantage shall be applied to the bid of that bidder. The department of personnel (DPA) is required to determine which states provide a bidding preference on public works contracts for their resident bidders and to submit a report to the general assembly that includes the list as well as recommendations for the implementation and enforcement of the nonresident bidder reciprocity law. In addition,</p>

the bill requires that any request for proposals issued by a state agency or political subdivision of the state include notice of Colorado's nonresident bidder reciprocity law. Competitive sealed best value bidding for construction contracts for public projects. Currently, construction contracts for public projects are awarded through competitive sealed bidding. The bill creates a competitive sealed best value bidding process and authorizes construction contracts to be awarded either through the existing competitive sealed bidding process or the new competitive sealed best value bidding process. The bill requires a contract under competitive sealed best value bidding to be solicited through an invitation for bids that identifies the evaluation factors upon which the award shall be based. The bill specifies certain evaluation factors to be included in the bids. A contract shall be awarded to the bidder whose bid is determined in writing to be the most advantageous to the state and that represents the best overall value to the state, taking into consideration the price and other evaluation factors set forth in the invitation for bids. The bill requires the executive director of a governmental agency or the president of an institution of higher education (institution), as applicable, that enters into a construction contract for a public project to disclose to the public the agency or institution's rationale for selecting the competitive sealed bidding process, the competitive sealed best value bidding process, or the integrated project delivery process, which also currently exists in law, as applicable. The agency or institution is required to post the disclosure on its web site. Disclosure of outsourcing contract duties by vendor. Current law requires any prospective vendor for a contract from the state for services to disclose where services will be performed under the contract, including subcontracts, and whether any services under the contract or subcontract are anticipated to be performed outside the state or the United States. The bill modifies current law by requiring prospective vendors to make this disclosure for subcontracts only. In addition, the bill requires each contract entered into or renewed by a governmental body to contain a clause that requires the vendor to provide written notice to the governmental body if the vendor decides, after the contract is awarded, to subcontract any part of the contract to a subcontractor that will perform such duties in a location outside the state or the United States. The notice must include the specific duties that will be outsourced and the reason for the outsourcing. The governmental body is required to provide the written notice from a vendor to the director of DPA (director), and the director is required to post the notice on the official web site of DPA. If a vendor fails to notify the governmental body that is a party to the contract of outsourcing, the governmental body may, in its discretion, void the contract. Outsourcing of certain contract duties by governmental body prohibited. The bill prohibits a governmental body from awarding a contract to a vendor outside the United States that will perform the direct labor necessitated by the contract outside the United States. Direct labor includes labor that is required to be performed under a contract when the governmental body has a direct business relationship with the vendor performing the contract. It does not include computer systems, including hardware and software, that is not specifically designed pursuant to the terms of the contract. Each prospective vendor that submits a bid or proposal to a governmental body is required to certify that the direct labor covered by the bid or proposal will be performed in the United States. A governmental body may submit to the director written request for a waiver of the direct labor requirements. A governmental body shall include in its written waiver request findings of one or more specified circumstances to justify the need for a waiver. The director is required to post information regarding any waiver allowed on the official web site of DPA, periodically analyze the direct labor services for which waivers are granted to a governmental body, and work with governmental bodies to facilitate the performance of such outsourced direct labor services within the United States for future contracts. Disclose use of foreign-produced iron, steel, and related manufactured goods. The bill requires the contractor for any public buildings or public works project that is funded in whole or in part by state moneys and that costs

more than \$500,000 to disclose to DPA the 5 most costly goods incorporated into the contract. The bill specifies that, in the case of an iron or steel product, all manufacturing must take place in the United States, and in the case of a manufactured good, a good will be considered manufactured in the United States if all of the manufacturing processes for the final product take place in the United States. In order for a manufactured good to be considered subject to disclosure, the product must be manufactured predominantly of steel or iron. DPA is required to develop and maintain a list of the 5 most costly goods that are incorporated into each contract and that are not produced in the United States, as disclosed to DPA. Public utilities commission consideration of best value metrics in request for proposal process. Currently, the public utilities commission is required to consider certain best value employment metrics when it evaluates electric resource acquisitions. The bill requires that the public utilities commission also consider the best value employment metrics in connection with requests for a certificate of convenience and necessity for construction or expansion of generating facilities, including pollution control or fuel conservation upgrades and conversion of existing coal-fired plants to natural gas plants.

Status: 05/25/2013 Governor action - signed
Amendments:
Status History: [Status History](#)

HB13-1293	Gov To Create Exec Branch Climate Change Position
<hr/>	
Comment:	
Position:	Monitor
Short Title:	Gov To Create Exec Branch Climate Change Position
Sponsors:	ROSENTHAL
Summary:	The bill directs the governor to establish a position for climate change issues. The person appointed to that position is required to develop climate action plans and to report annually to the general assembly regarding how climate change affects the state.
Status:	05/28/2013 Governor Action - Signed
Amendments:	
Status History:	Status History

SB13-003	Coal Mine Methane Gas Capture
<hr/>	
Comment:	Counts energy generated from coal mine methane as an eligible resource under 40-2-124. Calls for a 50MW cap. Unclear if this is per project or for all projects.
Position:	Monitor
Short Title:	Coal Mine Methane Gas Capture
Sponsors:	BAUMGARDNER / CORAM
Summary:	The bill establishes a greenhouse gas mitigation project involving the capture of coal mine methane gas from active and inactive coal mines. Each kilowatt-hour of energy generated by captured coal mine methane gas is counted as one kilowatt-hour for purposes of compliance with the renewable energy standard.
Status:	02/13/2013 Senate Committee on State, Veterans, & Military Affairs Postpone Indefinitely
Amendments:	
Status History:	Status History

<div><div>SB13-023</div><div>Increase Damages Caps Under CGIA</div></div>	
Comment:	
Position:	Monitor
Short Title:	Increase Damages Caps Under CGIA
Sponsors:	CADMAN
Summary:	<p>Currently, the "Colorado Governmental Immunity Act" (act) sets as a maximum amount that may be recovered by a person suing a public entity or public employee for loss or injury caused by the entity or employee in any single occurrence, whether from one or more public entities and public employees:</p> <ul style="list-style-type: none">* For any injury to one person in any single occurrence, the sum of \$150,000; and* For an injury to 2 or more persons in any single occurrence, the sum of \$600,000, and, in such circumstances, the act prohibits any single person from recovering in excess of \$150,000. To ensure these limitations on damages reflect the effects of inflation since the specific limitations were last increased by the general assembly, the bill increases the damages limitation for any injury to one person in any single occurrence to \$478,000. For an injury to 2 or more persons in any single occurrence, the bill increases the damages limitation to \$990,000 and further specifies that, in such circumstances, a single person is precluded from recovering in excess of \$478,000. The bill further provides that the increased damages amounts are: <ul style="list-style-type: none">* Exclusive of interest awarded; and* Adjusted for inflation every 4 years. The bill requires the attorney general to make this required adjustment on an every 4-year basis commencing January 1, 2018, to certify the amount of the adjustment, and to publish the amount of the adjustment on the attorney general's web site.
Status:	04/19/2013 Governor Action - Signed
Amendments:	
Status History:	Status History

<div><div>SB13-025</div><div>Collective Bargaining Firefighters</div></div>	
Comment:	CAMU worked with PRPA to obtain amendments clarifying definition of firefighter to not include power plant employees with first responder duties.
Position:	Monitor
Short Title:	Collective Bargaining Firefighters
Sponsors:	TOCHTROP
Summary:	<p>The bill grants firefighters the right to:</p> <ul style="list-style-type: none">* Organize, form, join, or assist an employee organization or refrain from doing so;* Negotiate collectively or express a grievance through representatives of their choice;* Engage in other lawful concerted activity for the purpose of collective bargaining or other mutual aid or protection; and* Be represented by their exclusive representative without discrimination. An employee organization recognized or elected for collective bargaining becomes the exclusive representative of all firefighters for collective bargaining. The bill prohibits a fire department from bargaining on matters covered by the act with any other employee or group. The bill grants the exclusive representative the right to be present and express its views at the adjustment of a complaint made by a member of the bargaining unit without the intervention of the exclusive representative. An exclusive representative may have dues and other moneys deducted from the pay of firefighters who authorize

the deduction. A fire department and an exclusive representative have to bargain collectively in good faith. Any agreements negotiated between an exclusive representative and a fire department, along with any terms approved by the voters of the political subdivision of the fire department, constitute the collective bargaining agreement between the parties. The bill requires the term of a collective bargaining agreement to be for between one and 3 years unless the parties agree to negotiate and reach a voluntary agreement on all terms of a new contract. The parties have to begin collective bargaining within a specified time after the notice. An impasse is deemed to exist if the parties fail to reach a collective bargaining agreement within a specified time after the beginning of collective bargaining. A collective bargaining agreement may require all members of the bargaining unit, as a condition of employment, to pay the exclusive representative's fees and expenses in negotiating and enforcing the agreement. If an impasse exists, the bill requires the parties to allow an arbitration organization to appoint an advisory fact finder to hold a hearing on the unresolved issues and make recommendations on which party's final offer on each issue should be accepted. The bill specifies the factors that the advisory fact finder must consider. The parties have a specified time to consider the advisory fact-finder's recommendations and conduct further negotiations. If either party rejects the recommendations, the final offers of the parties on the unresolved issues will be submitted to the voters of the political subdivision of the public employer at a special election. The bill prohibits firefighters from striking. Existing bargaining units, exclusive representatives, and bargaining relationships as of the effective date of the bill remain in effect unless modified by agreement or election in accordance with the bill. Firefighters may conduct secret-ballot elections to certify or decertify an employee organization as the exclusive representative of a bargaining unit. The bill grants a firefighter or an employee organization the right to sue to enforce the provisions of the bill.

Status: 06/05/2013 Governor action - signed
Amendments: [Amendments](#)
Status History: [Status History](#)

SB13-028 Track Utility Data High Performance State Building	
Comment:	
Position:	Monitor
Short Title:	Track Utility Data High Performance State Building
Sponsors:	JONES / TYLER
Summary:	For all state-assisted facilities that complete the design process on or after July 1, 2013, each state agency is required to monitor, track, and verify utility vendor bill data pertaining to the state-assisted facility and annually report to the office of the state architect any necessary information used to ensure that the increased initial costs of the substantial renovation, design, or new construction, including the time value of money, to achieve the highest performance certification attainable are recouped. A state agency may use a commercial utility tracking software for this purpose. The annual report must include information related to building performance based on the state-assisted facility's utility consumption. State-assisted facilities that have achieved the highest performance certification attainable and completed the design process prior to July 1, 2013, are strongly encouraged to monitor, track, and verify utility vendor bill data pertaining to such state-assisted facility to ensure that the increased initial costs to achieve the highest performance certification attainable are recouped.
Status:	03/22/2013 Governor Action - Signed
Amendments:	Amendments

Status History: [Status History](#)

[SB13-057](#) Indep Review Of Solid Wastes Disposal Site App

Comment:

Position: **Monitor**

Short Title: Indep Review Of Solid Wastes Disposal Site App

Sponsors: KING

Summary: In order to apply for a certificate of designation to own or operate a solid wastes disposal site and facility, an applicant must submit an engineered design and operations plan (plan) that assesses whether the proposed site and facility complies with regulations of the Colorado department of public health and environment (CDPHE). Currently, CDPHE or, at the applicant's election if given the option by CDPHE, a private contractor, reviews such plans. The bill divests CDPHE of the authority to review these plans, and instead requires applicants to utilize independent private parties to both prepare and review the plans. Completed plans are forwarded to CDPHE and the local governmental body to which the certificate of designation application is made. The bill also shifts the duty to solicit and accept public comments on a plan in an application for a solid wastes disposal site and facility from CDPHE to the governing body having jurisdiction over the application.

Status: 02/12/2013 Senate Committee on State, Veterans, & Military Affairs Postpone Indefinitely

Amendments:

Status History: [Status History](#)

[SB13-063](#) Recycled Energy Includes Gas Derived From Waste

Comment: **Similar to efforts introduced in 2012. Potential benefits to La Junta and Ft.Collins. CAMU generally supportive of additional qualifying resources.**

Position: **Monitor**

Short Title: Recycled Energy Includes Gas Derived From Waste

Sponsors: GRANTHAM / NAVARRO

Summary: Currently, recycled energy is a type of eligible energy resource that may be used to meet renewable energy standards. The bill adds to the definition of "recycled energy" the energy that is produced by a generation unit with a nameplate capacity of not more than 15 megawatts that combusts gas generated from synthetic gas derived from waste materials through pyrolysis as the fuel source for generation.

Status: 02/13/2013 Senate Committee on State, Veterans, & Military Affairs Postpone Indefinitely

Amendments:

Status History: [Status History](#)

[SB13-126](#) HOA Condo Apt Electric Vehicle Charging Stations

Comment:

Position: **Monitor**

Short Title: HOA Condo Apt Electric Vehicle Charging Stations

Sponsors:	GUZMAN / DURAN
Summary:	Sections 1, 2, and 3 of the bill prohibit a landlord or the unit owners' association of a condominium or common interest community, respectively, from restricting the right of a tenant or unit owner to install an electric vehicle charging system for his or her own use, at the tenant's or unit owner's expense, and subject to reasonable safety and insurance requirements. Section 4 allows grants to be made from the electric vehicle grant fund to apartment owners, condominiums, and common interest communities to install recharging stations for electric vehicles.
Status:	05/03/2013 Governor Action - Signed
Amendments:	Amendments
Status History:	Status History

SB13-203

Limit Use Of Gov Land For Automotive Serv Stations

Comment:	
Position:	Oppose
Short Title:	Limit Use Of Gov Land For Automotive Serv Stations
Sponsors:	SCHWARTZ / CORAM
Summary:	Potentially problematic for municipal partnerships with electric vehicle charging deployment.
Status:	05/01/2013 House Committee on State, Veterans, & Military Affairs Postpone Indefinitely
Amendments:	Amendments
Status History:	Status History

SB13-212

Energy District Private Financing Commercial

Comment:	
Position:	Monitor
Short Title:	Energy District Private Financing Commercial
Sponsors:	JONES / TYLER
Summary:	<p>The Colorado new energy improvement district (district) currently allows for financing of the completion of new energy improvements only for residential real estate. Section 2 of the bill allows owners of commercial property to utilize such financing, repeals the maximum 95% loan-to-value requirement for qualified applicants, and repeals the percentage-of-value and dollar caps on allowable new energy improvements. Section 2 also includes fuel cells within the definition of "renewable energy improvement" and includes improvements that increase the overall illumination of a property or bring the property up to building code within the definition of "energy efficiency improvement". Section 3 directs the governor to appoint 5 members to the district board by September 1, 2013, modifies their qualifications, removes the legislative appointees from the board, and reduces the quorum from 6 to 4 members. Section 4 directs the district to develop:</p> <ul style="list-style-type: none"> * A program for the financing of new energy improvements by private third-party financing in addition to by district bonds; and * The parameters for requiring consent in all cases by existing mortgage holders to subordinate the priority of their mortgages to the priority of the district's lien. Current law includes increased market value and decreased energy bills attributable to a new

energy improvement in the calculation of the amount of the special assessment; section 5 repeals these factors from that calculation and also repeals language that allows special assessments to be prepaid. If district special assessments are attributable to new energy improvements that were financed by a private third party:
* Section 6 directs the board to credit the proceeds of the special assessments to the private third party; and
* Section 7 specifies that district bonds are not payable from the special assessments. Section 6 also prohibits county assessors from taking into account any increase in the market value of the eligible real property resulting from the completion of a new energy improvement when assessing the value of the property. Section 7 also affirms that the state will not impair the rights or remedies of private third parties that have financed new energy improvements. Current law conditionally repeals the district on January 1, 2016. Section 8 repeals the repeal date.

Status: 05/28/2013 Governor action - signed
Amendments: [Amendments](#)
Status History: [Status History](#)

SB13-252	Renewable Energy Standard Retail Wholesale Methane
Comment:	
Position:	Neutral
Short Title:	Renewable Energy Standard Retail Wholesale Methane
Sponsors:	MORSE / FERRANDINO
Summary:	Opposed 1% DG mandate. Amending to remove applicability to municipal utilities.
Status:	06/05/2013 Governor action - signed
Amendments:	
Status History:	Status History

SB13-272	Energy Efficiency and Renewable Energy Jobs Act
Comment:	
Position:	Monitor
Short Title:	Energy Efficiency and Renewable Energy Jobs Act
Sponsors:	SCHWARTZ / FISCHER
Summary:	Current law rewards the use of renewable energy resources for generating electricity and encourages efficiency measures that reduce demand for both electricity and thermal energy generated from fossil fuels. But current law does not comprehensively encourage the production of thermal energy from renewable sources when offsetting fossil fuels used for heating and cooling. The bill addresses this disparity by adding renewable energy technologies to the measures that may be deployed under existing law as part of a gas utility's demand-side management (DSM) program. In addition, the bill: * Requires investor-owned retail natural gas utilities to devote 30% of their DSM budgets to support the installation of renewable energy technologies that cannot be net metered; * Caps gas utility DSM program expenditures at 4% of total full-service retail sales; * Directs investor-owned retail natural gas utilities to submit, and the public utilities commission (PUC) to consider, proposals to include their most cost-effective and consistently marketable DSM products and services in their rate base, thus freeing up a

portion of their existing DSM budgets for emerging technologies; and
* Urges the PUC, in any proceeding concerning DSM programs of electric utilities, to draw on the information and experience gained in connection with gas DSM programs as modified by the bill to promote emerging technologies that offset electricity consumption.

Status: 04/23/2013 Senate Committee on Agriculture, Natural Resources, & Energy Postpone Indefinitely

Amendments:

Status History: [Status History](#)

[SB13-273](#)**Renewable Energy Forest Biomass Incentives**

Comment:

Position: **Monitor**

Short Title: Renewable Energy Forest Biomass Incentives

Sponsors: SCHWARTZ / HAMNER

Summary: Sections 1 and 2 of the bill declare that reducing the large amount of diseased timber in Colorado by encouraging the use of forest biomass for energy generation and material for forest industry development will reduce the risk of future catastrophic wildfires, benefit the state's economy, and address Colorado communities' long-term forest health needs. Section 2 also directs the state forest service to collaborate with federal agencies to facilitate the use of forest biomass as feedstock for timber mills and other industries and for renewable energy generation. Section 3 encourages a community that adopts or updates its community wildfire protection plan (CWPP) to incorporate, as part of the CWPP, a biomass utilization plan developed in consultation with the state forest service. Section 6 directs the office of economic development to apply tax credits and other incentives for the use of forest biomass in forest products industries and for biomass energy generation. The incentives would apply to facilities in the "red zones" of high wildfire risk as well as in existing enterprise zones. Section 4 authorizes the executive director of the department of revenue to evaluate, apply, and publicize the application of economic development tax credits and other incentives described in section 6. Section 5 authorizes the air quality control commission to analyze equipment fueled by biomass (e.g., wood-burning stoves, etc.) for compliance with emissions standards and publish the results for units of less than 1 million BTU per hour. Section 7 requires the public utilities commission, when evaluating proposed new sources of supply for electric utilities, to consider the potential contributions of those sources to wildfire risk mitigation specifically, in addition to environmental protection generally.

Status: 06/05/2013 Governor action - signed

Amendments:

Status History: [Status History](#)

[SB13-282](#)**Tiered Electric Rate Medical Exemption**

Comment:

Position: **Monitor**

Short Title: Tiered Electric Rate Medical Exemption

Sponsors: GUZMAN

Summary: Applies only to IOUs

Status: 05/28/2013 Governor action - signed

Amendments:

Status History: [Status History](#)



AGENDA ITEM: 8
MEETING DATE: 6/19/2013
SUBMITTED BY: Jim Lees, Utility Accounting Manager

TITLE: Financial Report Update

DESCRIPTION:

This item summarizes the monthly and year-to-date financials for May 2013.

SUMMARY:

The May 2013 financial reports are submitted for Commission review. The following table summarizes the sales and expense results for the month of May, and the May Year-To-Date results in comparison to the same periods from 2012. The summarized and detailed monthly financial statements that compare May Year-To-Date actuals to the 2013 budgeted figures are attached.

	May				May Year-To-Date			
	2013	2012	\$ Ovr/(Und) vs. 2011	% Ovr/(Und) vs. 2011	2013	2012	\$ Ovr/(Und) vs. 2011	% Ovr/(Und) vs. 2011
WATER								
Sales	\$572,962	\$843,966	(\$271,004)	-32.1%	\$2,619,191	\$2,530,294	\$88,897	3.5%
Operating Expenses	\$677,539	\$622,967	\$54,572	8.8%	\$3,039,871	\$2,565,220	\$474,651	18.5%
Capital (Unrestricted)	\$78,193	\$75,167	\$3,026	4.0%	\$1,450,802	\$576,937	\$873,866	151.5%
WASTEWATER								
Sales	\$589,149	\$579,989	\$9,160	1.6%	\$2,955,664	\$2,717,043	\$238,620	8.8%
Operating Expenses	\$695,223	\$521,052	\$174,171	33.4%	\$2,626,053	\$2,415,523	\$210,531	8.7%
Capital (Unrestricted)	\$233,868	\$212,238	\$21,630	10.2%	\$315,605	\$1,151,250	(\$835,645)	-72.6%
POWER								
Sales	\$3,879,870	\$3,623,221	\$256,649	7.1%	\$20,068,470	\$19,072,020	\$996,450	5.2%
Operating Expenses	\$3,777,164	\$3,408,091	\$369,073	10.8%	\$18,045,834	\$16,612,616	\$1,433,218	8.6%
Capital (Unrestricted)	\$660,241	\$412,684	\$247,557	60.0%	\$2,950,371	\$1,669,420	\$1,280,951	76.7%

RECOMMENDATION:

Staff report only. No action required.

REVIEWED BY DIRECTOR:

LIST OF ATTACHMENTS:

- City of Loveland Financial Statement-Raw Water
- City of Loveland Financial Statement-Water
- City of Loveland Financial Statement-Wastewater
- City of Loveland Financial Statement-Power

City of Loveland
Financial Statement-Raw Water
For Period Ending 05/31/2013

	* TOTAL BUDGET *	YTD	YTD	OVER	
	FYE 12/31/2013	ACTUAL	BUDGET	<UNDER>	VARIANCE
1 REVENUES & SOURCES	*				
	*				
2 Hi-Use Surcharge	* 41,800 *	5,780	17,410	(11,630)	-66.8%
3 Raw Water Development Fees/Cap Rec Surcharge	* 248,870 *	170,147	103,700	66,447	64.1%
4 Cash-In-Lieu of Water Rights	* 45,000 *	984,482	18,750	965,732	5150.6%
5 Native Raw Water Storage Fees	* 5,000 *	0	2,090	(2,090)	-100.0%
6 Loan Payback from Wastewater	* 485,000 *	425,346	485,000	(59,654)	-12.3%
7 Raw Water 1% Transfer In	* 709,060 *	193,195	186,590	6,605	3.5%
8 Interest on Investments	* 457,200 *	55,276	190,500	(135,224)	-71.0%
9 TOTAL REVENUES & SOURCES	* 1,991,930 *	1,834,226	1,004,040	830,186	82.7%
	*				
10 OPERATING EXPENSES	*				
	*				
11 Windy Gap Payments	* 834,030 *	833,961	829,880	4,081	0.5%
12 TOTAL OPERATING EXPENSES	* 834,030 *	833,961	829,880	4,081	0.5%
	*				
13 NET OPERATING REVENUE/(LOSS) (excl depr)	* 1,157,900 *	1,000,264	174,160	826,104	474.3%
	*				
14 RAW WATER CAPITAL EXPENDITURES	* 2,038,090 *	0	580,870	(580,870)	-100.0%
	*				
15 ENDING CASH BALANCES	*				
	*				
16 Total Available Funds	* *	13,764,527			
17 Reserve - Windy Gap Cash	* *	4,191,098			
18 Reserve - 1% Transfer From Rates	* *	2,436,415			
19 Reserve - Native Raw Water Storage Interest	* *	1,550,803			
	*				
20 TOTAL RAW WATER CASH	* *	21,942,843			
	*				
21 MINIMUM BALANCE (15% OF OPER EXP)	* *	125,105			
	*				
22 OVER/(UNDER) MINIMUM BALANCE	* *	21,817,739			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 0

City of Loveland
Financial Statement-Water
For Period Ending 05/31/2013

	TOTAL BUDGET		YTD	YTD	OVER	
	FYE 12/31/2013		ACTUAL	BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**						
2 REVENUES & SOURCES						
3 Water Sales	9,516,510		2,619,191	2,508,260	110,931	4.4%
4 Raw Water Transfer Out	(709,060)		(193,195)	(186,590)	(6,605)	3.5%
5 Wholesale Sales	87,560		6,503	5,390	1,113	20.7%
6 Meter Sales	28,340		40,207	9,810	30,397	309.9%
7 Interest on Investments	55,990		7,628	23,340	(15,712)	-67.3%
8 Other Revenue	16,650,520		92,005	214,550	(122,545)	-57.1%
9 TOTAL REVENUES & SOURCES	25,629,860		2,572,340	2,574,760	(2,420)	-0.1%
10 OPERATING EXPENSES						
11 Source of Supply	2,156,600		659,839	904,630	(244,791)	-27.1%
12 Treatment	2,472,800		724,581	719,570	5,011	0.7%
13 Distribution Operation & Maintenance	2,910,980		809,044	913,250	(104,206)	-11.4%
14 Administration	659,600		144,029	245,070	(101,041)	-41.2%
15 Customer Relations	192,940		68,651	77,860	(9,209)	-11.8%
16 Debt Service	1,000,000		0	416,500	(416,500)	-100.0%
17 PILT	640,270		169,820	266,750	(96,930)	-36.3%
18 1% for Arts Transfer	44,830		11,419	18,700	(7,281)	-38.9%
19 Services Rendered-Other Departments	1,046,510		452,490	452,510	(20)	0.0%
20 TOTAL OPERATING EXPENSES	11,124,530		3,039,871	4,014,840	(974,969)	-24.3%
21 NET OPERATING REVENUE/(LOSS)(excl depr	14,505,330		(467,531)	(1,440,080)	52,634	-67.5%
22 CAPITAL EXPENDITURES	6,391,130		1,450,802	2,405,970	(955,168)	-39.7%
23 ENDING CASH BALANCE			1,502,526			
24 MINIMUM BALANCE (15% OF OPER EXP)			1,668,680			
25 OVER/(UNDER) MINIMUM BALANCE			(166,154)			
26 **RESTRICTED FUNDS**						
27 REVENUES & SOURCES						
28 SIF Collections	1,251,500		826,702	512,790	313,912	61.2%
29 SIF Interest Income	137,110		22,638	44,990	(22,352)	-49.7%
30 TOTAL SIF REVENUES & SOURCES	1,388,610		849,340	557,780	291,560	52.3%
31 SIF Capital Expenditures	1,677,110		687,418	344,950	342,468	99.3%
32 SIF ENDING CASH BALANCE			8,765,812			
33 TOTAL ENDING CASH BALANCE			10,268,337			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 3,140,245

City of Loveland
Financial Statement-Waste
For Period Ending 05/31/2013

	* TOTAL BUDGET *		YTD	YTD	OVER	
	FYE 12/31/2013		ACTUAL	BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*	*				
2 REVENUES & SOURCES	*	*				
3 Sanitary Sewer Charges	*	8,000,500	2,955,664	3,170,280	(214,616)	-6.8%
4 High Strength Surcharge	*	245,370	114,497	79,100	35,397	44.8%
5 Interest on Investments	*	121,770	20,872	50,740	(29,868)	-58.9%
6 Other Revenue	*	226,330	2,520	94,420	(91,900)	-97.3%
7 TOTAL REVENUES & SOURCES	*	8,593,970	3,093,553	3,394,540	(300,987)	-8.9%
8 OPERATING EXPENSES	*	*				
9 Treatment	*	3,655,580	889,495	915,340	(25,845)	-2.8%
10 Collection System Maintenance	*	2,400,230	762,184	776,440	(14,256)	-1.8%
11 Administration	*	380,650	83,839	133,160	(49,321)	-37.0%
12 Customer Relations	*	13,370	9,221	5,050	4,171	82.6%
13 PILT	*	552,830	214,367	230,350	(15,983)	-6.9%
14 Interfund Loan Payback to Raw Water	*	485,000	425,346	485,000	(59,654)	-12.3%
15 1% for Arts Transfer	*	26,970	121	11,250	(11,129)	-98.9%
16 Services Rendered-Other Departments	*	576,570	241,480	238,760	2,720	1.1%
17 TOTAL OPERATING EXPENSES	*	8,091,200	2,626,053	2,795,350	(169,297)	-6.1%
18 NET OPERATING REVENUE/(LOSS)(excl depr)	*	502,770	467,499	599,190	(131,691)	-22.0%
19 CAPITAL EXPENDITURES	*	3,890,900	315,605	523,450	(207,845)	-39.7%
20 ENDING CASH BALANCE	*		7,379,846			
21 MINIMUM BALANCE (15% OF OPER EXP)	*		1,213,680			
22 OVER/(UNDER) MINIMUM BALANCE	*		6,166,166			
23 **RESTRICTED FUNDS**	*	*				
24 REVENUES & SOURCES	*	*				
25 SIF Collections	*	810,000	551,062	364,810	186,252	51.1%
26 SIF Interest Income	*	73,690	14,050	30,700	(16,650)	-54.2%
27 TOTAL SIF REVENUES & SOURCES	*	883,690	565,112	395,510	169,602	42.9%
28 SIF Capital Expenditures	*	1,545,130	44,095	82,500	(38,405)	-46.6%
29 SIF ENDING CASH BALANCE	*		5,654,218			
30 TOTAL ENDING CASH BALANCE	*		13,034,064			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING 1,086,323

City of Loveland
Financial Statement-Power
For Period Ending 5/31/2013

	*	TOTAL	*	YTD	YTD	OVER	
		BUDGET		ACTUAL	BUDGET	<UNDER>	VARIANCE
UNRESTRICTED FUNDS	*		*				
1 REVENUES & SOURCES:	*		*				
2 Electric revenues	*	\$52,078,940	*	\$20,068,470	\$20,630,520	(\$562,050)	-2.7%
3 Wheeling charges	*	\$210,000	*	\$97,142	\$87,500	\$9,642	11.0%
4 Interest on investments	*	\$281,360	*	\$48,138	\$117,233	(\$69,095)	-58.9%
5 Aid-to-construction deposits	*	\$646,890	*	\$237,971	\$269,538	(\$31,566)	-11.7%
6 Customer deposit-services	*	\$124,050	*	\$84,683	\$51,688	\$32,996	63.8%
7 Doorhanger fees	*	\$390,000	*	\$167,640	\$162,500	\$5,140	3.2%
8 Connect Fees	*	\$125,000	*	\$63,424	\$52,083	\$11,341	21.8%
9 Services rendered to other depts.	*	\$30,000	*	\$1,412	\$12,500	(\$11,088)	-88.7%
10 Other revenues	*	\$223,120	*	\$140,191	\$92,967	\$47,224	50.8%
11 Year-end cash adjustments	*	\$0	*	\$0	\$0	\$0	0.0%
12 TOTAL REVENUES & SOURCES	*	\$54,109,360	*	\$20,909,071	\$21,476,528	(\$567,457)	-2.6%
13 OPERATING EXPENSES:	*		*				
14 Hydro oper. & maint.	*	\$87,990	*	\$2,566	\$37,227	(\$34,660)	-93.1%
15 Purchased power	*	\$38,917,480	*	\$14,025,966	\$14,490,497	(\$464,531)	-3.2%
16 Distribution oper. & maint.	*	\$3,267,900	*	\$1,237,894	\$1,382,573	(\$144,679)	-10.5%
17 Customer Relations	*	\$975,330	*	\$270,469	\$412,640	(\$142,171)	-34.5%
18 Administration	*	\$871,950	*	\$214,687	\$368,902	(\$154,215)	-41.8%
19 Payment in-lieu-of taxes	*	\$3,651,680	*	\$1,388,024	\$1,460,672	(\$72,648)	-5.0%
20 1% for Arts Transfer	*	\$39,170	*	\$18,827	\$15,668	\$3,159	20.2%
21 Services rendered-other depts.	*	\$2,130,030	*	\$887,400	\$887,513	(\$113)	0.0%
22 TOTAL OPERATING EXPENSES (excl depn)	*	\$49,941,530	*	\$18,045,834	\$19,055,691	(\$1,009,857)	-5.3%
23 NET OPERATING REVENUE/(LOSS) (excl depn)	*	\$4,167,830	*	\$2,863,237	\$2,420,838	\$442,400	18.3%
24 CAPITAL EXPENDITURES:	*		*				
25 General Plant/Other Generation & Distribution	*	\$4,223,570	*	\$2,689,980	\$1,784,030	\$905,950	50.8%
26 Aid-to-construction	*	\$646,890	*	\$165,978	\$273,684	(\$107,706)	-39.4%
27 Service installations	*	\$124,050	*	\$94,412	\$52,483	\$41,930	79.9%
28 TOTAL CAPITAL EXPENDITURES	*	\$4,994,510	*	\$2,950,371	\$2,110,197	\$840,174	39.8%
29 ENDING CASH BALANCE	*		*	\$18,564,109			
30 MINIMUM BAL. (15% of OPER EXP excl depn)	*		*	\$7,491,230			
31 OVER/(UNDER) MINIMUM BALANCE	*		*	\$11,072,879			
32 **RESTRICTED FUNDS**	*		*				
33 PIF Collections	*	\$1,661,920	*	\$925,054	\$692,467	\$232,587	33.6%
34 PIF Interest Income	*	\$137,580	*	\$22,603	\$57,325	(\$34,722)	-60.6%
35 TOTAL REVENUES	*	\$1,799,500	*	\$947,657	\$749,792	\$197,866	26.4%
36 PIF Feeders	*	\$75,000	*	\$0	\$31,731	(\$31,731)	-100.0%
37 PIF Substations	*	\$1,372,900	*	\$0	\$572,042	(\$572,042)	-100.0%
38 TOTAL EXPENDITURES	*	\$1,447,900	*	\$0	\$603,772	(\$603,772)	-100.0%
39 ENDING PIF CASH BALANCE	*		*	\$9,155,010			
40 TOTAL ENDING CASH BALANCE	*		*	\$27,719,119			

NOTE: YTD ACTUAL does NOT include encumbrances totalling \$1,988,696



AGENDA ITEM: 9
MEETING DATE: 6/19/2013
SUBMITTED BY: Larry Howard, Senior Civil Engineer

TITLE: Statewide Water Plan in the Works for Colorado

DESCRIPTION:

This item briefly introduces and describes a Colorado Governor's Executive Order, "Directing the Colorado Water Conservation Board to Commence Work on the Colorado Water Plan"

SUMMARY: On May 14, 2013, Governor Hickenlooper signed an Executive Order, "Directing the Colorado Water Conservation Board to Commence Work on the Colorado Water Plan." The Governor commented that, "Colorado deserves a plan for its future water use that aligns the states' many and varied water efforts and streamlines the regulatory processes." The CWCB is directed to use the work of the state's grassroots water process, the Basin Roundtable and Interbasin Compact Committee in developing a draft report by December, 2014, as well as input from previous studies and any input needed from other state agencies.

Colorado has never had a state water plan, but the real and looming gap between projected water supplies and water demands, and the desire to prevent large ag-to-municipal transfers resulting in drying up large agricultural areas, point toward a need for a coordinated response. Years of work have gone into the Roundtable and Interbasin Compact Committee processes, which is now intended to be utilized in developing this plan. The time allotted is short and will require a concentrated effort by the CWCB and contributing parties.

The attachments listed below include a signed copy of the Executive Order, and comments from Your Colorado Water Blog, and related articles.

RECOMMENDATION:

Information Item. No action required.

REVIEWED BY DIRECTOR: MS for SA

LIST OF ATTACHMENTS:

- D 2013-005 Executive Order, Office of the Governor, State of Colorado
- Your Colorado Water Blog – "Statewide Water Plan is in the Works for Colorado"
 - 05-15-13 BARN OnAir & Online – Article by Brian Allmer
 - Summit County Citizens Voice – Article by Bob Berwyn

STATE OF COLORADO

OFFICE OF THE GOVERNOR

136 State Capitol Building
Denver, Colorado 80203
Phone (303) 866-2471
Fax (303) 866-2003



John W. Hickenlooper
Governor

D 2013-005

EXECUTIVE ORDER

DIRECTING THE COLORADO WATER CONSERVATION BOARD TO COMMENCE WORK ON THE COLORADO WATER PLAN

Pursuant to the authority vested in the Governor of the State of Colorado, and in particular, pursuant to powers vested in the Governor pursuant to article IV, section 2 of the Colorado Constitution, I, John W. Hickenlooper, Governor of the State of Colorado, hereby direct the Colorado Water Conservation Board to commence work on the Colorado Water Plan.

I. Background

Colorado has long been on the leading edge of water innovation and solutions. We are the home of the "Colorado Doctrine" of prior appropriation and the birthplace of the interstate water compact, of which we have nine. We are a headwater state – vital rivers and streams begin here, provide water to Colorado uses, and exit to water 18 downstream states as well as the United Mexican States. Colorado has benefited much from its water and has taken seriously its responsibilities as a headwater state. The creation of a Colorado Water Plan is in keeping with Colorado's water heritage and continued responsibility.

The Colorado Water Conservation Board (CWCB) was created in 1937 "[f]or the purpose of aiding in the protection and development of the waters of the state, for the benefit of the present and future inhabitants of the state." C.R.S. § 37-60-102. More than 75 years later, we reaffirm this purpose and seek to tap Colorado collaboration and innovation in addressing our water challenges. The Board's recently-adopted strategic framework is consistent with this mission.

We also recognize the important role the Office of the State Engineer has played throughout Colorado's water history. This office administers water rights, issues water well permits, represents Colorado in certain interstate water compact proceedings, monitors streamflow and water use, approves construction and repair of dams and performs dam safety inspections, assures the safe and proper construction of water wells, and maintains numerous databases of state water information.

The Interbasin Compact Committee and Basin Roundtable processes, established by House Bill 05-1177, have produced more than eight years worth of important discussion and information about the basins from Coloradans in each basin.

In addition, many state agencies, lead by DNR, play important roles in Colorado water including:

- The Colorado Department of Public Health and Environment that includes the Colorado Water Quality Control Division and the Commission, the administrative agency responsible for developing specific state water quality policies, in a manner that implements the broader policies set forth by the Legislature in the Colorado Water Quality Control Act. The Commission adopts water quality classifications and standards for surface and ground waters of the state, as well as various regulations aimed at achieving compliance with those classifications and standards.
- The Colorado Water Resources and Power Development Authority that provides low-cost financing to governmental agencies in Colorado primarily for water and wastewater infrastructure development.
- The Colorado Department of Agriculture that works to strengthen and advance Colorado's largest consumptive use of water, its agriculture industry.
- The Colorado Energy Office that maintains information helpful in understanding Colorado's water-energy nexus as well as state agency water use.

Throughout our state's history, other water plans have been created by federal agencies or for the purpose of obtaining federal dollars. We embark on Colorado's first water plan written by Coloradans, for Coloradans. Nevertheless, our past and current data and studies will aid in developing a plan for the future.

II. Purpose and Need

The Colorado Water Plan is necessary to address the following:

- A. The gap between our water supply and water demand is real and looming. The Statewide Water Supply Initiative forecasts that this gap could exceed 500,000 acre feet by 2050. Moreover, our largest regional gap is set to occur in the South Platte Basin, our most populous as well as our largest agriculture-producing basin.
- B. Colorado's drought conditions threaten to hasten the impact of the water supply gap. Indeed, the past two decades have been Colorado's warmest on record, dating back to the 1890s.
- C. Coloradans find that the current rate of purchase and transfer of water rights from irrigated agriculture (also known as "buy-and-dry") is unacceptable. We have witnessed the economic and environmental impacts on rural communities when water is sold and removed from an agricultural area. For example, projected reduction in irrigated acreage in the South Platte Basin alone is currently estimated at 20% of agricultural land under production.

- D. The Interbasin Compact Committee and Basin Roundtables have worked for the past eight years to engage in a visioning process and to discuss long-standing intrabasin and interbasin challenges by defining scenarios, portfolios, and strategies. These efforts have produced informed discussions, provided a forum for building consensus, and generated momentum that the Colorado Water Plan should utilize.
- E. Colorado's water quantity and quality questions can no longer be thought of separately. Each impacts the other and our state water policy should address them conjunctively.
- F. Our interstate water concerns are as pressing as ever and require Colorado to be vigilant in protecting its interstate water rights pursuant to its nine interstate compacts and two equitable apportionment decrees.
- G. CWCB is well-positioned to conduct this work given its duties and history, statewide representation, and expertise.

III. Declaration and Directives

- A. Colorado's water policy must reflect its water values. The Basin Roundtables have discussed and developed statewide and basin-specific water values and the Colorado Water Plan must incorporate the following:
- a productive economy that supports vibrant and sustainable cities, viable and productive agriculture, and a robust skiing, recreation, and tourism industry;
 - efficient and effective water infrastructure promoting smart land use; and
 - a strong environment that includes healthy watersheds, rivers and streams, and wildlife.
- B. The CWCB is directed to commence the work necessary to submit a draft Colorado Water Plan for review by the Governor's Office no later than December 10, 2014. The CWCB will work with the Governor's Office to complete the final plan no later than December 10, 2015.
- C. The CWCB is directed to align state water projects, studies, funding, and other efforts as part of the Colorado Water Plan to the greatest extent possible. As part of this alignment, the CWCB is directed to develop an inventory of water rights held by state agencies and evaluate the opportunities for those rights. The CWCB is also directed to ensure that financial assistance for water funding activities is in accordance with the Colorado Water Plan.
- D. The CWCB is directed to align the state's role in water project permitting and review processes with the water values included in the Colorado Water Plan and to streamline the state role in the approval and regulatory processes regarding water projects. The

Colorado Water Plan should place an emphasis on expediting permitting processes for projects that stress conservation, innovation, collaboration, and other criteria as determined by the CWCB. Efficient infrastructure promoting smart land use, healthy watersheds that support Colorado's rivers and streams, and smart water conservation practices that utilize demand-management are examples of criteria to be considered.

- E. In drafting the Colorado Water Plan, the CWCB is directed to utilize the Interbasin Compact Committee and the Basin Roundtables. The CWCB is also directed to review and build upon discussions and points of consensus that have emerged as part of the Interbasin Compact Committee and Basin Roundtable processes so as to capitalize on the momentum generated by these grassroots efforts.
- F. When drafting the Colorado Water Plan, the CWCB is directed to work with its sister agencies within the Colorado Department of Natural Resources as well as the Colorado Department of Public Health and Environment, the Colorado Water Resources and Power Development Authority, the Colorado Department of Agriculture, the Colorado Energy Office, and other relevant state agencies as needed. Each of these agencies is directed to cooperate with the CWCB as needed on the Colorado Water Plan.
- G. The CWCB is directed to assemble ad-hoc panels of Coloradans and inter-agency water working groups to develop recommendations regarding specific topics as it deems necessary.
- H. The Colorado Water Plan will reaffirm the Colorado Constitution's recognition of priority of appropriation while offering recommendations to the Governor for legislation that will improve coordination, streamline processes, and align state efforts.

IV. Duration

This Executive Order shall remain in full force and effect until modified or rescinded by future Executive Order of the Governor.



GIVEN under my hand and the
Executive Seal of the State of
Colorado this fourteenth day of
May, 2013.

A handwritten signature in blue ink, reading "John W. Hickenlooper".

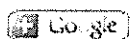
John W. Hickenlooper
Governor

Larry Howard

From: noreply+feedproxy@google.com on behalf of Your Water Colorado Blog
<ccoleman@cfwe.org>
Sent: Tuesday, May 21, 2013 8:13 PM
To: Larry Howard
Subject: Your Water Colorado Blog

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Your Water Colorado Blog



Statewide water plan is in the works for Colorado

Posted: 21 May 2013 10:00 AM PDT

Last Wednesday, Gov. John Hickenlooper directed the **Colorado Water Conservation Board** to work on a draft Colorado Water Plan. The statewide water plan should address the growing gap between water supply and demand.

“Colorado deserves a plan for its water future use that aligns the state’s many and varied water efforts and streamlines the regulatory processes,” Hickenlooper said. “We started this effort more than two years ago and are pleased to see another major step forward. We look forward to continuing to tap Colorado’s collaborative and innovative spirit to address our water challenges.”

Wednesday’s executive order signed by Hickenlooper directs the CWCB to use the work of the state’s grassroots water process, the Basin Roundtables and Interbasin Compact Committee, in developing a draft report by December 2014. A final report will be complete one year later.

According to a press release from the Governor’s office:

The Colorado Water Plan is necessary to address a variety of issues, including:

- The gap between water supply and water demand. The Statewide Water Supply Initiative forecasts that this gap could exceed 500,000 acre feet by 2050. Moreover, the largest regional gap is set to occur in the South Platte Basin, the most populous as well as the largest agriculture-producing basin.
- Colorado’s drought conditions threaten to hasten the impact of the water supply gap. Indeed, the past two decades have been Colorado’s warmest on record, dating back to the 1890s.
- Colorado’s water quantity and quality questions can no longer be thought of separately. Each impacts the other and state water policy should address them conjunctively.

- Interstate water concerns are as pressing as ever and require Colorado to be vigilant in protecting its interstate water rights pursuant to its nine interstate compacts and two equitable apportionment decrees.

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05-15-13 CO Governor Hickenlooper orders work to begin on Colorado Water Plan...

Posted by Brian Allmer on May 15, 2013

DENVER — Wednesday, May 15, 2013 — Gov. John Hickenlooper today directed the Colorado Water Conservation Board (CWCB) to begin work on a draft Colorado Water Plan that will support agriculture in rural Colorado and align state policy to the state's water values.

"Colorado deserves a plan for its water future use that aligns the state's many and varied water efforts and streamlines the regulatory processes," Hickenlooper said. "We started this effort more than two years ago and are pleased to see another major step forward. We look forward to continuing to tap Colorado's collaborative and innovative spirit to address our water challenges."



An executive order signed by Hickenlooper directs the CWCB to utilize the work of the state's grassroots water process, the Basin Roundtables and Interbasin Compact Committee, in developing a draft report by December 2014. A final report should be completed one year later.

The Colorado Water Plan is necessary to address a variety of issues, including:

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- Interstate water concerns are as pressing as ever and require Colorado to be vigilant in protecting its interstate water rights pursuant to its nine interstate compacts and two equitable apportionment decrees.

The Executive Order directs the CWCB to work with its sister agencies within the Colorado Department of Natural Resources as well as the Colorado Department of Public Health and Environment, the Colorado Water Resources and Power Development Authority, the Colorado Department of Agriculture, the Colorado Energy Office, and other relevant state agencies as needed. Each of these agencies is directed to cooperate with the CWCB as needed on the Colorado Water Plan.

"Throughout our state's history, other water plans have been created by federal agencies or for the purpose of obtaining federal dollars," the order says. "We embark on Colorado's first water plan written by Coloradans, for Coloradans. Nevertheless, our past and current data and studies will aid in developing a plan for the future."

**To view a signed copy of the complete Executive Order –
[CLICK HERE](#)**

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This entry was posted on May 15, 2013 at 2:21 PM and is filed under [The BARN's Ag News](#), [The BARN's Home Page](#). Tagged: [colorado water conservation board](#), [state water policy](#). You can follow any responses to this entry through the [RSS 2.0](#) feed. You can skip to the end and leave a response. Pinging is currently not allowed.

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Summit County Citizens Voice

Colorado Gov. Hickenlooper seeks statewide water plan

Posted on May 16, 2013 by Bob Berwyn

Governor says state must figure out a way to address impending shortages

By Bob Berwyn

FRISCO —

Colorado water experts will try to figure out how to manage the state's

most precious resource in an era when all signs points to increasing shortages and the potential for growing conflicts within the state and the region over its allocation.

Under an [executive order](http://web.mail.comcast.net/service/home/~Water%20Executive%20Order.pdf?auth=co&loc=en_US&id=646327&part=2) (http://web.mail.comcast.net/service/home/~Water%20Executive%20Order.pdf?auth=co&loc=en_US&id=646327&part=2) issued this week by Gov. John Hickenlooper, the [Colorado Water Conservation Board](http://cwcb.state.co.us) (<http://cwcb.state.co.us>) will lead the effort to address the growing gap between supply and demand. Especially worrisome is the gap in the South Platte Basin, the state's most populous and at the same time, the most productive agricultural basin.

Hickenlooper acknowledged that the recurring drought could hasten the impacts of the gap between supply and demand, noting that the past two decades have been Colorado's warmest on record, dating back to the 1890s. Read the order [here](http://web.mail.comcast.net/service/home/~Water%20Executive%20Order.pdf?auth=co&loc=en_US&id=646327&part=2) (http://web.mail.comcast.net/service/home/~Water%20Executive%20Order.pdf?auth=co&loc=en_US&id=646327&part=2).

"Colorado deserves a plan for its water future use that aligns the state's many and varied water efforts and streamlines the regulatory processes," Hickenlooper said. "We started this effort more than two years ago and are pleased to see another major step forward. We look forward to continuing to tap Colorado's collaborative and innovative spirit to address our water challenges."

The Governor's emphasis on conservation was welcomed by recreation and environmental stakeholders, who said that's the direction supported by a majority of state residents.



Water pours down the Blue River in the high runoff of July 2011. Bob Berwyn photo.

"The people of Colorado agree that we don't have to sacrifice Colorado's rivers and tourism and recreation economy to solve our state's water problems," said Craig Mackey an outdoor industry leader and co-director of Protect the Flows (<http://protectflows.com/>). "Let's capitalize on bi-partisan, statewide agreements that focus on becoming more efficient with our precious water resources."

The order emphasizes developing a plan that favors conservation, innovation and collaboration, building on a theme Hickenlooper developed in his State of the Address in January, when he said that "Every discussion about water should start with conservation."

The plan should address both water quality and quantity, and can't lose sight of interstate water issues either, according to a release from the Governor's office.

Specifically, the order says the plan must consider urban economies, productive agriculture, a robust tourism and skiing economy and a strong environment with healthy watersheds, rivers, streams and wildlife.

"This water plan recognizes Colorado's recreation and tourism economy as a vital and sustainable economic engine," said Auden Schendler, vice president of sustainability at Aspen Skiing Company."

The CWCB effort will build on the work of a grassroots water planning process that's been under way for several years via Basin Roundtable discussions and an Interbasin Compact Committee. Hickenlooper requested a draft report by December 2014, with a final version due a year later.

The plan should " support agriculture in rural Colorado and align state policy to the state's water values," which could be tricky business, considering that different stakeholders in various parts of the state have very different ideas about water values — In Colorado, one person's alfalfa field is another person's trout stream and another person's snowmaking system.

Specifically, Hickenlooper's executive order directs the CWCB to work with the Colorado Department of Natural Resources as well as the Colorado Department of Public Health and Environment, the Colorado Water Resources and Power Development Authority, the Colorado Department of Agriculture, the Colorado Energy Office, and other relevant state agencies as needed. Each of these agencies is directed to cooperate with the CWCB as needed on the Colorado Water Plan.

"Throughout our state's history, other water plans have been created by federal agencies or for the purpose of obtaining federal dollars," the order says. "We embark on Colorado's first water plan written by Coloradans, for Coloradans. Nevertheless, our past and current data and studies will aid in developing a plan for the future."

The single most important thing could be getting past the supply mentality and accepting that there is only a finite amount of water, said Ken Neubecker (http://westernriversinstitute.org/?page_id=65), long-time Colorado River advocate and director of the Western Rivers Institute (<http://westernriversinstitute.org>).

While he's cautiously optimistic that a state water plan could help address some of the pressing challenges, Neubecker said there's still a fair amount of paranoia among some stakeholders — despite recent trans-divide water agreements that have helped build trust.

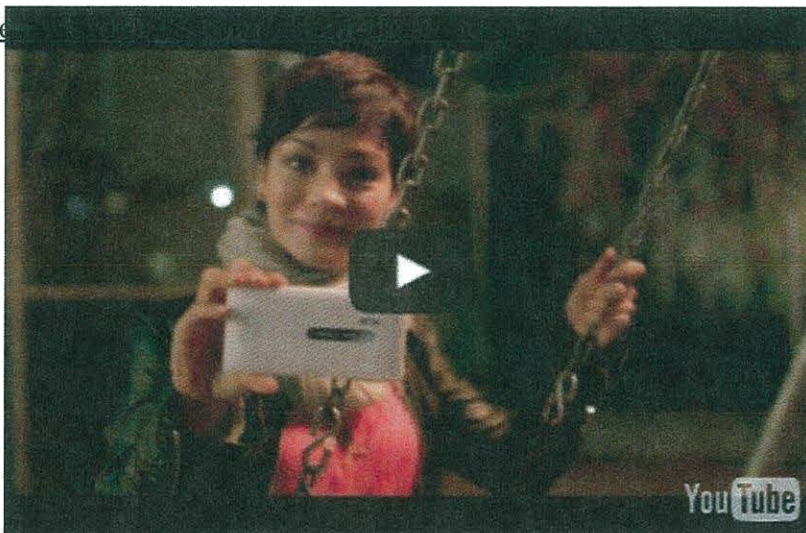
"Some will be wondering what the state is up to, and what kind of local authority are they going to be usurping," he said. "If it comes from the state level, it will be a package that will be suspect on delivery. It's gotta come from the [roundtables \(http://cwcb.state.co.us/about-us/about-the-ibcc-brts/Pages/2012StatewideRoundtableSummit.aspx\)](http://cwcb.state.co.us/about-us/about-the-ibcc-brts/Pages/2012StatewideRoundtableSummit.aspx) and the [Interbasin Compact Committee \(http://cwcb.state.co.us/about-us/about-the-ibcc-brts/Pages/main.aspx\)](http://cwcb.state.co.us/about-us/about-the-ibcc-brts/Pages/main.aspx)," he said.

Neubecker, who has participated in the long-running basin roundtable sessions, said there's still some work to be done in that area, too.

The roundtables were set up to engage each other, but they haven't done that as much as Russ George would have hoped," he said, adding that the roundtables have skirted around some of the "meat" of the issues.

Getting the key players from the various basins to talk with each other will be crucial for finding statewide consensus, he said.

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4 Responses



Jim Wood, on [May 16, 2013 at 1:19 am](#) said:
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Governor Hickenlooper orders work to begin on Colorado Water Plan — draft due in December**2014 | Coyote Gulch**, on May 16, 2013 at 5:22 am said:

[...] From the Summit County Citizens Voice (Bob Berwyn): [...]

Reply**Statewide water plan is in the works for Colorado | Your Water Colorado Blog**, on May 21, 2013 at 11:15 am said:

[...] Colorado Gov. Hickenlooper seeks statewide water plan (summitcountyvoice.com) [...]

Reply**Governor Hickenlooper orders work to begin on Colorado Water Plan — draft due December 2014****| Coyote Gulch**, on May 23, 2013 at 5:30 am said:

[...] From the Summit County Citizens Voice (Bob Berwyn): [...]

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