LOVELAND UTILITIES COMMISSION
REGULAR MEETING
July 17, 2013 - 4:00 p.m.
Service Center Board Room
200 North Wilson Avenue

AGENDA

4:00 pm **CALL TO ORDER**

INTRODUCTION OF NEW BOARD MEMBERS & NEW EMPLOYEES

4:05 pm **APPROVAL OF MINUTES - 06/19/2013**

ELECTION OF OFFICERS
- Chair
- Vice Chair

CITIZENS REPORTS

4:10 pm **CONSENT AGENDA**
1. 2013 2nd Quarter Goals and Milestones Report – Steve Adams
2. Award a One Year Contract to Wesco Distribution for Prysmian Underground Primary Cable – Brieana Reed-Harmel

4:20 pm **REGULAR AGENDA**
3. Power Cost of Service Study Update – Jim Lees
4. C-BT Market Price Consideration - Scott Dickmeyer

5:30 pm **STAFF REPORT**
5. Water Treatment Plant Tier 2 Notice After Action Report – Chris Matkins
6. Water Utility Asset Management System and Strategy – Chris Matkins
7. 2014 Budget Presentation & Discussion – Jim Lees
8. Quarterly Financial Report Update – Jim Lees

6:00 pm 9. **COMMISSION / COUNCIL REPORTS**

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

INFORMATION ITEMS

11. Water Supply Update – 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: David Schneider (Chair), John Rust Jr. (Left at 5:36 pm), Gene Packer (Vice Chair), Randy Williams, Gary Hausman, CJ McKinney, Dan Herlihey (arrived at 4:55 pm)

City Staff Members: Brieana Reed-Harmel**,** Chris Matkins, Darcy Hodge, Garth Silvernale, Greg Dewey, Gretchen Stanford, Jim Lees, Kim O'Field, Larry Howard, Michelle Stalker, Roger Berg, Scott Dickmeyer, Sharon Citino, Daniel White

Guest Attendance: Darell Zimbelman, Mark Beauchamp

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 May 15, 2013 meeting.
Motion: John Rust Jr. made the motion to approve the minutes of the May 15, 2013 meeting.
Second: CJ McKinney seconded the motion. The minutes were approved unanimously.

CITIZEN REPORTS: none

Darell Zimbelman Years of Service: Staff and board members recognized Darell Zimbelman for his contributions over the last 28 years serving on the Loveland Water Board and the Loveland Utilities Commission.

REGULAR AGENDA

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

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.

Motion: Gene Packer made the motion.
Second: John Rust Jr. seconded the motion. The motion was approved unanimously.

Comments: Gene Packer pulled the item from the consent agenda. Inquiry was made whether the name on the wheeling contract should list Xcel Energy or Public Service Company of Colorado and how the metering was done. Staff responded that the legal name for the Wheeling Agreement is Public Service Company of Colorado and that the meter is fed from a line fed off a substation. Board inquired what "under frequency load shedding" is. Staff responded that the under frequency part refers to if an emergency event causes the frequency which normally runs at 60 Hz to drop down too low, then we would respond by dropping electrical load to bring the frequency back up to 60 Hz so that it would not affect other areas of the system. Once the situation had been corrected, staff would take steps to bring Xcel Energy back on-line.

Item 2: Power Cost of Service and Rate Study Presentation – Jim Lees & Mark Beauchamp 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 the three key study components.

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

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

Recommendation: Recommend that staff come back next month and present the results of what Mark Beauchamp has found through the Power Cost of Service and Rate Study and at that time the LUC will determine how to adjust the power rate structure which may include moving to full cost-of service, keeping the rate structure the same or making gradual steps toward full cost-of-service.

Motion: Gary Hausman made the motion.
Second: Randy Williams seconded the motion. The motion was approved unanimously.

Comments: Discussion ensued on how adjusting seasonal rates and base rates have different affects upon high-use customers verses low-use customers, and seasonal customers verse year-round customers. Inquiry was made as to what the monthly base customer charge should cover and the presenter responded that it covers what the estimated or identified cost to build a distribution system in which each customer uses one kilowatt hour of electricity per month. The costs associated with providing more than one kilowatt hour per month to customers should be part of the usage or demand portion of the bill. There was discussion about what level the rate of return should be and the presenter said that the depreciation expense plus the rate of return should fund the actual costs of capital improvement projects which is greater than just the depreciation expense. Inquiry was made on the difference between fees and rates in regards to electric vehicle charging station, and the presenter responded that fees are a one-time charge whereas rates are normally charged monthly. The board inquired on how the electric vehicle charging station fees compare with the costs of gas, and the presenter said that he would forward a study that he has from about two years ago on these comparisons. Clarification was made that the City is only looking at possibly having very large commercial/industrial customers on a coincident peak program, which would require special meters that provide usage information and help customers to shed load during peak times with a signal sent to them from our dispatch. It is the customers' responsibility to make any adjustments on their end to shed electric load. Staff commented on the advantages and disadvantages of developing a coincident peak demand rate verses creating yearly individualized contracts with each participant. Staff brought up some points we will want to consider throughout this study such as whether the "Energy Efficiency Programs" should be listed as a separate customer charge on bills or whether these costs should be rolled up into the electric rate charge and whether we should consider increasing the frequency of the Power Cost of Service and Rate Studies.

Item 3: CBT Market Price Consideration – Scott Dickmeyer 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 recommended changing the City's recognized C-BT market price to $11,800 per unit. After discussion, board members recommended increasing the staff recommended C-BT price..

Recommendation: Adopt the attached Resolution R-2-2013U increasing the City's currently recognized price for C-BT water from $10,667 per unit to $11,800 per unit and have staff report next month on where the C BT price comes in.

Motion: Gary Hausman made the following motion:

> Adopt an amended Resolution R-2-2013U increasing the City's currently recognized price for C-BT water from $10,667 per unit to $13,000 per unit and have staff report next month on where the C-BT price comes in.

Second: CJ McKinney seconded the motion. Randy Williams opposed the motion. All others passed the motion.

Comments: Discussion ensued on whether the board would like staff to track prices more closely and to change tracking the prices from a 6-month running average to a 3-month or 4-month running average particularly during times of price volatility as a trigger for staff to bring price adjustment recommendations to LUC more frequently. Other surrounding utilities have higher cash-in-lieu prices than Loveland. The aim is to have the cash-in-lieu price track close enough to market price to have sufficient revenue from cash-in-lieu to purchase firm yield of water. Board commented that they would like to see the City purchase more units of C BT and also have sufficient cash available for future water projects. Discussion ensued on how these changes affect developers and how to communicate these changes to developers and that developers may not pre-pay cash-in-lieu for future developments.

STAFF REPORTS

Item 4: Water Supply Update – Larry Howard Summary of projection for water supply in 2013.

Staff Report only. No action required.

Comments: Inquiry was made on what this report shows and staff responded that this report shows where the City wants to be at the end of the water year. Board commented that they liked this format and that it is a good way of handling droughts by planning ahead, because it is the year after the current year that can be very hard if we do not have sufficient water storage.

COMMISSION/COUNCIL REPORTS

Item 5: Commission/Council Reports

- Tri-City Water Conference – May 16, 2013

Randy Williams: Jokingly commented that he would like to hear at next month's meeting about Daryle Klassen's personal encounter with Elvis possibly taking the coat right off his back.
John Rust Jr: none (John left prior to the Commissioner Report.)
Dan Herlihey: Commented that he is enjoying his new job with HDR. His new job requires him to attend standing Wednesday afternoon meetings with Denver Water, but he will get to LUC as soon as he can.
Gene Packer: Commented that the budget review meetings went very well and that he was involved in the interview process for the LUC board members. Participated in an electric design strategy meeting. Commented that because his son lives close to the fire in Colorado Springs, he has been monitoring the fire situation closely.
Gary Hausman: Commented that he thought the Tri-City Water Conference went well and that he heard no complaints.
C.J. McKinney: none
Dave Schneider: Complimented Glenna Depperschmidt for adapting so quickly to the change in venue for the Tri-City Water Conference. The food was good and the program went well. Read an email dated 6-19-2013 written by John Matis. John Matis requested the email be read at LUC since he was unable to attend:

> Please let the LUC know that I totally endorse the sprinkler audit program [Slow the Flow]. I scheduled the audit a couple weeks ago, had follow up "tweeking" of my system by a licensed contractor, and now, I can say that I am as "efficient as possible". I give the program a total "two thumbs up". Really worth it. Comprehensive and professional and I really appreciated having the opportunity to participate.

Council Report: Read by Jim Lees due to Daryle Klassen being absent.

June 4, 2013 Meeting:

- Water Conservation Plan: City Council approved Resolution #R-38-2013, adopting the City of Loveland Water Conservation Plan

- Drought Response Plan: City Council approved Resolution #R-39-2013, adopting the City of Loveland Drought Management Plan and implementing voluntary water restrictions

June 11, 2013 Meeting:

- Presentation and discussion of the 2014-2023 City of Loveland Capital Program.

June 18, 2013 Meeting:

- The Board of Water Enterprise authorized the water revenue bond.
- City Council approved Ordinance on first reading, authorizing the terms and provisions relating to the Water Enterprise Revenue Bond.

Comments: Staff played a portion of the June 18, 2013 City Council meeting which included complimentary praise for the work put forth by the LUC and staff over the last year and a half to obtain financing for the Water Fund.

DIRECTOR'S REPORT

Item 6: Director's Report – Steve Adams

Comments: Dave Schneider inquired whether the board would like to continue to have the Director's Report and Commissioners' Reports near the end of the meeting which initially was moved to the end in the interest of speeding up the meetings. Board members responded that they wanted to continue with the current format. Much of the comments they had been sharing during the Commissioners' Report near the beginning of the meeting are often said throughout the meeting now. The current format allows guest presenters and pertinent staff items to be presented first which allows guests and some staff to leave more quickly rather than requiring them to wait through the Director's Report and Commissioners' Report before presenting.

INFORMATION ITEMS

Item 7: 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.

Staff Report only. No action required.

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

Information report only. No action required.

Item 9: Executive Order on Statewide Water Plan – Larry Howard 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"

Information report only. No action required.

ADJOURN The meeting was adjourned at 7:04 pm. The next LUC Meeting will be July 17, 2013 at 4:00 pm.

Respectfully submitted,

Michelle Stalker
Recording Secretary
Loveland Utilities Commission

City of Loveland

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AGENDA ITEM: 1
MEETING DATE: 7/17/2013
SUBMITTED BY: Steve Adams, Director MS for SA

TITLE: 2013 2nd Quarter Goals and Milestones Report

DESCRIPTION:
This is a quarterly review of our progress on our 2013 utility goals and milestones report.

SUMMARY:
Review 2013 utility goals and milestones report and the 2nd quarter updates.

RECOMMENDATION:
Discuss the presented information and approve the 2nd Quarter 2013 LUC status report.

REVIEWED BY DIRECTOR: MS for SA

Loveland Utilities Commission
2013 Goals with 2nd Qtr. Updates

FINANCE

Review rates and extension policies:

1. **Goal:** **Prepare Capital Improvement Plans for water and wastewater** supported by a 2012 cost of service study and a 2012 rate study that provides adequate capital funding while taking into account depreciation. (11B.1.IP3 and 11D.1.IP1)
   Q2 2013 Update: New 10-Year Capital Improvement Plans (CIP) for Water and Wastewater have been developed and submitted to the Budget Officer. The Water 10-Year CIP is adequately funded, save for the System Impact Fee (SIF) fund balance going negative in 2020 and 2021, but then recovering in 2022. The Wastewater 10-Year CIP is not adequately funded, with negative fund balances starting in 2016, due to new regulatory-driven capital projects that were not known at the time of last year's rate study. The timing of these projects will be analyzed on an ongoing basis.

2. **Goal:** **Prepare Capital Improvement Plans for power** supported by a 2013 cost of service study and a 2013 rate study that provides adequate capital funding while taking into account depreciation and determine if we should design an electric rate that would encourage customers to lower their demand during system peaks.
   Q2 2013 Update: A new 10-Year CIP has been developed for Power and submitted to the Budget Officer. The rate study is continuing, and a series of rate increases to adequately fund the capital needs is a key component of the study. The development of a coincident peak demand rate design is also an ongoing part of the study.

3. **Goal:** Continue to formulate an **electric line extension policy**.
   Q2 2013 Update: The extension policies for other cities in the area (Fort Collins and Longmont) have been surveyed for comparison. Brieana is in the process of evaluating Loveland's policy and making any necessary changes. This is planned for the LUC in August of 2013.

4. **Goal:** Continue to update the **water line and sewer line extension policy**.
   Q2 2013 Update: We project the updated policy will go to LUC in August of 2013.

POWER

Explore how improvements in technology can be utilized to improve efficiencies and enhance department operations and maintenance programs: (11C.3.IP1)

5. **Goal:** Continue to monitor **Smart Grid and other technologies** implemented by other utilities to determine if they are applicable to Loveland and recommend to LUC and then to Loveland City Council.
   Q2 2013 Update: Our Demonstration of Energy and Efficiency Developments (DEED) grant application for the implementation of the load profile meters on Key Account meters was not selected for funding. Staff is continuing to evaluate meter manufactures.

6. **Goal:** Expand the use of the **Supervisory Control and Data Acquisition (SCADA)** system to apply to the power distribution system.
   Q2 2013 Update: Our DEED grant application for the implementation of the fault indicators on the distribution system was not selected for funding. Staff has put money in the 2014 budget to perform a trial implementation of the fault indicators.

7. **Goal:** Continue to implement the Outage Management System (OMS).
   Q2 2013 Update: Staff has continued the use of Responder in daily operations. Staff has been looking into implementing an Interactive Voice Response (IVR) into Dispatch, and are currently looking at the options available.

8. **Goal:** Continue to study the impact **electric vehicles** will have on utilities service, budget and infrastructure.
   Q2 2013 Update: The City of Loveland was awarded the grant from the Colorado Energy Office to assist in the installation of additional charging stations in Loveland. These additional locations are currently being designed and constructed. Also, Fleet has purchased an additional three electric vehicles to be used by the Meter Reading Department and those will be delivered later this year.

9. **Goal:** Implement an **LED streetlight policy**.
   Q2 2013 Update: The LUC has made the recommendation to Staff to begin updating the streetlight policy with LED fixtures. Staff is currently working on the LED streetlight specification for the City.

Update the following Power studies: (11C.2.IP1)

10. **Goal: Emergency Response/Preparedness Protocol**, to ensure physical security and timely response to outages, including site security by December 2013.
    Q2 2013 Update: Staff has been talking with PRPA and other entities about best practices for security of substations, and emergency response.

11. **Goal:** Review, upon request, **Platte River Power Authority (PRPA) policies for providing reliable generation and transmission** for the City of Loveland and recommend changes to Loveland City Council.
    Q2 2013 Update: Work is continuing on the development of the strategic plan, and PRPA is collecting ideas and information through stakeholder meetings.

12. **Goal:** Update the **Requirements for Electric Service** book.
    Q2 2013 Update: Power staff are wrapping up the final technical reviews of the book and will be moving into the final editing portion. This is expected to be ready for LUC in September of 2013.

WATER

13. **Support the City's goals in developing a master plan for development along the Highway 402 corridor, including wastewater service.**
    Q2 2013 Update: A consultant is under contract to complete the Sewer Master Plan. In order to improve the accuracy of the plan, we are waiting to receive the LIDAR data prior to beginning the work. The Light Detection and Ranging (LIDAR) data will be available in September 2013.

Prevent the introduction of pollutants into the raw and treated water supply that could interfere with operations and the ability to supply a clean, safe, and secure supply of treated water: (11B.3.IP1)

14. **Goal:** Continue to support the monitoring and assessment efforts through participation in the **Big Thompson Watershed Forum**.
    Q2 2013 Update: Staff provided assistance and input regarding including two new partners in the basin-wide monitoring program.

15. **Goal:** Support City wide effort regarding **hydraulic fracturing**.
    Q2 2013 Update: No additional W&P staff activity has been required during this period.

Loveland Utilities Commission
2013 Goals with 2nd Qtr. Updates

Update the following Water Planning Documents: (11B.1.IP1)

16. Goal: **Second Use Water Program Development Report**, to maximize reusable water sources and which will consider economics and current development, by December 2013.
Q2 2013 Update: Staff continues to field inquiries about the use of raw water for irrigation both in existing developments and in new developments.

17. Goal: Complete an update to the **Drought Response Plan** by December 2013.
Q2 2013 Update: City Council approved Resolution #R-39-2013, adopting the City of Loveland Drought Management Plan and implementing voluntary water restrictions on June 4, 2013.

Explore additional planning opportunities related to water provision: (11B.1.IP2)

18. Goal: To assure the availability of Windy Gap water, continue participation in planning / design of Windy Gap Firming Project
Q2 2013 Update: Staff continues to explore these options, including increased and/or new supplies from neighboring providers.

19. Goal: Pursue acquisition of additional Colorado-Big Thompson Project (CBT) units.
Q2 2013 Update: Staff continues its search for additional blocks of CBT units for sale, and monitoring market prices. The market prices have increased from about $13,000 per AF to $18,500 per AF.

Update the following studies:

20. Goal: **Emergency Response /Preparedness Protocol** - to ensure physical security and timely response to service interruptions, including site security by December 2013.
Q2 2013 Update: Staff continues to increase response effectiveness by updating the response protocol and assignments along with the Continuity of Operations Plan (COOP).

21. Goal: Explore regional opportunities to participate in studies that look at raw and treated water provisions on a regional basis by December 2013.
Q2 2013 Update: Preliminary results are complete on this study and will be presented to all participating communities on Thursday, July 18, 2013. Staff will return to the LUC with the study results later in 2013.

WASTEWATER

Update the following studies: (11D.2.IP1)

22. Goal: Level of Service Study - to evaluate adequacy, reliability and safety of wastewater service and whether federal, state and local requirements continue to be satisfied by December 2013.
Q2 2013 Update: Staff is evaluating options for expanding the treatment capacity of the wastewater plant in order to continue providing adequate levels of service to our customers. This work is likely to continue into 2014.

23. Goal: **Emergency Response /Preparedness Protocol** - to ensure physical security and timely response to service interruptions, including site security by December 2013.
Q2 2013 Update: Staff continues to increase response effectiveness by updating the response protocol and assignments along with the Continuity of Operations Plan (COOP).

Loveland Utilities Commission
2013 Goals with 2nd Qtr. Updates

CUSTOMER RELATIONS

Promote energy conservation by continuing to encourage the use of load management programs and evaluating the use of demand response programs: (11C.3.IP2)

24. Goal: Implement Loveland City Council approved **energy conservation programs** by December 2013.
Q2 2013 Update: Staff is continuing to administer programs including fielding calls, scheduling participants, processing rebates, etc. As an ongoing task, staff continues to review program results, making changes or adjustments where necessary.

25. Goal: Develop a plan that helps the Department evaluate, consider, and guide **future renewable energy participation opportunities**.
Q2 2013 Update: A subcommittee with PRPA and the four cities has been created to discuss renewables on a more regional basis. Gretchen Stanford is currently serving on this committee. PRPA board has approved the purchase of 30 MW of new wind in May 2013 to include in their resource mix. Staff has met with several solar companies and providers to discuss the various possibilities for solar gardens, solar farms, solar trees, etc. that we could incorporate into Loveland's local resource mix that would deem most cost effective.

26. Goal: Formulate and implement commercial customer **Demand Side Management**, by December 2013.
Q2 2013 Update: Staff from finance, engineering, metering, and customer relations met several times to develop guidelines for our coincident peak rate. We also held a video conference with our rate consultant to share our ideas so that they may be incorporated into the 2014 rate study.

27. Goal: Encourage water use efficiency which includes implementing the conservation and peak reduction measures adopted by City Council in July 2010
Q2 2013 Update: Loveland Water and Power is continuing education on xeriscape and irrigation audits through the Garden-In-A-Box and the Slow the Flow programs in partnership with the Center for ReSource Conservation. Garden-in-a-Box sold out this year with 94 gardens discounted. Staff doubled the amount of Slow the Flow inspections available this year with over 100% already committed. In addition to continuing programs staff has begun posting bi-weekly wise water use videos online and on Channel 16, hosted an Open House dedicated to water and is in development of a regular blog communication for various water related projects and topics.

Continue promoting responsible use of water to ensure a lasting supply for the future: (11B.3.IP3)

28. Goal: Prepare an updated Water Conservation Plan, in compliance with Colorado Water Conservation Board direction and the Water Conservation Act of 2004 while coordinating with the Northern Colorado Water Conservancy Districts requirements by July 2013.
Q2 2013 Update: City Council adopted the Water Conservation Plan on June 4, 2013. The plan has been submitted to the Colorado Water Conservation Board for final approval.

29. Goal: Support city wide development of a **Sustainability Plan** which will address water, power and wastewater infrastructure by December 2012.
Q2 2013 Update: The Sustainability Plan is currently on the City Council's schedule to be presented on July 23, 2013.

30. **Goal:** Participate in EPA Region 8 water and wastewater infrastructure, energy management pilot to develop an Energy Management Plan by December 2012.
    Q2 2013 Update: The City's consultant completed a draft feasibility study for installing a small hydro turbine at the Water Treatment Plant. The estimated costs came in at $1.7 million. There are a couple of funding opportunities available. The Department of the Interior is offering a Smart Water Grant with up to $300,000 for one year or up to $1.2 million over 3 years. We will start the application process in October for this grant. There are also low interest loan opportunities for such projects at 2% interest without the Davis Bacon wage requirement. At this point, utilizing biogas for energy or electricity at the Wastewater Treatment Plant would be too cost prohibitive to pursue.

31. **Goal: Evaluate and plan downtown infrastructure for revitalization**
    Q2 2013 Update: Staff continues to work with developers on the Brinkman project, Art Space and Lightning Hybrids.

32. **Goal: Expand communications, public outreach and marketing for the utilities programs, challenges, infrastructure concerns, rates and supply.**
    Q2 2013 Update: We continue in our service of editing documents, writing letters and press releases for the Water & Power Department. We edited the press release and letters concerning the Tier 2 Water Situation, as well as fielded calls from customers responding to the communications. We hosted the Governor of Colorado as he signed two bills related to electric vehicles, hosted a table at Colorado Children's Day and Public Works Day, hosted two contractor training sessions for Platte River Power Authority, attended Fort Collins EnvirOvation and hosted one Open House on water, xeriscaping and water restrictions. We continue to serve on the Winter Holiday Council and the Board of Directors for NoCO Energy Star Homes. We recently designed a sign that will be placed at the site of our water line replacements to remind our customers that we appreciate their patience as we interrupt the flow of traffic. Public Works made the sign. We are working with Platte River Power Authority and the three other owner cities to redesign the structure of our common programs. We will combine all of the efficiency programs under one umbrella and rebrand the entire portfolio to develop a more interactive, comprehensive approach to educating our customers. We have five Key Accounts participating in our Building Tune Up Program and more than 35 smaller businesses enrolled in Efficiency Express. We co-hosted a dedication ceremony of the solar panels at Walt Clark Middle School, our first recipient of our Energy Efficiency Assistance Program (EEAP) in schools. We continue to monitor the progress of the greenhouse project at Erwin Middle School, the second recipient of the EEAP. Next quarter, we will send out applications for two $5,000 projects for schools.

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AGENDA ITEM: 2
MEETING DATE: 7/17/2013
SUBMITTED BY: Brieana Reed-Harmel, Senior Electrical Engineer BRH

TITLE: Award a One Year Contract to Wesco Distribution for Prysmian Underground Primary Cable

DESCRIPTION:
Award a One Year Contract to Wesco Distribution for Prysmian Underground Primary Cable

SUMMARY:
On May 16, 2013 the City of Loveland received sealed invitations to bid responses for our primary cable needs for 2013-2014. Bidder names and total bid amounts for estimated cable quantities are:

Distributer (Manufacturer)	Bid Amount
• Wesco Distribution (Prysmian)	$1,233,038.00
• Wesco Distribution (General Cable)	$1,233,612.00
• Border States Electric (General Cable)	$1,246,948.00
• Stuart Irby (Southwire)	$1,259,935.00
• Western United (General Cable)	$1,196,492.00
• Western United (Prysmian)	$1,293,356.00
• Western United (Southwire)	$1,239,144.00
• Marmon Utilities (Hendrix)	$1,096,603.00 (did not quote all products).

Upon careful evaluation of the bids submitted, City Staff has determined that Wesco Distribution should be awarded the contract for their Prysmian cable. Justification for this award is due in part to lead-time, pricing, meeting specifications, wood reels and having the best warranty.

The Power Division under Mr. Miller's direction has acknowledged and requested construction for five major capital construction projects that will require substantial amounts of 750 thousand circular mils (KCMIL) and 1/0 American Wire Gauge (AWG) primary cable. Furthermore, it is recognized that there will be requirements for the City to purchase stock cable for unscheduled projects (ATC) as well as maintenance. City staff therefore requests that the LUC authorize a contract to be entered into with Wesco Distribution for Prysmian cable for our primary cable needs in an amount not-to-exceed $1,233,038 in order to complete capital projects as well as routine maintenance and smaller ATC construction.

The contractor was informed of the City's intent to make this contract for up to $1,233,038 but the City does not guarantee that there will be that much work available. The $1,233,038 contract amount is budgeted within several capital projects, maintenance and development-driven projects.

RECOMMENDATION:
Adopt a motion awarding the contract for underground primary cable to Wesco Distribution for their Prysmian cable in an amount not to exceed $1,233,038 and authorizing the City Manager to execute the contract on behalf of the City.

REVIEWED BY DIRECTOR: MEfor SA

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AGENDA ITEM: 3
MEETING DATE: 7/17/2013
SUBMITTED BY: Jim Lees, Utility Accounting Manager

TITLE: Power Cost of Service Study Update

DESCRIPTION:
The purpose of this item is to get recommendations from the Loveland Utilities Commission on three key study components.

SUMMARY:
At last month's LUC meeting, Mark Beauchamp, President of Utility Financial Solutions, our power rate consultant, made a presentation giving an overview of the Power cost-of-service rate study and introduced three key study components that Staff would like to get direction from the LUC on. The feedback that was received from the LUC at last month's meeting was that they wanted to see the results from the study, and make recommendations based on those results. Those results are still being developed at the time of this writing, but will be ready for presentation to the LUC at the meeting. Mark will be presenting the results via video conference at the meeting.

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

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 rate scenarios with increased base charges for Power be generated 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 Platte River Power Authority (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.

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

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AGENDA ITEM: 4
MEETING DATE: 7/17/2013
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 June 19, 2013 the LUC clarified 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. Also on June 19, 2013, the LUC adopted Resolution R-2-2013U, changing the City's recognized price for CBT water to $13,000 per unit. Because of the trend in prices increasing for all transactions, staff recommends changing the City's recognized C-BT market price to $14,000 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 ($14,000 / 1.0 * 1.05 = $14,700). 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 $13,000 to $14,000 per C-BT unit. Making this change would result in an increase in the cash-in-lieu price from $13,650 to $14,700 per acre-foot.

Discussion at the June 19, 2013 LUC meeting revolved around whether the commission would like staff to revise the process to which the C-BT Market Price is tracked. Staff was directed to research methods to allow the recommended Market Price to follow market trends more closely during times of rapid change while still smoothing extreme volatility. The concern was that the original direction of using a 6-month moving average of C-BT unit sales to determine the Market Price did not create a Cash-in-Lieu fee sufficient to cover the cost of purchasing firm-yield of water. It was also noted that Loveland's fee was much lower than a number of neighboring utilities.

Staff has provided 2 tables showing C-BT sales and the market price calculations. One table shows the original 6-Month Moving Average calculation. A second table shows the 4-Month Moving average. Using all of the June 2013 moving averages from both charts, the 8 values average $13,992 and have a median of $14,008. Multiplying the $14,000 per unit by 1.05 results in a cash-in-lieu fee of $14,700 per acre-foot.

Staff recommends changing the City's currently recognized C-BT market price to $14,000/unit, resulting in a cash-in-lieu fee of $14,700 per acre-foot.

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

RECOMMENDATION:
Adopt the attached Resolution R-3-2013U increasing the City's currently recognized price for C-BT water from $13,000/unit to $14,000/unit.

REVIEWED BY DIRECTOR: MS for SA

ATTACHMENTS:
1 - Resolution
2 - CBT Market Price Table, through June 30, 2013

CBT Unit Market Price Summary - 6 Month Moving Average

June 2013

Current Market Price: $13,000

All Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Jan 2013	12	$10,833	$10,109	-22.2 %
Feb 2013	6	$10,500	$10,380	-20.2 %
Mar 2013	45	$12,833	$11,208	-13.8 %
Apr 2013	107	$14,556	$11,878	-8.6 %
May 2013	0		$11,878	-8.6 %
Jun 2013	150	$18,017	$13,348	2.7 %

*see note

20 Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Jan 2013	12	$10,833	$9,870	-24.1 %
Feb 2013	6	$10,500	$10,245	-21.2 %
Mar 2013	45	$12,833	$11,208	-13.8 %
Apr 2013	5	$13,500	$11,667	-10.3 %
May 2013	0		$11,667	-10.3 %
Jun 2013	25	$18,200	$13,173	1.3 %

10 Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Jan 2013	12	$10,833	$10,129	-22.1 %
Feb 2013	6	$10,500	$10,504	-19.2 %
Mar 2013	13	$13,500	$11,375	-12.5 %
Apr 2013	5	$13,500	$11,800	-9.2 %
May 2013	0		$11,800	-9.2 %
Jun 2013	5	$17,000	$13,067	0.5 %

*see note

5 Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Jan 2013	6	$10,667	$10,088	-22.4 %
Feb 2013	6	$10,500	$10,463	-19.5 %
Mar 2013	3	$13,500	$11,333	-12.8 %
Apr 2013	5	$13,500	$11,767	-9.5 %
May 2013	0		$11,767	-9.5 %
Jun 2013	5	$17,000	$13,033	0.3 %

*Pleae note that the June numbers are staff estimates based on information provided by Northern Water. We will have actual numbers the last week of July.

CBT Unit Market Price Summary - 4 Month Moving Average

June 2013

Current Market Price: $13,000

All Units

Month	Units Sold	Avg Price per Unit	4 Month Moving Avg	Difference from Current Market Price
Mar 2013	45	$12,833	$11,208	-13.8 %
Apr 2013	107	$14,556	$12,181	-6.3 %
May 2013	0		$12,630	-2.8 %
Jun 2013	150	$18,017	$15,135	16.4 %

*see note

20 Units

Month	Units Sold	Avg Price per Unit	4 Month Moving Avg	Difference from Current Market Price
Mar 2013	45	$12,833	$11,208	-13.8 %
Apr 2013	5	$13,500	$11,917	-8.3 %
May 2013	0		$12,278	-5.6 %
Jun 2013	25	$18,200	$14,844	14.2 %

10 Units

Month	Units Sold	Avg Price per Unit	4 Month Moving Avg	Difference from Current Market Price
Mar 2013	13	$13,500	$11,375	-12.5 %
Apr 2013	5	$13,500	$12,083	-7.1 %
May 2013	0		$12,500	-3.8 %
Jun 2013	5	$17,000	$14,667	12.8 %

*see note

5 Units

Month	Units Sold	Avg Price per Unit	4 Month Moving Avg	Difference from Current Market Price
Mar 2013	3	$13,500	$11,333	-12.8 %
Apr 2013	5	$13,500	$12,042	-7.4 %
May 2013	0		$12,500	-3.8 %
Jun 2013	5	$17,000	$14,667	12.8 %

*Pleae note that the June numbers are staff estimates based on information provided by Northern Water. We will have actual numbers the last week of July.

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AGENDA ITEM: 5
MEETING DATE: 7/17/2013
SUBMITTED BY: Chris Matkins, Water Utilities Manager MS for CM

TITLE: Water Treatment Plant Tier 2 Notice After Action Report

DESCRIPTION:
This item briefly reviews steps taken by staff following the Tier 2 Notice necessitated by the alum pump failure at the Water Treatment Plant on March 25, 2013. It details changes that have been made and the steps being taken to prevent a similar situation from reoccurring on the alum system as well as other high risk systems at the Water Treatment Plant.

SUMMARY:
Staff created a timeline of the events, activities and people involved which led up to the alum pump failure and what steps were taken once the failure was discovered to mitigate the effects of the alum pump failure. Staff also documented the work that was being performed on the alum pump and the alarms that were triggered in the Supervisory Control and Data Acquisition (SCADA) logs. Staff received around 200 phone calls in regards to the Tier 2 Notification letter. Four callers requested claims forms and to date only two claims have been turned into Risk Management.

The following steps have been taken to prevent a similar event from occurring:

1. **Alarm Acknowledgment Protocol:** Water Treatment Plant Operators, the Technical Service Group and Water Quality employees met and discussed the protocol for acknowledging alarms.

2. **Re-Alarming of the Alum System:** Water Treatment Plant Operators acknowledge hundreds of alarms on a daily basis, some are critical alarms, while many are lesser events. In order to keep Operators better informed as to the severity of the alarm, the Technical Services group has implemented a reoccurring alarm on the alum system that will re-alarm in three minutes from the time of the first alarm acknowledgement and they are discussing other critical alarm points in which to apply this same re-alarm strategy.

3. **Remote Monitoring & Local Alum Pump Alarms:** The Technical Services group made improvements to enable remote monitoring of the alum pumps. They are also installing new audible and visible alarms near the alum pumps to indicate alum system failures.

4. **Work Order System Improvements:** Staff recommended that improvements be made to the work order system to include automatic work order reminders on the maintenance of critical components such as the backflow pressure device.

5. **Risk Assessments & System Improvement Brainstorming:** Employees from the Water Treatment Plant, Tech Services, and Water Quality met on June 26, 2013 and discussed the various systems at the Water Treatment Plant and rated each system based on the consequence of failure and the probability of failure. They also reviewed the impact of the Tier 2 notification including the number of days involved and staff involved at each stage of the process. Staff had an initial brainstorming session on how to prevent a similar situation from occurring in the future which included the following:
   - Create double alarms in SCADA
   - Double feed of chemicals
   - Use pagers or another method so operators will always see the alarms even when working on parts of the plant
   - Use industrial nodes
   - Install a Wi-Fi campus at the Water Treatment Plant to allow the techs and operators to see the alarms remotely throughout the entire plant on tablet computers
   - Do not having single coverage -- particularly during maintenance on critical portions of the system
   - Create a place to evacuate water to in such an event so that it is not mixed with other treated water
   - Do not participate in shave the peak to improve reliability
   - Install a bi-pass at the reservoir
   - Use sleeve valves
   - Add visible and audio alarms in and around certain buildings throughout the plant

6. **Alum System Improvement Plan:** Employees from the Water Treatment Plant, Tech Services and Water Quality will meet on July 10, 2013 to present to Chris Matkins an improvement plan for reducing the risk of a future alum system failure. Their plan is to look at how 1) employees, 2) procedures and 3) equipment can be utilized to prevent or mitigate the chance of future alum system failures. The plan is to outline the following areas:
   - **What:** What improvements should be?
   - **Who:** Who will lead the improvement processes?
   - **When:** When should these improvements be made?
   - **How:** Plan, budget, and implement the improvements

7. **Other System Improvements:** An action team will be formed to create and implement system improvement plans to lower the risk on the other water treatment plant systems rated with a high consequence of failure and high probability of failure.

RECOMMENDATION:
Staff item only. No action required.

REVIEWED BY DIRECTOR: MS for SA

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AGENDA ITEM: 6
MEETING DATE: 7/17/2013
SUBMITTED BY: Chris Matkins, Water Utilities Manager MM for CM

TITLE: Water Utility Asset Management System and Strategy

DESCRIPTION:
This item will provide an overview of the work the Water Division has been doing with consultants from Brown and Caldwell to study and help formalize an Asset Management Program for the Water Division.

SUMMARY:
Since May of this year, staff has been collaborating with consultants from Brown and Caldwell to implement an improved asset management strategy for the Water Division.

Kickoff Meeting: Brown and Caldwell initiated the study with a kickoff presentation to a large group of staff members from the Water Division. Select staff from all Water/Wastewater workgroups attended as well as staff representatives from Customer Relations and Utility Accounting. Brown and Caldwell provided a broad overview of asset management: a systematic approach to minimize costs over the life of assets, while maintaining service to customers. This approach provides information and analytical tools needed to better manage existing assets more effectively. Risk scores for each asset (based on the probability and the consequence of failure) help prioritize the Utility's efforts. Benefits of improved asset management include the ability to make more informed decisions on how to best allocate maintenance resources and better prioritization when evaluating whether to rehabilitate verses replace assets. Asset management can also foster better information collection and sharing and provide a tool to communicate to shareholders what the state of the assets is and help in creating supporting information to show when and why funding is needed for various projects.

Discovery Phase Meeting: Following the initial kickoff meeting, discovery meetings were held to collaborate on how processes are being done and what is working well and in which areas we must improve. There were discovery meetings to discuss the following topics:

1. Planning, building new and replacing assets
2. Operations & maintenance / Responding to unplanned system events
3. Strategic planning / Billing
4. Workforce planning / Information Technology (IT)
5. Stakeholder Engagement

Asset Management Assessment: Participants in the asset management process took an on-line self-assessment of how well they thought the organization is currently managing their assets against Best Management Practices by ranking the organization on questions related to the following areas:

1. Planning, forecasting, and funding
2. Asset maintenance and operations
3. Risk management
4. Improvement strategy
5. People, organization, and culture
6. Processes
7. Data and information
8. Integrated technology
9. Performance and results

Initial Finding Workshop: Brown and Coldwell presented a summary of the information collected throughout the Discovery Phase meetings and the survey results. Timelines and action teams have been developed for implementing this program.

Solutions Workshops: During these workshops specific action plans were developed on each task to ensure the asset management program's success:

- Form an "Action Team" with members from each work group to help drive, lead, and champion the Asset Management Program
- Create an Asset Policy & Levels of Service Documents
- Prepare an Asset Management Communications Plan
- Prepare an Annual State of the Assets and Levels of Service Report Template & Report
- Assign an Initial Risk Score to Each of the Water Division Assets Starting with the Water Treatment Plant
- Create a Fully Populated Treatment Facilities Asset Register
- Create an Asset Register & Determine Key Business Processes
- Create a Data Framework and Data Collection Plan

From here going forward staff will be meeting and working to implement these action plans to help improve our asset management program.

RECOMMENDATION:
Staff item only. No action required.

REVIEWED BY DIRECTOR: MS for SA

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AGENDA ITEM: 7

MEETING DATE: 7/17/2013

SUBMITTED BY: Jim Lees, Utility Accounting Manager

TITLE: 2014 Budget Presentation and Discussion

DESCRIPTION:
This item gives an update on the 2014 Water and Power budget.

SUMMARY:
The 2014 Water & Power budget process is nearly complete, and the information was submitted to the City's Budget Officer on June 17, 2013. A review with the City Manager will follow on July 18, 2013. Attached for your information are the 10 Year Financial Plans and the 5 Year Capital Plans for the 3 utilities. LUC members Dave Schneider and Gene Packer participated in this year's budget review meetings, and we thank them for their time, interest and guidance.

Some of the highlights and challenges from this budget process that impact all three utilities are:

- **Staffing** – There are six new full-time equivalent (FTE) positions proposed for 2014. This is an unusually high number of requests for W&P, but, to add some perspective, if all six of these positions are approved, W&P's FTE count would be 120.5, which is slightly less than the FTE count in 2000, and nearly 11 FTEs less than the all-time high employee count in 2006. The positions that are being proposed are:

  1) Water Engineering Special Projects Manager
  2) Electrical Engineer
  3) Technical Services Treatment Control Technician
  4) Locator Construction Inspector
  5) Water Treatment Plant (WTP) Maintenance Worker
  6) Administrative Technician

  The addition of these positions will generate an increase in Personal Services expense of $478,000. The $478,000 increase breaks down as $197,000 for Water, $133,000 for Wastewater and $148,000 for Power. **Note: This staffing information is based on late-breaking changes, as the original request to the City Manager was for seven new positions. So, the expense information in these 10-Year Plans will need to be decreased.**

  There also have been some additions and deletions of temporary positions for 2014, which will result in a net increase in Personal Services expense of $75,000. The $75,000

increase breaks down as a $42,000 decrease for Water, a $20,000 increase for Wastewater and a $97,000 increase for Power.

- **Salaries** – A 4.5% salary increase has been built in for 2014. Of this 4.5%, 3.5% is for normal year-end merit increases. The other 1% is budgeted in anticipation of needs that will arise when the City's Human Resources Department completes a comprehensive review of the City's Pay Plan this Fall. There could be dramatic movement in some positions and pay levels. One possible scenario would be if a position is moved to a higher level in the pay plan, and the incumbent in that position is being paid at a salary that is below the minimum salary of the new pay level, then the incumbent's salary would need to be adjusted at least to the minimum of the new higher pay level. The additional 1% is earmarked to address situations such as this. Additionally, the City of Loveland is a participant in a 4-member compensation study with PRPA on selected power utility positions. Results of this study are expected by late September, 2013.

- **Vehicle O&M Expenses** – In spite of the fact that W&P's vehicle count has decreased by nine over the past two years,(some being auctioned off and some being added to a City-wide vehicle pool), there still will be an increase in the vehicle maintenance budget in 2014. Due to higher anticipated fuel and repair costs, the budget for vehicle maintenance in 2014 is $121,000 higher than the 2013 budget.

- **Health Insurance Expense** – The City's Employee Benefits Fund currently has a surplus balance, and a decision was made to draw that fund balance down. So, in 2014, for one year only, the Employee Benefits Fund will be covering the cost of Disability, Life Insurance and Wellness for all City departments. These are expenses that each City department normally pays for out of their own budgets. This will generate a total reduction in the 2014 W&P budget of $110,000.

- **Capital** - The capital programs include expenditures for 2014-2018 of $56.6 million for Water ($23.8 million of which is for Windy Gap Firming and $18.9 million for the expansion and rehabilitation of the Water Treatment Plant), $37.5 million for Wastewater and $49.1 million for Power.

Some of the highlights and challenges from this budget process that impact the individual utilities are:

- **WATER** – In accordance with the Water Financing Plan that was passed by City Council back in March of this year, there is a 13% across-the-board rate increase proposed for Water in 2014. 12 % will be to address aging infrastructure and operational needs and 1% will be the recurring request to fund the future needs of the Raw Water program. In the 10-Year Financial Plan, the 13% rate increase is followed by five consecutive rate increases of 9% per year, then three consecutive rate increases of 8% per year, which is also in accordance with the Council-approved Water Financing Plan. It is also worth noting that another component of this plan is that the annual transfer of a portion of Water Sales to the Raw Water Fund will be discontinued in 2018. This decision was

made in order to keep the series of needed water rate increases lower and keep more revenue in the Water Fund to address aging infrastructure. The timing of the ceasing of the transfer to Raw Water in 2018 is important because it occurs after both the final payment for the Chimney Hollow Reservoir Project (2016) and after the final payment for the purchase of Windy Gap Water Shares (2017). The Unrestricted Fund balance stays positive in comparison to the 15% of Operating Expenses target throughout the ten-year period. The Restricted Fund Balance (or System Impact Fee (SIF) Balance) goes negative in 2020 and 2021, but then turns back to positive in 2022.

In addition to the capital projects that are detailed in the Water 5 Year Capital Plan, key increases and decreases in the operations and maintenance expenses for 2014 include:

- Increase in Windy Gap Assessment – Increase of $92,000
- Domestic Water Rights – Decrease of $175,000
- Water Court Exchange Cases – Decrease of $110,000
- City's Contract Rights in Irrigation Ditches – Increase of $70,000
- Water Engineering Consulting Services – Decrease of $79,000
- Water Model Update – New Project of $50,000
- Non-recurrence of 29th Street Tank Painting – Decrease of $480,000
- Renovate and Harden Security in Service Center Entryway – New Project of $130,000, of which Water's portion is $50,000
- Non-recurrence of Water Debt Issuance Expense – Decrease of $1,000,000
- Debt Service for Water $10 Million, 20-Year External Loan – Increase of $635,000
- Debt Service for Water $6 Million, 8-Year Internal Loan from Power – Increase of $826,000, with General Fund contributing $750,000 to pay principal portion of loan

- **WASTEWATER** – In accordance with the results of the cost-of-service rate study from last year, there is an overall average rate increase of 8.9% proposed for Wastewater in 2014. All of the rate classes will receive an 11% rate increase with the exception of the Commercial class, where the rates will be unchanged. This freezing of Commercial rates is at the request of City Council. The cost-of-service results showed that the Commercial class should have their rates reduced by 17%, but Council directed Staff to keep the Commercial rates the same until the cost of serving the Commercial class catches up with the current rates. The 8.9% increase will be primarily to address aging infrastructure. In the 10-Year Financial Plan, the 8.9% rate increase is followed by five consecutive rate increases of 11% per year, then three consecutive rate increases of 7% per year, which is also in accordance with rate study results. The Unrestricted Fund balance goes negative in comparison to the 15% of Operating Expenses target in 2016, and then turns positive again in 2020. The SIF Fund Balance goes negative in 2017 and remains that way for the balance of the 10-year period. The reason for the balances going negative is that there are major capital expenditures for regulatory-driven projects that were not known at the time of the rate study. Staff will continue to monitor when we must be in compliance with these new regulations. If the picture stays as it is now, then some type of borrowing will likely need to be explored.

In addition to the capital projects that are detailed in the Wastewater 5 Year Capital Plan, key increases and decreases in operations and maintenance expenses for 2014 include:

- Non-recurrence of Inspection and Interior Coating of Wastewater Treatment Plant Digester Roof – Decrease of $500,000
- Non-recurrence of Cleaning WWTP Digester Prior to Renovation - Decrease of $114,600
- Constructing Chemical Dosing Stations – New Project of $130,000
- Non-recurrence of Lift Station System-wide Evaluation - Decrease of $50,000
- Boyd Sewer Interceptor Study – New Project of $50,000
- Non-recurrence of Namaqua Interceptor Cleaning – Decrease of $200,000
- Anti-corrosion Chemicals for Lift Stations – Decrease of $130,000
- Lift Station Rehabilitation – Increase of $50,000
- Renovate and Harden Security in Service Center Entryway – New Project of $130,000, of which Wastewater's portion is $30,000
- Non-recurrence of Debt Service Payment to Raw Water – Decrease of $485,000
- Cost Allocations for Services from Other City Departments – Decrease of $97,000

- **POWER** - A 2.76% overall average rate increase is currently proposed for the Power Utility in 2014. PRPA is planning on a 3.4% overall wholesale power rate increase in 2014, which, when passed through to customers, generates a 2.76% retail rate increase. So, the entire rate increase for 2014 will be strictly to cover increased purchased power expense. The 3.4% wholesale rate increase is a figure that is subject to change by the PRPA Board – the hope is that at the August Board meeting the rates that PRPA staff present to the Board will be exactly or very close to what ultimately is approved for 2014. Following 2014, the Power 10-Year Financial Plan is showing rate increases throughout the balance of the 10-year period ranging from 0.81% to 4.15% per year. These figures are preliminary, and we will have solid numbers when the Cost-of-service rate study is completed. The Unrestricted Fund balance stays positive in comparison to the 15% of Operating Expenses target throughout the 10-year period. The Plant Investment Fee (PIF) fund balance stays positive throughout the 10-year window, as well, and actually builds up to a projected total of $18 million by 2023. A caution that goes along with the $18 million fund balance is that there is nothing plugged in to the CIP for extending a transmission line South to I-25 and State Highway 402, and this project could be very expensive.

  In addition to the capital projects that are detailed in the Power 5 Year Capital Plan, key increases in operations and maintenance expenses for 2014 include:

- Interactive Voice Response System – New Project of $60,000
- Renovate and Harden Security in Service Center Entryway – New Project of $130,000, of which Power's portion is $50,000

Commission members are encouraged to make any comments or ask questions at the meeting.

RECOMMENDATION:
Staff report only. No action required.

REVIEWED BY DIRECTOR: MS for SA

ATTACHMENTS:

- 10-year Financial Forecast for Water, Raw Water, Wastewater and Power
- 5-year Capital Improvement Plans for Water, Wastewater and Power

LOVELAND WATER AND POWER
WATER UTILITY
FINANCIAL FORECAST
2012 - 2023

6.63%	7.46%	8.31%	9.15%	9.98%	10.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		A	Future Raw Water Prj's % Compounded
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		B	Future Raw Water Prj's % growth/year
1.70%	0.90%	0.90%	1.25%	1.50%	1.50%	1.70%	1.80%	1.90%	2.25%	2.50%	2.75%		C	Interest on Investments
			4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%		D	Inflation Rate on Water & Waste Specific Exp's
0.90%	1.07%	1.25%	1.48%	1.50%	1.43%	1.44%	1.45%	1.46%	1.39%	1.40%	1.33%		E	Growth of New Development
4.00%	12.00%	12.00%	8.00%	8.00%	8.00%	9.00%	9.00%	8.00%	8.00%	8.00%	3.50%		F	Revenue Rate Change on Consumption
13.07%	-0.75%	-0.75%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%		G	Consumption Inc/(Dec) per Customer
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%		H	Payment in Lieu of Taxes (PILT)
4.00%	12.00%	12.00%	8.00%	8.00%	8.00%	9.00%	9.00%	8.00%	8.00%	8.00%	3.50%		I	Revenue Rate Change on BASE Charge
			3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		J	General Inflation Rate

		Actuals 2012	Forecast 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023		A	B	C	D	E	F	G	H	I	J
	Unrestricted Funds																							
1	**BEG'G WORKING CASH BALANCE:**	**$4,214,531**	**$4,187,191**	**$12,748,307**	**$6,969,157**	**$1,821,815**	**$2,370,865**	**$2,965,042**	**$5,909,952**	**$7,897,670**	**$6,408,924**	**$8,066,169**	**$11,926,269**											
	REVENUES & SOURCES:																							
2	Water Sales	$9,360,780	$9,880,275	$11,264,720	$12,231,230	$13,283,120	$14,416,170	$15,647,310	$16,985,160	$18,269,240	$19,637,610	$21,110,430	$21,728,970			Y			Y	Y	Y	Y	Y		
3	Raw Water Transfer Out	($620,710)	(655,119)	(839,990)	(1,118,800)	(1,325,740)	(1,556,800)	0	0	0	0	0	0		Y										
4	Wholesale Sales	$89,956	87,560	71,380	72,440	73,530	74,580	75,650	76,750	77,870	78,950	80,060	81,120						Y						
5	Meter Sales	$73,460	28,340	38,740	40,960	43,320	45,780	48,380	51,140	54,060	57,110	60,340	63,710					Y	Y						
6	Interest on investments	$45,044	37,680	114,730	87,110	27,330	35,560	50,410	106,380	150,060	144,200	201,650	327,970				Y								
7	Hydrant Rental	$91,941	119,020	50,000	54,740	59,940	65,590	72,440	80,010	87,580	95,800	104,810	109,870						Y	Y					
8	Other revenues	$384,718	501,010	316,320	296,060	324,190	354,760	391,800	432,740	473,680	518,160	566,870	594,250						Y	Y					
9	Internal Loan Received	$0	6,000,000	0	0	0	0	0	0	0	0	0	0												
10	External Loan Received	$0	10,000,000	0	0	0	0	0	0	0	0	0	0												
11	General Fund Contribution			750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	0	0												
12	Year-end cash adjustments	$0	0	0	0	0	0	0	0	0	0	0	0												
13	**TOTAL REVENUES**	**$9,425,191**	**$25,998,766**	**$11,765,900**	**$12,413,740**	**$13,235,690**	**$14,185,640**	**$17,035,990**	**$18,482,180**	**$19,862,490**	**$21,281,830**	**$22,124,160**	**$22,905,890**												
14	**OPERATING EXPENSES:**																							
15	Source of Supply	$1,202,100	$2,065,860	$1,880,950	1,924,320	1,918,810	1,985,970	2,055,480	2,127,420	2,201,880	2,278,950	2,358,710	2,441,260												Y
16	Treatment	$1,629,006	1,848,040	1,971,920	2,070,120	2,173,630	2,280,790	2,393,460	2,511,940	2,636,530	2,765,460	2,900,970	3,041,090						Y						Y
17	Treatment O&M Projects	$0	409,200	381,000	328,390	342,340	606,600	404,660	400,800	404,360	421,540	439,460	458,140					Y							
18	Distribution oper. & maint.	$1,563,228	1,763,400	1,992,110	2,091,320	2,195,890	2,304,150	2,417,980	2,537,670	2,663,540	2,793,790	2,930,690	3,072,240						Y						Y
19	Distribution O&M Projects	$0	741,840	140,000	119,900	124,980	130,290	135,840	264,740	147,620	153,890	160,450	167,260					Y							
20	Technical Services	$817,987	632,830	735,790	772,430	811,050	851,030	893,070	937,280	983,770	1,031,880	1,082,440	1,134,720						Y						Y
21	Customer Relations	$63,821	194,240	250,450	259,220	268,290	277,680	287,400	297,460	307,870	318,650	329,800	341,340												Y
22	Customer Service/Meters	$111,483	130,970	140,470	147,470	154,840	162,470	170,500	178,940	187,820	197,000	206,650	216,630						Y						Y
23	Administrative	$366,708	631,540	527,910	546,390	565,510	585,300	605,790	626,990	648,930	671,640	695,150	719,480												Y
24	Workers Comp & Gen'l Liability	$0	110,300	99,520	133,020	137,680	142,500	147,490	152,650	157,990	163,520	169,240	175,160												Y
25	1% for Arts Transfer	$19,275	41,330	55,420	51,920	4,890	7,160	5,940	6,160	41,170	46,840	34,880	36,360												
26	Internal Loan Payment (incl's interest)	$0	0	826,200	828,750	840,000	843,750	832,500	817,500	802,500	780,000	0	0												
27	External Loan Payment (incl's interest)	$0	1,000,000	635,000	635,000	635,000	635,000	635,000	635,000	635,000	635,000	635,000	635,000												
28	Payment in-lieu-of taxes PILT	$611,805	645,760	729,730	777,870	837,020	900,160	1,095,310	1,188,960	1,278,850	1,374,630	1,477,730	1,521,030										Y		
29	Services rendered-other depts.	$987,931	936,210	935,090	917,070	949,170	982,390	1,016,770	1,052,360	1,089,190	1,127,310	1,166,770	1,207,610												Y
30	**TOTAL OPERATING EXP'S** (excl depn)	**$7,373,344**	**$11,151,520**	**$11,301,560**	**$11,603,190**	**$11,959,100**	**$12,695,240**	**$13,097,190**	**$13,735,870**	**$14,187,020**	**$14,760,100**	**$14,587,940**	**$15,167,320**	**2014 to 2023**											
31	**NET OPERAT'G REV/(LOSS)** (excl depn)	**$2,051,846**	**$14,847,246**	**$464,340**	**$810,550**	**$1,276,590**	**$1,490,400**	**$3,938,800**	**$4,746,310**	**$5,675,470**	**$6,521,730**	**$7,536,220**	**$7,738,570**	**Total**											
32	FOOTNOTE: Depreciation Expense	$2,700,913	$2,884,642	$2,951,380	$3,662,060	$4,084,310	$4,101,790	$3,497,860	$3,639,510	$4,048,690	$4,568,490	$4,756,480	$4,871,920	$40,182,490											
33	CAPITAL EXPENDITURES	$2,079,186	6,286,130	$6,243,490	$5,957,892	$727,540	$896,223	$993,890	$2,758,593	$7,164,216	$4,864,485	$3,676,120	$3,912,702	$37,195,150				Y							
34	NET CHANGE IN WRK'G CASH BAL	($27,340)	$8,561,116	($5,779,150)	($5,147,342)	$549,050	$594,178	$2,944,910	$1,987,718	($1,488,746)	$1,657,245	$3,860,100	$3,825,868												
35	**ENDING WORKING CASH BALANCE**	**$4,187,191**	**$12,748,307**	**$6,969,157**	**$1,821,815**	**$2,370,865**	**$2,965,042**	**$5,909,952**	**$7,897,670**	**$6,408,924**	**$8,066,169**	**$11,926,269**	**$15,752,137**												
36	Desired Balance (15% of Operat'g Exp's)	$1,106,002	$1,672,728	$1,695,234	$1,740,479	$1,793,865	$1,904,286	$1,964,579	$2,060,381	$2,128,053	$2,214,015	$2,188,191	$2,275,098												
37	Fav/(Unfav) to Desired Balance	$3,081,189	$11,075,579	$5,273,923	$81,336	$577,000	$1,060,756	$3,945,374	$5,837,289	$4,280,871	$5,852,154	$9,738,078	$13,477,039												
38	**BEG'G BALANCE-SYS IMPACT FEES**	**$7,725,745**	**$8,945,821**	**$8,588,921**	**$4,461,731**	**$804,723**	**$3,281,613**	**$5,432,976**	**$4,880,106**	**$2,578,748**	**($3,736,476)**	**($2,992,431)**	**$247,099**												
39	SIF Collections	$1,717,662	1,155,500	1,527,010	1,920,750	2,484,530	2,648,990	2,681,790	2,853,350	3,034,640	3,226,190	3,261,820	3,460,900							Y	Y				
40	Capital Recovery Surcharge	$113,296	96,000	96,000	94,180	92,390	90,630	88,910	87,220	85,560	83,930	82,340	80,780									Y			
41	Developer Reimbursements	$0	0	0	0	0	0	0	0	0	0	0	0												
42	SIF Interest Income	$99,438	80,510	77,300	55,770	12,070	49,220	92,360	87,840	49,000	0	0	6,800				Y								
43	SIF Capital Expenditures	($704,003)	(1,677,110)	(5,775,000)	(5,676,418)	(112,100)	(636,788)	(3,392,920)	(5,300,398)	(9,451,664)	(2,542,655)	(104,630)	(430,488)	$33,423,060				Y							
44	SIF 1% for Arts Transfer	($6,317)	(11,800)	(52,500)	(51,290)	0	(690)	(23,010)	(29,370)	(32,760)	(23,420)	0	0												
45	Year End Cash Adjustment	$0	0	0	0	0	0	0	0	0	0	0	0												
46	**END'G BALANCE-SYS IMPACT FEES**	**$8,945,821**	**$8,588,921**	**$4,461,731**	**$804,723**	**$3,281,613**	**$5,432,976**	**$4,880,106**	**$2,578,748**	**($3,736,476)**	**($2,992,431)**	**$247,099**	**$3,365,091**												
47	**TOTAL AVAILABLE FUNDS**	**$13,133,012**	**$21,337,228**	**$11,430,888**	**$2,626,538**	**$5,652,478**	**$8,398,018**	**$10,790,058**	**$10,476,418**	**$2,672,448**	**$5,073,738**	**$12,173,368**	**$19,117,228**												
48	**Note:** 2014 staff increase (incl'd above)	$0	$0	$147,490	$199,530	$206,510	$213,740	$221,220	$228,960	$236,970	$245,260	$253,840	$262,720												Y

LOVELAND WATER AND POWER
RAW WATER FUNDING
FINANCIAL FORECAST
2012-2023

6.63%	7.46%	8.31%	9.15%	9.98%	10.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	A	Future Raw Water Prj's % Compounded
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	B	Future Raw Water Prj's % growth/year
1.70%	0.90%	0.90%	1.25%	1.50%	1.50%	1.70%	1.80%	1.90%	2.25%	2.50%	2.75%	C	Interest on Investments
0.00%	0.00%	0.00%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	D	Inflation Rate on Water & Waste Specific Exp
0.90%	1.07%	1.25%	1.48%	1.50%	1.43%	1.44%	1.45%	1.46%	1.39%	1.40%	1.33%	E	Growth of New Development
4.00%	12.00%	12.00%	8.00%	8.00%	8.00%	9.00%	9.00%	8.00%	8.00%	8.00%	3.50%	F	Revenue Rate Change on Consumption
13.07%	-0.75%	-0.75%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	-1.90%	G	Consumption Inc/(Dec) per Customer
7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	H	Payment in Lieu of Taxes (PILT)
4.00%	12.00%	12.00%	8.00%	8.00%	8.00%	9.00%	9.00%	8.00%	8.00%	8.00%	3.50%	I	Revenue Rate Change on BASE Charge

	Actuals 2012	Forecast 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	A	B	C	D	E	F	G	H	I
1 **BEGINNING BALANCE**	**$14,267,525**	**$12,976,075**	**$14,819,459**	**$14,332,739**	**$13,906,779**	**($8,033,081)**	**($7,620,065)**	**($7,673,445)**	**($7,741,475)**	**($7,825,195)**	**($7,949,015)**	**($8,091,815)**									
2 Hi-Use Surcharge	$71,879	41,800	43,000	43,640	44,290	44,920	45,570	46,230	46,900	47,550	48,220	48,860					Y				
3 Interest	$163,859	116,780	133,380	179,160	208,600	0	0	0	0	0	0	0			Y						
4 Wastewater Loan	$440,000	485,000	0	0	0	0	0	0	0	0	0	0									
5 Raw Water Devlpmt Fees/Cap Rec Srchg	$353,153	319,000	349,000	444,950	455,070	441,920	451,020	460,120	469,220	455,070	463,160	446,980									
6 Cash-in-Lieu	$71,726	987,904	45,000	45,670	46,360	47,020	47,700	48,390	49,100	49,780	50,480	51,150					Y				
7 Sale of Water Rights - 402 Corridor (Johnst	$0	0	0	0	0	0	0	664,930	0	0	0	0									
8 Year End Cash Adjustments	$0	0	0	0	0	0	0	0	0	0	0	0									
9 **Total Revenues**	**$1,100,618**	**$1,950,484**	**$570,380**	**$713,420**	**$754,320**	**$533,860**	**$544,290**	**$1,219,670**	**$565,220**	**$552,400**	**$561,860**	**$546,990**									
10 **Operating Expenses**																					
11 Windy Gap Annual Administration Fee	$7,044	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100									
12 Transfer to Restricted	$0	0	0	0	0	(566,056)	0	0	0	0	0	0									
13 **TOTAL OPERATING EXPENSES (excl depn)**	**$7,044**	**$7,100**	**$7,100**	**$7,100**	**$7,100**	**($558,956)**	**$7,100**	**$7,100**	**$7,100**	**$7,100**	**$7,100**	**$7,100**									
14 **NET OPERATING REVENUE/(LOSS) (excl dep**	**$1,093,574**	**$1,943,384**	**$563,280**	**$706,320**	**$747,220**	**$1,092,816**	**$537,190**	**$1,212,570**	**$558,120**	**$545,300**	**$554,760**	**$539,890**									
15 FOOTNOTE: Depreciation Expense	$1,350,762	$1,949,667	$1,979,495	$1,988,019	$2,330,312	$2,671,267	$2,664,372	$2,679,836	$2,617,909	$2,634,716	$2,652,237	$2,670,504									
16 **Capital Expenditures**																					
17 Trade of Water Rights - 402 Corridor (Johns	$0	0	0	0	0	0	0	(664,930)	0	0	0	0									
18 Windy Gap Firming (W038AA)	($83,136)	0	(750,000)	(767,400)	(22,279,530)	0	0	0	0	0	0	0									
19 Purchase CBT Water (W1014A)	$0	(100,000)	(300,000)	(364,880)	(407,550)	(566,500)	(590,570)	(615,670)	(641,840)	(669,120)	(697,560)	(727,200)									
20 Future Water Court Transfer Actions	$0	$0	0	0	0	(113,300)	0	0	0	0	0	0									
21 2002 Transfer Decree (W134AA)	($229)	$0	0	0	0	0	0	0	0	0	0	0									
22 2000CW108(Water Crt Case) (W027AA)	($12,441)	$0	0	0	0	0	0	0	0	0	0	0									
23 **Total Capital Expenditures**	($2,385,025)	($100,000)	($1,050,000)	($1,132,280)	($22,687,080)	($679,800)	($590,570)	($1,280,600)	($641,840)	($669,120)	($697,560)	($727,200)									
24 **Subtotal: Raw Water excl. Reserve Funds**	**$12,976,075**	**$14,819,459**	**$14,332,739**	**$13,906,779**	**($8,033,081)**	**($7,620,065)**	**($7,673,445)**	**($7,741,475)**	**($7,825,195)**	**($7,949,015)**	**($8,091,815)**	**($8,279,125)**									
25 **Reserve for Windy Gap Pmts**																					
26 Reserve Account for Windy Gap	$4,897,537	$4,180,086	$3,534,606	$2,857,156	$2,144,956	$1,375,636	$0	$0	$0	$0	$0	$0									
27 Transfer from Unrestricted	$0	0	0	0	0	(566,056)	0	0	0	0	0	0									
28 Annual Payment	($826,955)	(826,920)	(826,620)	(827,500)	(848,980)	(850,060)	0	0	0	0	0	0									
29 YE Adjust	$0	0	0	0	0	0	0	0	0	0	0	0									
30 Interest	$109,504	181,440	149,170	115,300	79,660	40,480	0	0	0	0	0	0									
31 **Windy Gap Reserve Balance**	**$4,180,086**	**$3,534,606**	**$2,857,156**	**$2,144,956**	**$1,375,636**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**									
32 **1% for Future Raw Water Projects Reserve**																					
33 Reserve Account for Future Projects	**$1,593,626**	**$2,237,139**	**$2,912,388**	**$3,778,588**	**$4,944,618**	**$6,344,528**	**$7,996,498**	**$8,132,438**	**$8,278,818**	**$8,436,118**	**$8,625,928**	**$8,841,578**									
34 1% Transfer from Water Rates	$620,710	655,119	839,990	1,118,800	1,325,740	1,556,800	0	0	0	0	0	0									
35 Interest	$22,803	20,130	26,210	47,230	74,170	95,170	135,940	146,380	157,300	189,810	215,650	243,140			Y						
36 **1% For Future Raw Water Reserve Balan**	**$2,237,139**	**$2,912,388**	**$3,778,588**	**$4,944,618**	**$6,344,528**	**$7,996,498**	**$8,132,438**	**$8,278,818**	**$8,436,118**	**$8,625,928**	**$8,841,578**	**$9,084,718**									
37 **Native Raw Water Storage Fees Reserve**																					
38 Beginning Balance for Native Raw Water St	**$1,527,873**	**$1,546,743**	**$1,565,663**	**$1,584,753**	**$1,609,633**	**$1,638,923**	**$1,668,723**	**$1,702,393**	**$1,738,413**	**$1,776,903**	**$1,822,423**	**$1,873,603**									
39 Native Raw Water Storage Fees Received	$0	5,000	5,000	5,070	5,150	5,220	5,300	5,380	5,460	5,540	5,620	5,690					Y				
40 Interest	$18,870	13,920	14,090	19,810	24,140	24,580	28,370	30,640	33,030	39,980	45,560	51,520			Y						
41 **Native Raw Water Storage Fees Reserve**	**$1,546,743**	**$1,565,663**	**$1,584,753**	**$1,609,633**	**$1,638,923**	**$1,668,723**	**$1,702,393**	**$1,738,413**	**$1,776,903**	**$1,822,423**	**$1,873,603**	**$1,930,813**									
42 **TOTAL AVAILABLE RAW WATER**	**$20,940,043**	**$22,832,116**	**$22,553,236**	**$22,605,986**	**$1,326,006**	**$2,045,156**	**$2,161,386**	**$2,275,756**	**$2,387,826**	**$2,499,336**	**$2,623,366**	**$2,736,406**									

LOVELAND WATER AND POWER
WASTEWATER UTILITY
FINANCIAL FORECAST - 10 Year Plan
2012-2023

	0.90%	0.90%	1.25%	1.50%	1.50%	1.70%	1.80%	1.90%	2.25%	2.50%	2.75%		A Interest on Investments
			4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%		B Inflation Rate on Water & Waste Specific Exp's
	0.90%	1.25%	1.48%	1.50%	1.43%	1.44%	1.45%	1.46%	1.39%	1.40%	1.33%		C Growth from new Development
	0.00%	8.91%	11.00%	11.00%	11.00%	11.00%	11.00%	7.00%	7.00%	7.00%	3.50%		D Revenue Rate Change on Consumption
	-0.76%	-0.76%	-0.76%	-0.76%	-0.76%	-0.76%	-0.76%	-0.76%	-0.76%	-0.76%	-0.76%		E Consumption Inc/(Dec) per Customer
	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%		F Payment in Lieu of Taxes (PILT)
	0.00%	8.91%	11.00%	11.00%	11.00%	11.00%	11.00%	7.00%	7.00%	7.00%	3.50%		G Revenue Rate Change on BASE
			3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		H General Inflation Rate

		Actuals 2012	Forecast 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	2014 to 2023 Total	A	B	C	D	E	F	G	H
	Unrestricted Funds																					
1	BEGINNING WRK'G CASH BAL:	**$8,011,370**	**$7,650,418**	**$3,926,869**	**$2,738,229**	**$1,929,201**	**($996,633)**	**($5,217,590)**	**($1,705,020)**	**($505,590)**	**$3,159,106**	**$7,737,844**	**$15,156,498**									
	REVENUES & SOURCES:																					
2	Sanitary Sewer Charges	$6,993,367	$7,609,773	$8,269,970	$9,239,210	$10,323,890	$11,528,690	$12,875,240	$14,380,360	$15,487,650	$16,669,360	$17,942,900	$18,673,180				Y	Y	Y		Y		
3	Hi Strength Surcharge	$248,183	360,618	546,760	550,700	554,780	558,500	562,300	566,180	570,140	573,730	577,400	580,690				Y		Y				
4	Interest on investments	$92,843	68,850	35,340	34,230	28,940	0	0	0	0	71,080	193,450	416,800		Y								
5	Other revenues	$37,073	222,420	51,770	15,090	15,320	15,540	15,760	15,990	16,220	16,450	16,680	16,900				Y						
6	Year-end cash adjustments	$0	0	0	0	0	0	0	0	0	0	0	0										
7	**TOTAL REVENUES & SOURCES**	**$7,371,465**	**$8,261,661**	**$8,903,840**	**$9,839,230**	**$10,922,930**	**$12,102,730**	**$13,453,300**	**$14,962,530**	**$16,074,010**	**$17,330,620**	**$18,730,430**	**$19,687,570**	$142,007,190									
	OPERATING EXPENSES:																					
8	Treatment	$2,341,112	$2,484,860	$2,599,780	$2,729,250	$2,865,710	$3,006,990	$3,155,540	$3,311,740	$3,476,000	$3,645,980	$3,824,630	$4,009,360				Y						Y
9	Treatment O&M Projects	$0	875,480	215,280	391,450	384,820	268,840	254,280	342,530	445,410	288,100	300,340	313,100			Y							
10	Collection System Maintenance	$1,245,095	1,276,440	1,232,120	$1,293,480	$1,358,150	$1,425,110	$1,495,510	$1,569,540	$1,647,390	$1,727,950	$1,812,620	$1,900,170				Y						Y
11	Collection System O&M Projects	$0	588,750	442,000	387,820	404,290	534,780	439,370	458,050	477,530	497,810	658,490	541,030			Y							
12	Technical Services	$817,987	854,480	995,830	$1,045,420	$1,097,690	$1,151,810	$1,208,710	$1,268,540	$1,331,460	$1,396,570	$1,465,000	$1,535,760				Y						Y
13	Customer Relations	$17,035	12,920	42,490	$42,490	$42,490	$42,490	$42,490	$42,490	$42,490	$42,490	$42,490	$42,490										
14	Administrative	$225,685	344,500	302,590	$313,180	$324,140	$335,480	$347,220	$359,370	$371,950	$384,970	$398,440	$412,390										Y
15	Workers Comp and Gen'l Liability	$0	78,910	71,190	$94,380	$97,680	$101,100	$104,640	$108,300	$112,090	$116,010	$120,070	$124,270										Y
16	1% for the Arts	$13,642	24,100	26,610	19,260	19,430	37,230	9,450	39,170	26,190	27,300	6,980	2,910										
17	Payment in-lieu-of taxes (PILT)	$503,632	577,210	617,170	685,290	761,510	846,100	940,630	1,046,260	1,124,050	1,207,020	1,296,420	1,347,770								F		
18	Repaymt Loan frm Raw Wtr (2004 Loan)	$440,000	485,000	0	0	0	0	0	0	0	0	0	0										
19	Services rendered-other depts.	$627,270	497,660	401,000	385,110	398,590	412,540	426,980	441,920	457,390	473,400	489,970	507,120										Y
20	**TOTAL OPERAT'G EXP (excl depn)**	**$6,231,459**	**$8,100,310**	**$6,946,060**	**$7,387,130**	**$7,754,500**	**$8,162,470**	**$8,424,820**	**$8,987,910**	**$9,511,950**	**$9,807,600**	**$10,415,450**	**$10,736,370**	$88,134,260									
21	**NET OPERAT'G REV/(LOSS)** (excl depn)	**$1,140,007**	**$161,351**	**$1,957,780**	**$2,452,100**	**$3,168,430**	**$3,940,260**	**$5,028,480**	**$5,974,620**	**$6,562,060**	**$7,523,020**	**$8,314,980**	**$8,951,200**										
22	FOOTNOTE: Depreciation Expense	$1,906,050	$1,937,780	$1,924,980	$1,947,590	$1,926,980	$2,428,120	$2,937,620	$3,114,340	$3,270,060	$3,470,600	$3,704,170	$3,809,060	$28,533,520									
23	CAPITAL EXPENDITURES	$1,500,958	$3,884,900	$3,146,420	$3,261,129	$6,094,264	$8,161,217	$1,515,910	$4,775,190	$2,897,364	$2,944,282	$896,326	$2,571,616	$36,263,717		Y							
24	**NET CHANGE IN WRK'G CASH BAL**	**($360,951)**	**($3,723,549)**	**($1,188,640)**	**($809,029)**	**($2,925,834)**	**($4,220,957)**	**$3,512,570**	**$1,199,430**	**$3,664,696**	**$4,578,738**	**$7,418,654**	**$6,379,584**										
25	**ENDING WORKING CASH BALANCE**	**$7,650,418**	**$3,926,869**	**$2,738,229**	**$1,929,201**	**($996,633)**	**($5,217,590)**	**($1,705,020)**	**($505,590)**	**$3,159,106**	**$7,737,844**	**$15,156,498**	**$21,536,082**										
26	Desired Bal (15% of Oper Exp excl'g depn)	$934,719	$1,215,047	$1,041,909	$1,108,070	$1,163,175	$1,224,371	$1,263,723	$1,348,187	$1,426,793	$1,471,140	$1,562,318	$1,610,456										
27	Fav/(Unfav) to Desired Balance	$6,715,699	$2,711,823	$1,696,320	$821,131	($2,159,808)	($6,441,960)	($2,968,743)	($1,853,776)	$1,732,314	$6,266,704	$13,594,181	$19,925,627										
	Restricted Funds (SIF)																						
28	**BEG'G BALANCE-SYS IMPACT FEES**	**$4,315,540**	**$5,131,782**	**$4,417,712**	**$5,056,752**	**$5,049,310**	**$4,368,174**	**($2,979,349)**	**($1,883,919)**	**($2,896,119)**	**($1,493,205)**	**($2,873,503)**	**($2,116,947)**										
29	SIF Collections	$1,085,432	789,990	1,089,990	1,420,830	1,832,680	1,949,440	1,973,760	2,095,570	2,224,240	2,360,080	2,386,430	2,527,530				Y						
30	SIF Interest Income	$58,752	46,190	39,760	63,210	75,740	65,520	0	0	0	0	0	0		Y								
31	SIF Capital Expenditures	($325,143)	(1,545,130)	(487,580)	(1,480,062)	(2,150,247)	(5,301,023)	(981,510)	(3,188,920)	(923,316)	(3,814,018)	(1,723,824)	(679,264)	$20,729,763		Y							
32	SIF 1% for the Arts	($2,799)	(5,120)	(3,130)	(11,420)	(4,590)	(79,380)	(4,720)	(26,750)	(5,910)	(34,260)	(13,950)	0										
33	SIF Capital Expenditure-402 Sewer Line	$0	0	0	0	(434,720)	(4,531,980)	0	0	0	0	0	0										
34	Reimbrsmnt from Gen'l Fd-402 Sewer Line	$0	0	0	0	0	442,000	0	0	0	0	0	0										
35	Develpmnt Reimbrsmnts-402 Sewer Line	$0	0	0	0	0	107,900	107,900	107,900	107,900	107,900	107,900	107,900										
36	Year-end Cash Adjustment	$0	0	0	0	0	0	0	0	0	0	0	0										
37	**END'G BALANCE-SYS IMPACT FEES**	**$5,131,782**	**$4,417,712**	**$5,056,752**	**$5,049,310**	**$4,368,174**	**($2,979,349)**	**($1,883,919)**	**($2,896,119)**	**($1,493,205)**	**($2,873,503)**	**($2,116,947)**	**($160,781)**										
38	**TOTAL AVAILABLE FUNDS**	**$12,782,200**	**$8,344,581**	**$7,794,981**	**$6,978,511**	**$3,371,541**	**($8,196,939)**	**($3,588,939)**	**($3,401,709)**	**$1,665,901**	**$4,864,341**	**$13,039,551**	**$21,375,301**										
39	**Note:** 2014 Staff increase (incl'd above)	$0	$0	$150,560	$155,830	$161,280	$166,920	$172,760	$178,810	$185,070	$191,550	$198,250	$205,190										Y

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LOVELAND WATER AND POWER
POWER UTILITY
FINANCIAL FORECAST
2012-2023

2.75%	0.90%	0.90%	1.25%	1.50%	1.50%	1.70%	1.80%	1.90%	2.25%	2.50%	2.75%		A	Interest on Investments
	0.00%	0.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		B	General Inflation Rate
0.00%	1.65%	1.91%	2.26%	2.26%	2.15%	2.15%	2.14%	2.14%	2.03%	2.02%	1.92%		C	Growth from new Development
4.46%	4.13%	3.48%	4.10%	3.70%	3.50%	3.50%	3.50%	4.15%	3.50%	0.81%	1.94%		D	Retail Revenue Rate Change
4.60%	0.90%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%		E	Energy (kWh) Consumption/Cust Inc/(Dec)
6.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%		F	Payment in Lieu of Taxes (PILT)
0.00%	-1.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		G	Demand(kW) Consmptn/Comm'l Cust Inc/(Dec)
5.50%	5.10%	4.30%	0.00%	3.70%	0.00%	0.00%	0.00%	5.00%	0.00%	1.00%	2.40%		H	Loveland Specific PRPA Rate Change
6.10%	5.10%	4.30%	0.00%	3.70%	0.00%	0.00%	0.00%	5.00%	0.00%	1.00%	2.40%		I	PRPA Overall Wholesale Rate Change

		Actual 2012	Forecast 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	2013 to 2023 Total	A	B	C	D	E	F	G	H	I
	Unrestricted Funds																						
1	**BEGINNING WORKING CASH BALANCE:**	**$20,504,998**	**$19,840,932**	**$17,680,362**	**$12,945,822**	**$8,353,882**	**$8,845,312**	**$10,103,482**	**$10,355,292**	**$10,519,652**	**$10,803,002**	**$11,336,902**	**$13,426,162**										
2	**REVENUES & SOURCES:**																						
3	Electric revenues	$49,583,658	$52,166,840	54,957,790	$58,260,500	$61,529,850	$64,789,760	$68,221,350	$71,833,020	$76,100,470	$80,043,810	$82,033,420	$84,911,310				Y	Y	Y		Y			
4	Wheeling charges	247,312	240,000	240,000	244,220	248,520	252,610	256,770	260,990	265,270	269,330	273,440	277,320				Y		Y					
5	Interest on investments	212,613	178,570	159,120	161,820	125,310	132,680	171,760	186,400	199,870	243,070	283,420	369,220		Y									
6	Aid-To-Construction deposits	467,415	646,890	750,000	776,260	1,017,660	1,053,290	1,090,140	1,128,300	1,167,800	1,208,670	1,250,970	1,294,750											
7	Customer deposits - Service Installations	0	327,160	190,000	196,650	203,530	210,660	218,040	225,660	233,560	241,730	250,190	258,950											
8	Other revenues	1,268,575	853,180	868,410	888,030	908,110	927,610	947,510	967,820	988,530	1,008,610	1,029,030	1,048,760				Y							
9	Year-end cash adjustments	0	0	0	0	0	0	0	0	0	0	0	0											
10	**TOTAL REVENUES**	**$51,779,572**	**$54,412,640**	**$57,165,320**	**$60,527,480**	**$64,032,980**	**$67,366,610**	**$70,905,570**	**$74,602,190**	**$78,955,500**	**$83,015,220**	**$85,120,470**	**$88,160,310**											
11	**OPERATING EXPENSES:**																						
12	Hydro oper. & maint.	$24,359	$88,160	$82,900	$85,800	$10,350	$10,710	$11,080	$11,470	$11,870	$12,290	$12,720	$13,170			Y								
13	Purchased power	36,301,582	38,917,480	41,082,910	43,112,770	45,532,090	47,944,420	50,483,800	53,156,430	56,314,350	59,232,420	60,704,730	62,834,370											
14	Distribution oper. & maint.	2,986,535	3,350,050	3,620,290	3,828,770	4,049,340	4,278,020	4,519,550	4,774,600	5,043,890	5,322,870	5,616,950	5,921,240			Y	Y							
15	Customer Relations	771,656	979,320	1,131,770	1,171,380	1,212,380	1,254,810	1,298,730	1,344,190	1,391,240	1,439,930	1,490,330	1,542,490			Y								
16	Administration	425,621	785,750	723,050	748,360	774,550	801,660	829,720	858,760	888,820	919,930	952,130	985,450			Y								
17	Workers Comp and Gen'l Liability	0	204,900	185,310	228,540	236,540	244,820	253,390	262,260	271,440	280,940	290,770	300,950			Y								
18	1% For the Arts Transfer	15,559	41,730	78,940	86,150	45,800	41,700	53,830	57,700	60,670	62,050	48,280	63,590			Y								
19	Payment in-lieu-of taxes PILT	3,421,552	3,651,680	3,847,050	4,078,240	4,307,090	4,535,280	4,775,490	5,028,310	5,327,030	5,603,070	5,742,340	5,943,790								Y			
20	Services rendered-other depts.	2,213,226	1,925,130	1,968,970	1,988,440	2,058,040	2,130,070	2,204,620	2,281,780	2,361,640	2,444,300	2,529,850	2,618,390			Y								
21	**TOTAL OPERATING EXPENSES (excl depn)**	**$46,160,089**	**$49,944,200**	**$52,721,190**	**$55,328,450**	**$58,226,180**	**$61,241,490**	**$64,430,210**	**$67,775,500**	**$71,670,950**	**$75,317,800**	**$77,388,100**	**$80,223,440**											
22	**NET OPERATING REVENUE/(LOSS) (excl depn**	**$5,619,483**	**$4,468,440**	**$4,444,130**	**$5,199,030**	**$5,806,800**	**$6,125,120**	**$6,475,360**	**$6,826,690**	**$7,284,550**	**$7,697,420**	**$7,732,370**	**$7,936,870**											
23	FOOTNOTE: Depreciation Expense	$3,327,495	$3,557,580	$4,366,320	$5,331,520	$6,144,490	$6,853,210	$7,584,880	$8,300,560	$9,078,700	$9,874,870	$10,588,620	$11,222,060	$82,902,810										
	CAPITAL EXPENDITURES:																							
24	General Plant	$140,282	$877,000	$430,000	$424,350	$267,810	$0	$0	$0	$0	$0	$0	$0	$1,999,160										
25	Aid-To-Construction	415,650	646,890	750,000	776,260	1,017,660	1,053,290	1,090,140	1,128,300	1,167,800	1,208,670	1,250,970	1,294,750											
26	Service Installations	261,988	124,050	190,000	196,650	203,530	210,660	218,040	225,660	233,560	241,730	250,190	258,950											
27	Other Generation & Distribution	5,465,630	4,981,070	7,808,670	8,393,710	3,826,370	3,603,000	4,915,370	5,308,370	5,599,840	5,713,120	4,141,950	5,800,090	$60,091,560										
28	**TOTAL CAPITAL EXPENDITURES**	$6,283,549	$6,629,010	$9,178,670	$9,790,970	$5,315,370	$4,866,950	$6,223,550	$6,662,330	$7,001,200	$7,163,520	$5,643,110	$7,353,790	$62,090,720										
29	NET CHANGE IN WORKING CASH BALANCE (Net Oper Rev/(Loss) less Cap Exp)	($664,067)	($2,160,570)	($4,734,540)	($4,591,940)	$491,430	$1,258,170	$251,810	$164,360	$283,350	$533,900	$2,089,260	$583,080											
30	**ENDING WORKING CASH BALANCE**	**$19,840,932**	**$17,680,362**	**$12,945,822**	**$8,353,882**	**$8,845,312**	**$10,103,482**	**$10,355,292**	**$10,519,652**	**$10,803,002**	**$11,336,902**	**$13,426,162**	**$14,009,242**											
31	Desired Balance (15% of Oper Exp excl'g depn)	$6,924,013	$7,491,630	$7,908,179	$8,299,268	$8,733,927	$9,186,224	$9,664,532	$10,166,325	$10,750,643	$11,297,670	$11,608,215	$12,033,516											
32	Fav/(Unfav) to Desired Balance	$12,916,918	$10,188,732	$5,037,643	$54,614	$111,385	$917,258	$690,760	$353,327	$52,359	$39,232	$1,817,947	$1,975,726											
	Restricted Funds (PIF)																							
33	**BEGINNING BAL-PLANT INVESTMENT FEE**	**$6,755,687**	**$8,211,002**	**$2,546,182**	**$2,982,172**	**$5,146,372**	**$5,871,182**	**$4,794,192**	**$6,805,472**	**$8,461,022**	**$9,669,312**	**$12,282,292**	**$14,244,712**											
34	PIF Collections	2,128,643	2,266,140	2,437,100	2,577,450	2,725,930	2,879,870	3,042,460	3,214,150	3,395,430	3,583,230	3,781,200	3,986,040			Y	Y							
35	PIF Interest Income	82,660	73,900	22,920	37,280	77,200	88,070	81,500	122,500	160,760	217,560	307,060	391,730		Y									
36	PIF Capital Expenditures	(755,987)	(1,987,900)	(2,825,000)	(1,267,880)	(2,892,300)	(4,845,090)	(1,927,840)	(2,476,330)	(3,122,310)	(1,950,270)	(2,106,890)	(374,800)	($25,776,610)										
37	PIF 1% For the Arts Transfer	0	(16,960)	(25,230)	(11,400)	(26,020)	(43,590)	(17,340)	(22,270)	(28,090)	(17,540)	(18,950)	(3,360)											
38	Loan to Water	0	(6,000,000)	826,200	828,750	840,000	843,750	832,500	817,500	802,500	780,000	0	0											
39	Year-end Cash Adjustment	0	0	0	0	0	0	0	0	0	0	0	0											
40	**ENDING BALANCE-PLANT INVESTMENT FEE**	**$8,211,002**	**$2,546,182**	**$2,982,172**	**$5,146,372**	**$5,871,182**	**$4,794,192**	**$6,805,472**	**$8,461,022**	**$9,669,312**	**$12,282,292**	**$14,244,712**	**$18,244,322**											
41	**TOTAL AVAILABLE FUNDS**	**$28,051,934**	**$20,226,544**	**$15,927,994**	**$13,500,254**	**$14,716,494**	**$14,897,674**	**$17,160,764**	**$18,980,674**	**$20,472,314**	**$23,619,194**	**$27,670,874**	**$32,253,564**											
42	**Note:** 2014 staff increase (incl'd above)	$0	$0	$205,490	$212,680	$220,120	$227,820	$235,790	$244,040	$252,580	$261,420	$270,570	$280,040			Y								

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City of Loveland
Water and Power Department
Water - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
** CAPITAL BLANKETS **						
METER PURCHASE & INSTALL	$80,000	$83,400	$86,940	$90,640	$94,490	$435,470
METERS PURCHASED BY CONTRACTORS	$55,000	$57,340	$59,770	$62,310	$64,960	$299,380
TOTAL CAPITAL BLANKETS	$135,000	$140,740	$146,710	$152,950	$159,450	$734,850
** SPECIFIC PROJECTS **						
TRANSMISSION/DISTRIBUTION	$2,171,700	$1,980,750	$580,830	$743,273	$834,440	$6,310,993
WATER TREATMENT PLANT	$3,800,000	$3,836,402				$7,636,402
TOTAL SPECIFIC PROJECTS	$5,971,700	$5,817,152	$580,830	$743,273	$834,440	$13,947,395
** SYSTEM IMPACT FEE PROJECTS **						
WATER RESOURCES	$1,050,000	$1,132,280	$22,687,080	$679,800	$590,570	$26,139,730
MAIN EXTNSN / OVERSIZING	$75,000	$78,190	$112,100	$636,788	$3,392,920	$4,294,998
WATER TREATMENT PLANT	$5,700,000	$5,598,228				$11,298,228
TOTAL SIF PROJECTS	$6,825,000	$6,808,698	$22,799,180	$1,316,588	$3,983,490	$41,732,956
** GENERAL PLANT **						
ADMINISTRATIVE/ENGINEERING	$8,090					$8,090
OPERATIONS	$128,700					$128,700
TOTAL GENERAL PLANT	$136,790					$136,790
TOTAL CAPITAL EXPENDITURES	$13,068,490	$12,766,590	$23,526,720	$2,212,810	$4,977,380	$56,551,990

City of Loveland
Water and Power Department
Water - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
**** TRANSMISSION/DISTRIBUTION ** General Portion only**						
2014 Water Line Replacement - Phase 1 Construct	$1,328,700					**$1,328,700**
2014 Water Line Replacement - Phase 2 Design/SDC	$80,000					**$80,000**
2014 Water Line Replacement - Phase 2 Construct	$713,000					**$713,000**
2015 Water Line Replacement - Phase 1 Design/SDC		$208,500				**$208,500**
2015 Water Line Replacement - Phase 1 Construct		$1,772,250				**$1,772,250**
Water Line Replacement (currently unidentified) Construct			$489,060	$509,850	$531,520	**$1,530,430**
PW COORD: Taft Avenue Phase 2: Water Component Relocates Construct					$62,780	**$62,780**
10th St 12 Inch: RR Spur to Madison Design/SDC (General Portion - Total 2014 Project = $0)			$91,770	$27,525		**$119,295**
10th St 12 Inch: RR Spur to Madison Construct (General Portion - Total 2014 Project = $0)				$205,898		**$205,898**
5.0 MG 29th Street Water Storage Tank #2 Design/SDC (General Portion - Total 2014 Project = $0)					$240,140	**$240,140**
Trans/Dist Meters (Wtr Dept)	$80,000	$83,400	$86,940	$90,640	$94,490	**$435,470**
Contractors Meters (New Development)	$55,000	$57,340	$59,770	$62,310	$64,960	**$299,380**
Vulnerability Assessment Imprv / Misc. (depends on legislative reqmnts)	$50,000					**$50,000**
TOTAL - TRANSMISSION/DISTRIBUTION General Portion on	**$2,306,700**	**$2,121,490**	**$727,540**	**$896,223**	**$993,890**	**$7,045,843**
**** WATER TREATMENT PLANT ** General Portion only**						
SCADA Improvements (Annunciator Panel Demolition) Construct		$104,250				**$104,250**
WTP Phase 2 Expansion (Demolition & equip to 38 MGD) Design/SDC (General Portion - Total 2014 Project = $750000)	$300,000	$312,752				**$612,752**
WTP Phase 2 Expansion (Demolition & equip to 38 MGD) Construct (General Portion - Total 2014 Project = $8750000)	$3,500,000	$3,419,400				**$6,919,400**
TOTAL - WATER TREATMENT PLANT General Portion only	**$3,800,000**	**$3,836,402**				**$7,636,402**
**** WATER RESOURCES (RAW WATER) ** SIF's**						
Windy Gap Firming (W038AA)	$750,000	$767,400	$22,279,530			**$23,796,930**
Purchase CBT Water (W1014A)	$300,000	$364,880	$407,550	$566,500	$590,570	**$2,229,500**
Future Water Court Transfer Actions				$113,300		**$113,300**
TOTAL - WATER RESOURCE (RAW WATER) SIF's	**$1,050,000**	**$1,132,280**	**$22,687,080**	**$679,800**	**$590,570**	**$26,139,730**

City of Loveland
Water and Power Department
Water - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
**** MAIN EXTNSN / OVERSIZING SIF's ****						
10th St 12 Inch: RR Spur to Madison Design/SDC (SIF Portion - Total 2014 Project = $0)			$30,590	$9,175		**$39,765**
10th St 12 Inch: RR Spur to Madison Construct (SIF Portion - Total 2014 Project = $0)				$68,633		**$68,633**
East Gravity Zone 24" Phase 1 Design/SDC				$380,120	$88,590	**$468,710**
East Gravity Zone 24" Phase 1 Construct					$2,007,950	**$2,007,950**
East Gravity Zone 24" Phase 2 Design/SDC					$608,290	**$608,290**
16" in Granite (57th to 50th) (Ranch Acres) Design/SDC				$93,890	$66,550	**$160,440**
16" in Granite (57th to 50th) (Ranch Acres) Construct					$292,810	**$292,810**
5.0 MG 29th Street Water Storage Tank #2 Design/SDC (SIF Portion - Total 2014 Project = $0)					$240,140	**$240,140**
Misc. Oversizing and Extensions	$75,000	$78,190	$81,510	$84,970	$88,590	**$408,260**
TOTAL - OVERSIZE / EXTNSNS SIF's	**$75,000**	**$78,190**	**$112,100**	**$636,788**	**$3,392,920**	**$4,294,998**
**** WATER TREATMENT PLANT SIF's ****						
WTP Phase 2 Expansion (Demolition & equip to 38 MGD) Design/SDC (SIF Portion - Total 2014 Project = $750000)	$450,000	$469,128				**$919,128**
WTP Phase 2 Expansion (Demolition & equip to 38 MGD) Construct (SIF Portion - Total 2014 Project = $8750000)	$5,250,000	$5,129,100				**$10,379,100**
TOTAL - WTP SIF PROJECTS	**$5,700,000**	**$5,598,228**				**$11,298,228**
TOTAL - SIF PROJECTS	**$6,825,000**	**$6,808,698**	**$22,799,180**	**$1,316,588**	**$3,983,490**	**$41,732,956**

City of Loveland
Water and Power Department
Water - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
**** ADMINISTRATION/ENGINEERING ****						
DBGISWP Standalone Server	$8,090					**$8,090**
TOTAL ADMINISTRATION/ENGINEERING	**$8,090**					**$8,090**
**** OPERATIONS ****						
Locating Transmitter / Receiver	$7,200					**$7,200**
Replace Vehicle #6118 - Standard full size pick-up w/3 tool boxes	$23,500					**$23,500**
Replace Vehicle #6109 - 1-1/2 ton utility truck with crane	$68,000					**$68,000**
Replace Vehicle #6127 - Ford standard cab 3/4 ton 4x4	$30,000					**$30,000**
TOTAL OPERATIONS	**$128,700**					**$128,700**
TOTAL GENERAL PLANT	**$136,790**					**$136,790**
**** O&M PROJECT REQUESTS ****						
Miscellaneous Consulting Services	$5,000	$52,130	$54,340	$56,650	$59,060	**$227,180**
ROW Relocates	$50,000	$52,130	$54,340	$56,650	$59,060	**$272,180**
Master Plan Model Update	$50,000					**$50,000**
Water modeling support	$15,000	$15,640	$16,300	$16,990	$17,720	**$81,650**
Asset Management	$20,000					**$20,000**
Update CIP	$15,000	$15,640	$16,300	$16,990	$17,720	**$81,650**
Renew Permit for Discharge of Supernatant from Lagoons	$5,500				$6,500	**$12,000**
Update Emergency Response Plan					$26,100	**$26,100**
WTP Residuals Removal	$50,000					**$50,000**
Water Treatment Plant Master Plan				$249,710		**$249,710**
Risk Management Plan Update at WTP	$10,500					**$10,500**
WTP Rehab	$300,000	$312,750	$326,040	$339,900	$354,340	**$1,633,030**
TOTAL O&M PROJECT REQUESTS	**$521,000**	**$448,290**	**$467,320**	**$736,890**	**$540,500**	**$2,714,000**

City of Loveland
Water and Power Department
Wastewater - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
**** CAPITAL BLANKETS ****						
TOTAL BLANKETS						
**** SPECIFIC PROJECTS ****						
LINE REPLACEMENTS	$1,090,000	$458,700	$217,360	$226,600	$1,334,700	**$3,327,360**
WASTEWATER PLANT	$1,746,420	$2,385,429	$5,876,904	$7,934,617	$181,210	**$18,124,579**
TOTAL SPECIFIC PROJECTS	**$2,836,420**	**$2,844,129**	**$6,094,264**	**$8,161,217**	**$1,515,910**	**$21,451,939**
**** SYSTEM IMPACT FEE PROJECTS ****						
OVERSIZING / MAIN EXTENSIONS	$135,000	$140,740	$516,230	$4,724,580	$791,370	**$6,307,920**
WASTEWATER PLANT	$352,580	$1,339,322	$2,068,737	$5,108,423	$190,140	**$9,059,201**
TOTAL SIF PROJECTS	**$487,580**	**$1,480,062**	**$2,584,967**	**$9,833,003**	**$981,510**	**$15,367,121**
**** GENERAL PLANT ****						
ADMINISTRATION/ENGINEERING						
OPERATIONS	$310,000	$417,000				**$727,000**
TOTAL GENERAL PLANT	**$310,000**	**$417,000**				**$727,000**
TOTAL CAPITAL EXPENDITURES	**$3,634,000**	**$4,741,190**	**$8,679,230**	**$17,994,220**	**$2,497,420**	**$37,546,060**

City of Loveland
Water and Power Department
Wastewater - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
**** LINE REPLACEMENTS ** General Portion only**						
South Side Lift Station Force Main to WWTP Design/SDC					$248,040	**$248,040**
Boyd Interceptor Phase VI Construct (36" RCP to Monroe 33") Construct					$708,690	**$708,690**
Frgrnds/Namaqua Intcp. Rehab - Ph 2 (St. Louis to Lincoln) Construct	$650,000					**$650,000**
Rehab or Replace Wastewater Lines - General Construct	$200,000	$208,500	$217,360	$226,600	$236,230	**$1,088,690**
Collection System Corrosion Control Construct (General Portion - Total 2014 Project = $300000)	$240,000	$250,200				**$490,200**
North Horseshoe Lift Station Upgrades Design/SDC					$141,740	**$141,740**
TOTAL - LINE REPLACEMENTS General Portion only	**$1,090,000**	**$458,700**	**$217,360**	**$226,600**	**$1,334,700**	**$3,327,360**
**** WASTEWATER PLANT ** General Portion Only**						
Digester Sludge Heating System Design/SDC (General Portion - Total 2014 Project = $134200)	$107,360	$111,920				**$219,280**
Digester Sludge Heating System Construct (General Portion - Total 2014 Project = $263500)	$210,800	$895,216				**$1,106,016**
Nutrient Removal Expansion of WWTP Design/SDC (General Portion - Total 2014 Project = $0)		$438,600	$133,024	$291,856		**$863,480**
Nutrient Removal Expansion of WWTP Construct (General Portion - Total 2014 Project = $0)			$1,399,808	$2,821,344		**$4,221,152**
Project K Primary Clarifier Design/SDC (General Portion - Total 2014 Project = $0)					$126,760	**$126,760**
Demo of Trickling Filters Design/SDC					$54,450	**$54,450**
Demo Annunciator Board Construct	$60,000					**$60,000**
Gas Conditioning at WWTP Construct (General Portion - Total 2014 Project = $1000000)	$800,000					**$800,000**
East Channel Bar Screen Replacement Design/SDC (General Portion - Total 2014 Project = $0)		$54,735				**$54,735**
East Channel Bar Screen Replacement Construct (General Portion - Total 2014 Project = $0)		$390,938				**$390,938**
West Channel Bar Screen Replacement Design/SDC (General Portion - Total 2014 Project = $0)			$40,755			**$40,755**
West Channel Bar Screen Replacement Construct (General Portion - Total 2014 Project = $0)			$326,040			**$326,040**
Digester Building Code Compliance Design/SDC	$50,000					**$50,000**
Digester Building Code Compliance Construct	$500,000					**$500,000**
Future Digester Design/SDC (General Portion - Total 2014 Project = $0)		$312,750	$244,530	$254,925		**$812,205**
Future Digester Construction (General Portion - Total 2014 Project = $0)			$3,667,973	$3,823,860		**$7,491,833**
Organic Capacity Expansion of WWTP Design/SDC (General Portion - Total 2014 Project = $91300)	$18,260	$11,196	$64,774			**$94,230**
Organic Capacity Expansion of WWTP Cont'd Design/SDC (General Portion - Total 2014 Project = $0)				$67,526		**$67,526**
Organic Capacity Expansion of WWTP Construct (General Portion - Total 2014 Project = $0)		$170,074		$675,106		**$845,180**
WASTEWATER PLANT TOTAL General Portion only	**$1,746,420**	**$2,385,429**	**$5,876,904**	**$7,934,617**	**$181,210**	**$18,124,579**

City of Loveland
Water and Power Department
Wastewater - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
**** OVERSIZING / MAIN EXTNSN SIF's ****						
New Boyd Intcp. - Ph 2 (Hwy 34 cross GLIC) Design/SDC				$107,630	$112,210	**$219,840**
New Boyd Intcp. - Ph 2 (Hwy 34 cross GLIC) Construct					$472,460	**$472,460**
New Boyd Intcp. - Ph 3 (GLIC to Boise) Design/SDC					$118,110	**$118,110**
402 Sewer Line Solution Design/SDC			$434,720			**$434,720**
402 Sewer Line Solution Construct				$4,531,980		**$4,531,980**
Collection System Corrosion Control Construct (SIF Portion - Total 2014 Project = $300000)	$60,000	$62,550				**$122,550**
Oversizing & Extensions Agreement	$75,000	$78,190	$81,510	$84,970	$88,590	**$408,260**
TOTAL-OVERSIZE/MAIN EXTNSNS SIF's	**$135,000**	**$140,740**	**$516,230**	**$4,724,580**	**$791,370**	**$6,307,920**
**** WASTEWATER PLANT SIF's ****						
Digester Sludge Heating System Design/SDC (SIF Portion - Total 2014 Project = $134200)	$26,840	$27,980				**$54,820**
Digester Sludge Heating System Construct (SIF Portion - Total 2014 Project = $263500)	$52,700	$223,804				**$276,504**
Nutrient Removal Expansion of WWTP Design/SDC (SIF Portion - Total 2014 Project = $0)		$109,650	$33,256	$72,964		**$215,870**
Nutrient Removal Expansion of WWTP Construct (SIF Portion - Total 2014 Project = $0)			$349,952	$705,336		**$1,055,288**
Project K Primary Clarifier Design/SDC (SIF Portion - Total 2014 Project = $0)					$190,140	**$190,140**
Gas Conditioning at WWTP Construct (SIF Portion - Total 2014 Project = $1000000)	$200,000					**$200,000**
East Channel Bar Screen Replacement Design/SDC (SIF Portion - Total 2014 Project = $0)		$18,245				**$18,245**
East Channel Bar Screen Replacement Construct (SIF Portion - Total 2014 Project = $0)		$130,313				**$130,313**
West Channel Bar Screen Replacement Design/SDC (SIF Portion - Total 2014 Project = $0)			$13,585			**$13,585**
West Channel Bar Screen Replacement Construct (SIF Portion - Total 2014 Project = $0)			$108,680			**$108,680**
Future Digester Design/SDC (SIF Portion - Total 2014 Project = $0)		$104,250	$81,510	$84,975		**$270,735**
Future Digester Construction (SIF Portion - Total 2014 Project = $0)			$1,222,658	$1,274,620		**$2,497,278**
Organic Capacity Expansion of WWTP Design/SDC (SIF Portion - Total 2014 Project = $91300)	$73,040	$44,784	$259,096			**$376,920**
Organic Capacity Expansion of WWTP Cont'd Design/SDC (SIF Portion - Total 2014 Project = $0)				$270,104		**$270,104**
Organic Capacity Expansion of WWTP Construct (SIF Portion - Total 2014 Project = $0)		$680,296		$2,700,424		**$3,380,720**
TOTAL - WASTEWATER PLANT SIF's	**$352,580**	**$1,339,322**	**$2,068,737**	**$5,108,423**	**$190,140**	**$9,059,201**

City of Loveland
Water and Power Department
Wastewater - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
**** ADMINISTRATION/ENGINEERING ****						
TOTAL ADMINISTRATION/ENGINEERING						
**** OPERATIONS ****						
Replace Vehicle #6305 - Sewer jetting truck	$187,000					**$187,000**
Replace Vehicle #6132 - 2 ton DRW with 7,000 lb crane	$85,500					**$85,500**
Replace Vehicle #6134 - 1 ton extended cab DRW	$37,500					**$37,500**
Vehicle Replacements Vac-con		$417,000				**$417,000**
TOTAL OPERATIONS	**$310,000**	**$417,000**				**$727,000**
TOTAL GENERAL PLANT	**$310,000**	**$417,000**				**$727,000**
**** O&M PROJECT REQUESTS ****						
Miscellaneous Consulting Services	$10,000	$10,430	$10,870	$11,330	$11,810	**$54,440**
Asset Management	$20,000					**$20,000**
Boyd Sewer Interceptor Study	$50,000					**$50,000**
ROW Relocates	$50,000	$52,130	$54,340	$56,650	$59,060	**$272,180**
CIPP Sewerline Rehab	$100,000	$104,250	$108,680	$113,300	$118,110	**$544,340**
Manhole Rehab	$100,000	$104,250	$108,680	$113,300	$118,110	**$544,340**
Lift Station Rehab	$100,000	$104,250	$108,680	$113,300	$118,110	**$544,340**
Master Plan Model Update				$113,300		**$113,300**
Wastewater Model support	$12,000	$12,510	$13,040	$13,600	$14,170	**$65,320**
Update CIP	$12,200	$12,720	$13,260	$13,820	$14,410	**$66,410**
Odor Control Strategies (Stage 5) WAS Thickening Facility	$3,080	$3,210	$3,350	$3,490	$3,640	**$16,770**
Influent Collection Wetwell (Periodic Manhole A Media Replacement)				$24,930		**$24,930**
Replacement of Carbon for Existing Odor Scrubber		$62,450				**$62,450**
Utility Plan Update			$13,260			**$13,260**
NPDES WWTP Permit Application		$25,440				**$25,440**
Vulnerability Assessment at WWTP			$99,440			**$99,440**
Basic Standards Hearing Assistance		$11,780				**$11,780**
South Platte Basin Hearings Assistance		$12,200				**$12,200**
Asbestos Abatement of WWTP Admin Building Floor			$38,150			**$38,150**
WWTP Rehab	$200,000	$208,500	$217,360	$226,600	$236,230	**$1,088,690**
Greenhouse Gas/Sustainability Study		$55,150				**$55,150**
TOTAL O&M PROJECT REQUESTS	**$657,280**	**$779,270**	**$789,110**	**$803,620**	**$693,650**	**$3,722,930**

City of Loveland
Water and Power Department
Power - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
** CAPITAL BLANKETS **						
HYDRO GENERATION	$0	$0	$0	$0	$0	$0
OVERHEAD DISTRIBUTION LINES	$25,000	$25,880	$26,780	$27,720	$28,690	$134,070
UNDERGROUND DISTRIBUTION LINES	$70,000	$72,450	$74,990	$77,610	$80,330	$375,380
METER PURCHASES/INSTALLS/UPGRADES	$150,460	$155,730	$161,180	$166,820	$172,660	$806,850
DISTRIBUTION TRANSFORMERS-NON ATC	$75,000	$77,630	$80,340	$83,150	$86,060	$402,180
SUBSTATION	$0	$0	$0	$0	$0	$0
STREET LIGHTS & YARD LIGHTS	$30,000	$31,050	$32,140	$33,260	$34,430	$160,880
OVERHEAD SERVICE INSTALLATIONS/UPGRADES	$10,000	$10,350	$10,710	$11,090	$11,480	$53,630
UNDERGROUND SERVICE INSTALLATIONS/UPGRADES	$150,000	$155,250	$160,680	$166,310	$172,130	$804,370
TEMPORARY SERVICE INSTALLATIONS	$30,000	$31,050	$32,140	$33,260	$34,430	$160,880
TOTAL BLANKETS	**$540,460**	**$559,390**	**$578,960**	**$599,220**	**$620,210**	**$2,898,240**
** SPECIFIC PROJECTS **						
HYDRO GENERATION	$3,025,000	$3,260,250	$160,680	$0	$0	$6,445,930
SUBSTATION	$967,000	$207,000	$214,250	$886,970	$149,180	$2,424,400
CUSTOMER AID-TO-CONSTRUCTION	$750,000	$776,260	$1,017,660	$1,053,290	$1,090,140	$4,687,350
SYSTEM IMPROVEMENTS	$2,006,210	$3,343,040	$2,127,990	$1,695,500	$2,872,250	$12,044,990
PUBLIC WORK PROJECTS	$210,000	$619,700	$214,240	$221,740	$229,500	$1,495,180
STREET LIGHTS/CUST REQ/MISC PROJECTS	$200,000	$207,000	$214,240	$221,740	$229,500	$1,072,480
STREET LIGHTS/ARTERIALS/MAJOR COLLECTORS	$150,000	$155,250	$160,680	$166,310	$172,130	$804,370
CONVERSION PROJECTS	$900,000	$238,730	$358,860	$22,180	$860,640	$2,380,410
TOTAL SPECIFIC PROJECTS	**$8,208,210**	**$8,807,230**	**$4,468,600**	**$4,267,730**	**$5,603,340**	**$31,355,110**
** PLANT INVESTMENT FEE PROJECTS **						
SUBSTATION PIF'S	$1,750,000	$672,750	$642,730	$1,380,350	$149,180	$4,595,010
FEEDERS	$1,075,000	$595,130	$2,249,570	$3,464,740	$1,778,660	$9,163,100
TOTAL PIF PROJECTS	**$2,825,000**	**$1,267,880**	**$2,892,300**	**$4,845,090**	**$1,927,840**	**$13,758,110**
** GENERAL PLANT **						
ADMINISTRATIVE/ENGINEERING	$250,000	$155,250	$0	$0	$0	$405,250
OPERATIONS	$180,000	$269,100	$267,810	$0	$0	$716,910
TOTAL GENERAL PLANT	**$430,000**	**$424,350**	**$267,810**	**$0**	**$0**	**$1,122,160**
TOTAL CAPITAL EXPENDITURES	**$12,003,670**	**$11,058,850**	**$8,207,670**	**$9,712,040**	**$8,151,390**	**$49,133,620**

City of Loveland
Water and Power Department
Power - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
HYDRO GENERATION						
FERC relicensing for Hydro	$150,000	$155,250	$160,680			**$465,930**
Idylwilde Dam - Rebuild or Removal	$2,875,000	$3,105,000				**$5,980,000**
TOTAL - HYDRO GENERATION	**$3,025,000**	**$3,260,250**	**$160,680**	**$0**	**$0**	**$6,445,930**
* CUSTOMER AID-TO-CONSTRUCTION *						
Transformers	$245,000	$253,580	$262,450	$271,640	$281,140	**$1,313,810**
Labor/Fleet & Other Materials	$505,000	$522,680	$755,210	$781,650	$809,000	**$3,373,540**
TOTAL CUSTOMER ATC	**$750,000**	**$776,260**	**$1,017,660**	**$1,053,290**	**$1,090,140**	**$4,687,350**
** SUBSTATIONS **						
Security gates and fences at Substations	$200,000	$207,000	$214,250	$221,740		**$842,990**
Horseshoe Substation - Order & install new transformer to replace H1	$750,000					**$750,000**
West Substation - Order new transformer to replace W1				$665,230		**$665,230**
West Substation - Install new transformer to replace W1					$149,180	**$149,180**
Airport Substation - Replace roof	$17,000					**$17,000**
TOTAL SUBSTATIONS	**$967,000**	**$207,000**	**$214,250**	**$886,970**	**$149,180**	**$2,424,400**

City of Loveland
Water and Power Department
Power - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
**** SYSTEM IMPROVEMENTS ****						
Underground blanket-development driven construction of lateral feeder extentions as required to meet new load requirements	$150,000	$155,240	$214,240	$277,170	$344,250	**$1,140,900**
AC Cycling Program - Partnering with Power - RESIDENTIAL	$30,000	$31,050	$32,140	$33,260	$34,430	**$160,880**
Small 200 amp projects	$125,000	$129,370	$133,900	$138,590	$143,440	**$670,300**
Distribution Automation	$110,000	$113,850	$117,830	$121,960	$126,230	**$589,870**
Colorado Renewable Energy Standard Compliance	$500,000	$82,800	$224,960	$232,830	$573,760	**$1,614,350**
Padmount Capacitor Bank installation	$90,710	$93,150	$96,410			**$280,270**
Transfer load from Crossroads C1 to Crossroads C2 at Crossroads Sub		$19,150				**$19,150**
Transfer load from Horseshoe H1 and H2 to Horseshoe H3 at Horseshoe Sub		$19,150				**$19,150**
*****AGING CABLE REPLACEMENT - 200 AMP*****						
Replace 200 amp cable from Carlisle to 1st St between Taft and Dotsero	$50,000	$1,361,850	$321,370			**$1,733,220**
Replace 200 amp cable from 29th to 37th between Taft and the Olde Golf Course	$50,000	$1,156,300				**$1,206,300**
Replace 200 amp cable from SW 14th to SW 18th from Wilson to Katie		$20,700	$621,480			**$642,180**
Replace 200 amp cable on Frances Dr and Gail Ct N of 23rd	$225,600					**$225,600**
*****CIRCUIT TIES FOR RELIABILITY - 600 AMP*****						
Install 600 amp UG cable from Callisto (vault 2716) East along E. 5th turning North on Boyd Lake to railroad crossing	$570,000					**$570,000**
Install 600 amp from Lindbergh to Frontage on Earhart	$94,900					**$94,900**
Create 600 amp tie from Monroe along 37th to Garfield	$10,000	$134,550				**$144,550**
Install 600 amp UG cable from 14th and Wilson West to County Rd 21 (SW232)		$5,180	$97,860			**$103,040**
*****CANYON CONVERSION PROJECTS*****						
Phase 1 of Canyon Voltage Conversion from West Sub to Glade Rd		$20,700	$246,380			**$267,080**
Phase 2 of Canyon Voltage Conversion from Glade to the Water Treatment Plant			$21,420	$836,250		**$857,670**
Phase 3 of Canyon Voltage Conversion from the Water Treatment Plant to Idlewilde Park				$55,440	$1,592,760	**$1,648,200**
Phase 4 of Canyon Voltage Conversion from Idlewilde Park to Waltonia Rd					$57,380	**$57,380**
TOTAL SYSTEM IMPROVEMENTS	**$2,006,210**	**$3,343,040**	**$2,127,990**	**$1,695,500**	**$2,872,250**	**$12,044,990**

City of Loveland
Water and Power Department
Power - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
****SUBSTATION PIF's****						
*****CROSSROADS SUBSTATION*****						
Crossroads Substation - Purchase new transformer - C2	$650,000					**$650,000**
Crossroads Substation - Purchase & install new switchgear lineup/install transformer C2	$500,000					**$500,000**
*****EAST SUBSTATION*****						
East Substation - Order new switchgear lineup for E3				$360,330		**$360,330**
East Substation - Install new switchgear lineup					$149,180	**$149,180**
*****WEST SUBSTATION*****						
West Substation - Order new transformer W3				$665,230		**$665,230**
West Substation - Order & install new relays for W1 & W2				$354,790		**$354,790**
*****VALLEY SUBSTATION*****						
Valley Substation - Order new transformer - V3		$672,750				**$672,750**
Valley Substation - Order new switchgear lineup for V3			$342,790			**$342,790**
Valley Substation - Install new switchgear lineup & transformer V3			$299,940			**$299,940**
*****HORSESHOE SUBSTATION*****						
Horseshoe Substation - Install new Control House, switchgear & transformer	$300,000					**$300,000**
*****OTHER SUBSTATION*****						
Land purchase for new substation in SE corner of service territory	$300,000					**$300,000**
TOTAL SUBSTATION PIF'S	**$1,750,000**	**$672,750**	**$642,730**	**$1,380,350**	**$149,180**	**$4,595,010**
****FEEDER PIF's****						
Blanket-development driven construction of miscellaneous primary feeder extentions as required to meet new load requirements	$75,000	$77,630	$107,120	$138,590	$172,130	**$570,470**
Hwy 402 extension			$2,142,450	$3,326,150		**$5,468,600**
Extend new feeders from Horseshoe H3 into system	$1,000,000					**$1,000,000**
Extend new feeders from Crossroads C2 into system		$517,500				**$517,500**
Extend new feeders from Valley V3 into system					$1,606,530	**$1,606,530**
TOTAL FEEDERS PIF's	**$1,075,000**	**$595,130**	**$2,249,570**	**$3,464,740**	**$1,778,660**	**$9,163,100**
TOTAL PIF PROJECTS	**$2,825,000**	**$1,267,880**	**$2,892,300**	**$4,845,090**	**$1,927,840**	**$13,758,110**

City of Loveland
Water and Power Department
Power - Detailed 5 Year Capital Plan
2014 Budget

Description	2014	2015	2016	2017	2018	TOTAL
CONVERSION PROJECTS						
Overhead to underground conversion (circuit 411) on railroad right of way from Taft to Colorado	$10,000	$228,380				**$238,380**
Overhead to underground conversion (circuit 411) on railroad right of way from Colorado to Grant		$10,350	$358,860			**$369,210**
Overhead to underground conversion (circuit 214) on Eisenhower from Gorom to Boise				$11,090	$447,530	**$458,620**
Overhead to underground conversion (circuit 211) on N Madison from 16th to Tupelo				$11,090	$367,210	**$378,300**
Overhead to underground conversion (circuit 314) from 42nd along Garfield to 57th	$890,000					**$890,000**
Overhead to underground conversion (circuit 713) from 402 & Lincoln N to 1st St					$45,900	**$45,900**
TOTAL - CONVERSION PROJECTS	**$900,000**	**$238,730**	**$358,860**	**$22,180**	**$860,640**	**$2,380,410**
** ROAD RELATED PROJECTS **						
Miscellaneous Small Projects	$200,000	$207,000	$214,240	$221,740	$229,500	**$1,072,480**
Rossum to Saint Andrews	$10,000	$412,700				**$422,700**
TOTAL ROAD RELATED PROJECTS	**$210,000**	**$619,700**	**$214,240**	**$221,740**	**$229,500**	**$1,495,180**
** STREETLIGHT PROJECTS **						
Arterials/Major Collectors	$150,000	$155,250	$160,680	$166,310	$172,130	**$804,370**
Customer requests/Miscellaneous projects/Conversions to LED	$200,000	$207,000	$214,240	$221,740	$229,500	**$1,072,480**
TOTAL STREETLIGHT PROJECTS	**$350,000**	**$362,250**	**$374,920**	**$388,050**	**$401,630**	**$1,876,850**
** ADMINISTRATION/ENGINEERING **						
Service Center Facility Space Study Implementation	$160,000	$155,250				**$315,250**
Consulting for new Interactive Voice Response (IVR) System	$90,000					**$90,000**
TOTAL ADMINISTRATION/ENGINEERING	**$250,000**	**$155,250**	**$0**	**$0**	**$0**	**$405,250**
** OPERATIONS **						
Replace Equipment #5811 - Backyard pole hauler/setter	$180,000					**$180,000**
Replace Vehicle #5318 - Double Bucket Truck		$269,100				**$269,100**
Replace Vehicle #5308 - Digger Derek			$267,810			**$267,810**
TOTAL OPERATIONS	**$180,000**	**$269,100**	**$267,810**	**$0**	**$0**	**$716,910**
TOTAL GENERAL PLANT	**$430,000**	**$424,350**	**$267,810**	**$0**	**$0**	**$1,122,160**

City of Loveland

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: 8
MEETING DATE: 7/17/2013
SUBMITTED BY: Jim Lees, Utility Accounting Manager

TITLE: Financial Report Update

DESCRIPTION:
This item summarizes the monthly and year-to-date financials for June 2013.

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

	Jun				Jun 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	$1,057,529	$1,129,429	($71,900)	-6.4%	$3,676,720	$3,659,723	$16,997	0.5%
Operating Expenses	$573,869	$571,811	$2,058	0.4%	$3,613,740	$3,136,939	$476,800	15.2%
Capital (Unrestricted)	$113,700	$195,573	($81,873)	-41.9%	$1,564,502	$772,509	$791,993	102.5%
WASTEWATER								
Sales	$643,682	$616,695	$26,988	4.4%	$3,599,346	$3,333,738	$265,608	8.0%
Operating Expenses	$424,857	$419,174	$5,684	1.4%	$3,050,911	$2,834,696	$216,214	7.6%
Capital (Unrestricted)	$14,058	$12,180	$1,877	15.4%	$329,663	$1,163,430	($833,768)	-71.7%
POWER								
Sales	$4,106,717	$4,055,610	$51,107	1.3%	$24,175,187	$23,127,631	$1,047,556	4.5%
Operating Expenses	$4,838,001	$4,646,885	$191,116	4.1%	$22,859,871	$21,259,501	$1,600,370	7.5%
Capital (Unrestricted)	$900,454	$662,815	$237,639	35.9%	$3,850,824	$2,332,236	$1,518,588	65.1%

RECOMMENDATION:
Staff report only. No action required.

REVIEWED BY DIRECTOR: WS for SA

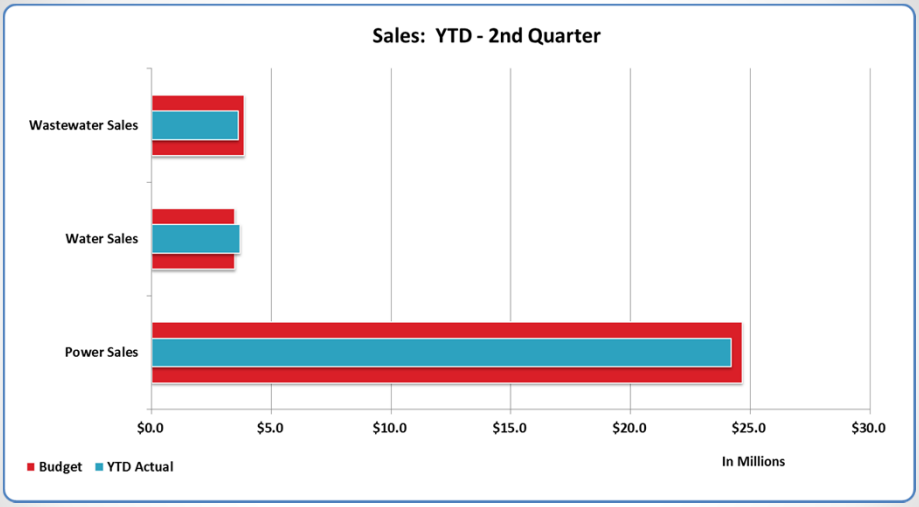
LIST OF ATTACHMENTS:
- Water and Power Quarterly Financial Report Presentation
- City of Loveland Financial Statement-Raw Water
- City of Loveland Financial Statement-Water
- City of Loveland Financial Statement-Wastewater
- City of Loveland Financial Statement-Power

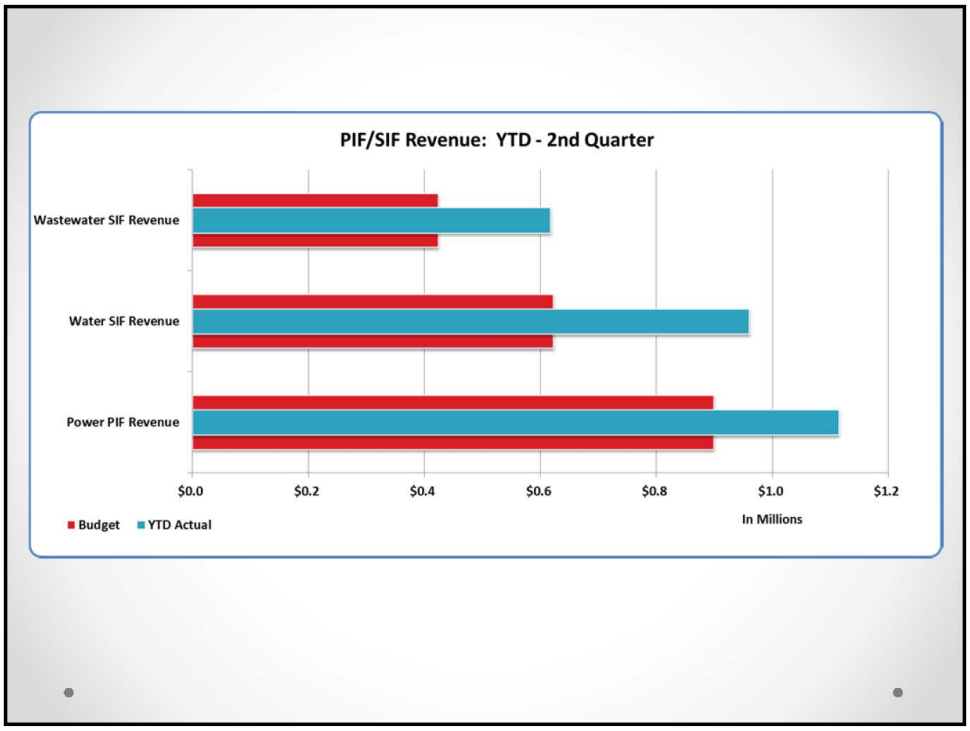
Loveland Water and Power

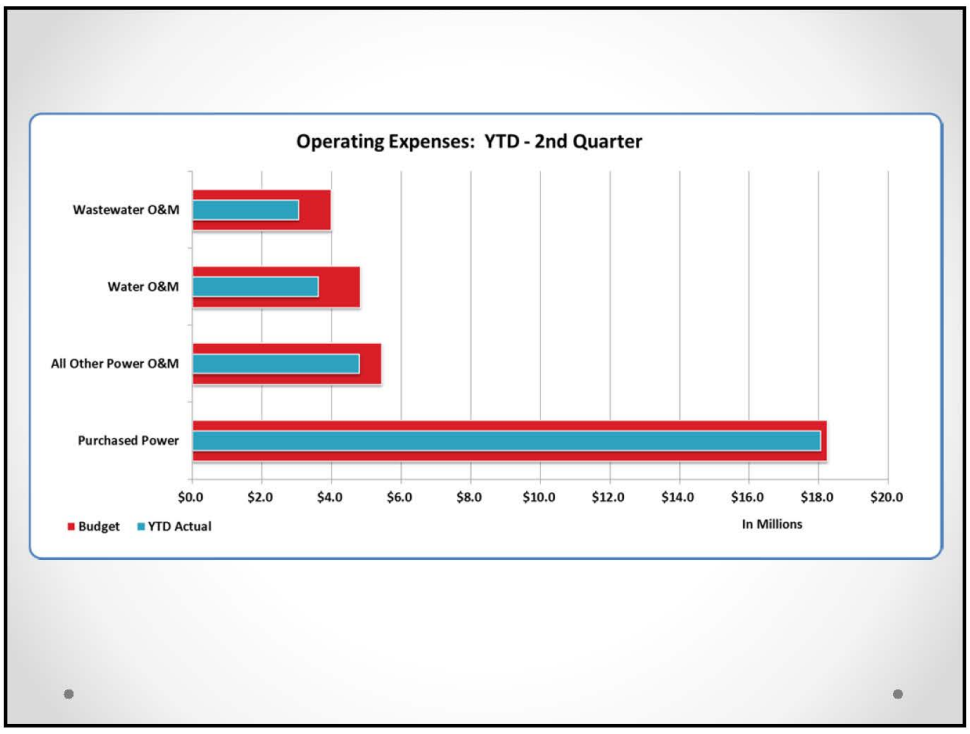
Water & Power Quarterly Financial Report

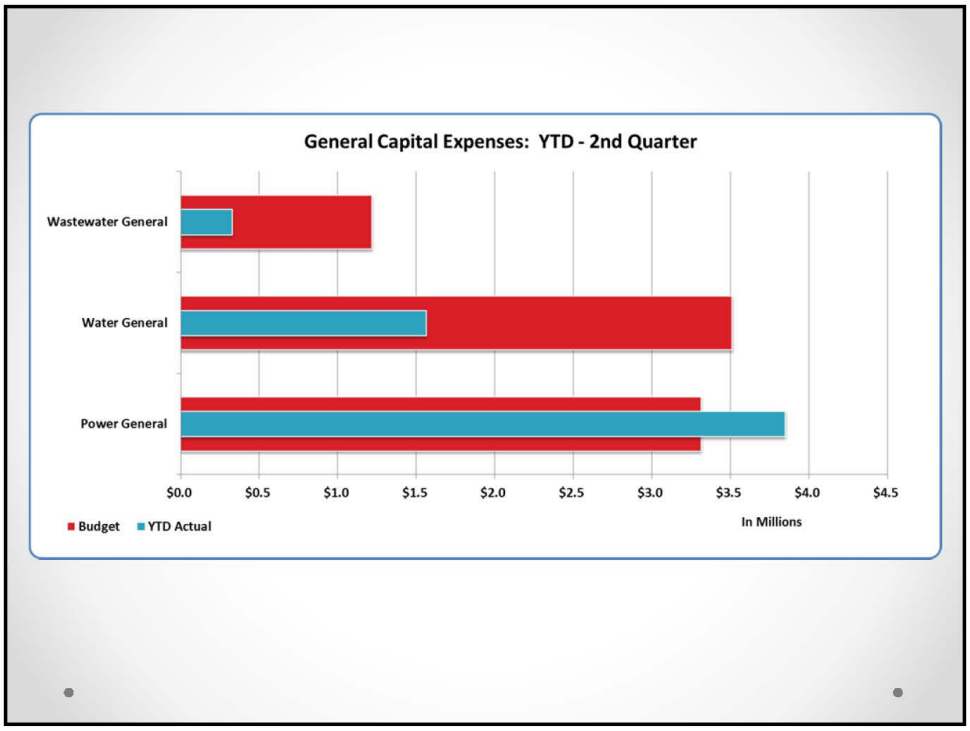
Loveland Utilities Commission

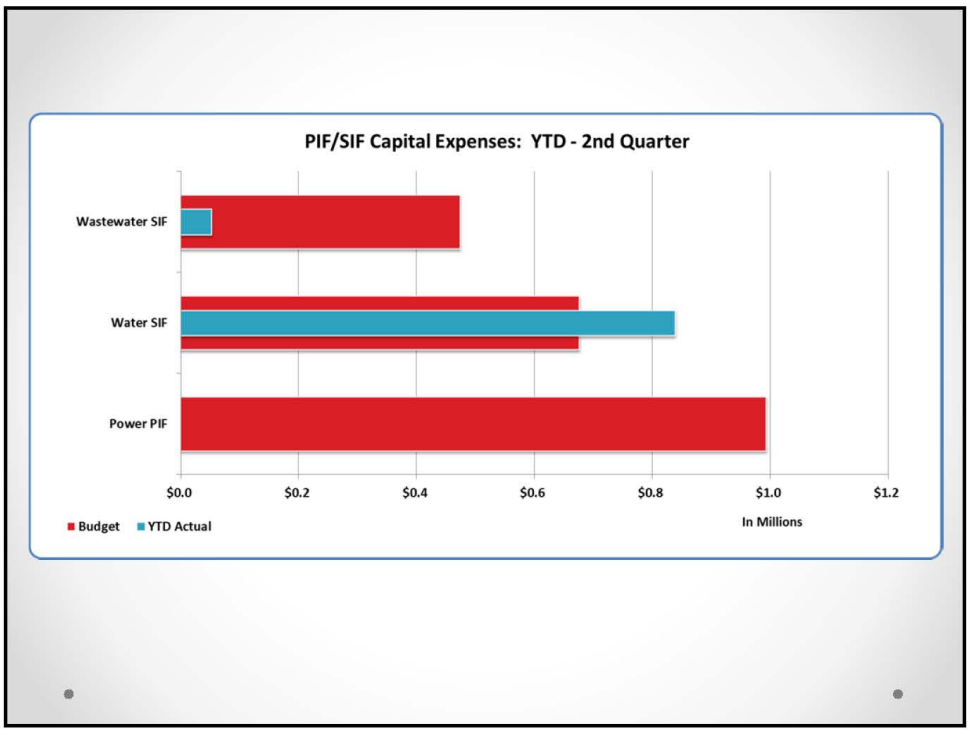
July 17, 2013




PIF/SIF Revenue: YTD - 2nd Quarter
Wastewater SIF Revenue
Water SIF Revenue
Power PIF Revenue
$0.0
$0.2
$0.4
$0.6
$0.8
$1.0
$1.2
Budget
YTD Actual
In Millions


Operating Expenses: YTD - 2nd Quarter
Wastewater O&M
Water O&M
All Other Power O&M
Purchased Power
$0.0
$2.0
$4.0
$6.0
$8.0
$10.0
$12.0
$14.0
$16.0
$18.0
$20.0
Budget
YTD Actual
In Millions


General Capital Expenses: YTD - 2nd Quarter
Wastewater General
Water General
Power General
$0.0
$0.5
$1.0
$1.5
$2.0
$2.5
$3.0
$3.5
$4.0
$4.5
Budget
YTD Actual
In Millions


PIF/SIF Capital Expenses: YTD - 2nd Quarter
Wastewater SIF
Water SIF
Power PIF
$0.0
$0.2
$0.4
$0.6
$0.8
$1.0
$1.2
Budget
YTD Actual
In Millions

City of Loveland
Financial Statement-Raw Water
For Period Ending 06/30/2013

		TOTAL BUDGET FYE 12/31/2013	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1	**REVENUES & SOURCES**					
2	Hi-Use Surcharge	41,800	8,459	20,900	(12,441)	-59.5%
3	Raw Water Development Fees/Cap Rec Surcharge	248,870	189,903	124,440	65,463	52.6%
4	Cash-In-Lieu of Water Rights	45,000	1,002,402	22,500	979,902	4355.1%
5	Native Raw Water Storage Fees	5,000	0	2,500	(2,500)	-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	271,584	257,850	13,734	5.3%
8	Interest on Investments	457,200	62,269	228,600	(166,331)	-72.8%
9	**TOTAL REVENUES & SOURCES**	**1,991,930**	**1,959,964**	**1,141,790**	**818,174**	**71.7%**
10	**OPERATING EXPENSES**					
11	Windy Gap Payments	834,030	833,961	830,470	3,491	0.4%
12	**TOTAL OPERATING EXPENSES**	**834,030**	**833,961**	**830,470**	**3,491**	**0.4%**
13	NET OPERATING REVENUE/(LOSS) (excl depr)	1,157,900	1,126,002	311,320	814,682	261.7%
14	RAW WATER CAPITAL EXPENDITURES	2,038,090	0	789,050	(789,050)	-100.0%
15	**ENDING CASH BALANCES**					
16	Total Available Funds		13,808,587			
17	Reserve - Windy Gap Cash		4,192,427			
18	Reserve - 1% Transfer From Rates		2,515,602			
19	Reserve - Native Raw Water Storage Interest		1,551,295			
20	**TOTAL RAW WATER CASH**		**22,067,911**			
21	MINIMUM BALANCE (15% OF OPER EXP)		125,105			
22	OVER/(UNDER) MINIMUM BALANCE		21,942,806			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 0

City of Loveland
Financial Statement-Water
For Period Ending 06/30/2013

			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	*	3,676,720	3,461,860	214,860	6.2%
4	Raw Water Transfer Out	*	(709,060)	*	(271,584)	(257,850)	(13,734)	5.3%
5	Wholesale Sales	*	87,560	*	18,730	14,520	4,210	29.0%
6	Meter Sales	*	28,340	*	45,104	13,340	31,764	238.1%
7	Interest on Investments	*	55,990	*	8,099	28,000	(19,901)	-71.1%
8	Other Revenue	*	16,650,520	*	119,129	8,262,230	(8,143,101)	-98.6%
9	**TOTAL REVENUES & SOURCES**	*	**25,629,860**	*	**3,596,197**	**11,522,100**	**(7,925,903)**	**-68.8%**
		*		*				
#	**OPERATING EXPENSES**	*		*				
		*		*				
#	Source of Supply	*	2,156,600	*	685,245	1,031,690	(346,445)	-33.6%
#	Treatment	*	2,472,800	*	901,474	937,770	(36,296)	-3.9%
#	Distribution Operation & Maintenance	*	2,910,980	*	983,681	1,078,830	(95,149)	-8.8%
#	Administration	*	659,600	*	171,310	293,280	(121,970)	-41.6%
#	Customer Relations	*	192,940	*	79,292	93,420	(14,128)	-15.1%
#	Debt Service	*	1,000,000	*	0	499,800	(499,800)	-100.0%
#	PILT	*	640,270	*	238,360	320,100	(81,740)	-25.5%
#	1% for Arts Transfer	*	44,830	*	11,419	22,440	(11,021)	-49.1%
#	Services Rendered-Other Departments	*	1,046,510	*	542,960	542,980	(20)	0.0%
#	**TOTAL OPERATING EXPENSES**	*	**11,124,530**	*	**3,613,740**	**4,820,310**	**(1,206,570)**	**-25.0%**
		*		*				
#	NET OPERATING REVENUE/(LOSS)(excl depr)	*	14,505,330	*	(17,542)	6,701,790	7,691,881	-100.3%
		*		*				
#	CAPITAL EXPENDITURES	*	6,391,130	*	1,564,502	3,512,630	(1,948,128)	-55.5%
		*		*				
#	**ENDING CASH BALANCE**	*		*	**1,485,812**			
		*		*				
#	MINIMUM BALANCE (15% OF OPER EXP)	*		*	1,668,680			
		*		*				
#	OVER/(UNDER) MINIMUM BALANCE	*		*	(182,868)			
		*		*				
#	****RESTRICTED FUNDS****	*		*				
		*		*				
#	**REVENUES & SOURCES**	*		*				
		*		*				
#	SIF Collections	*	1,251,500	*	935,496	550,440	385,056	70.0%
#	SIF Interest Income	*	137,110	*	25,403	72,480	(47,077)	-65.0%
#	**TOTAL SIF REVENUES & SOURCES**	*	**1,388,610**	*	**960,900**	**622,920**	**337,980**	**54.3%**
		*		*				
#	SIF Capital Expenditures	*	1,677,110	*	839,286	676,630	162,656	24.0%
		*		*				
#	**SIF ENDING CASH BALANCE**	*		*	**8,724,640**			
		*		*				
#	**TOTAL ENDING CASH BALANCE**	*		*	**10,210,452**			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 3,166,077

City of Loveland
Financial Statement-Waste
For Period Ending 06/30/2013

		TOTAL BUDGET FYE 12/31/2013	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1	****UNRESTRICTED FUNDS****					
2	**REVENUES & SOURCES**					
3	Sanitary Sewer Charges	8,000,500	3,599,346	3,848,770	(249,424)	-6.5%
4	High Strength Surcharge	245,370	145,462	101,310	44,152	43.6%
5	Interest on Investments	121,770	23,266	60,880	(37,614)	-61.8%
6	Other Revenue	226,330	2,543	112,270	(109,727)	-97.7%
7	**TOTAL REVENUES & SOURCES**	**8,593,970**	**3,770,616**	**4,123,230**	**(352,614)**	**-8.6%**
8	**OPERATING EXPENSES**					
9	Treatment	3,655,580	1,095,259	1,697,100	(601,841)	-35.5%
10	Collection System Maintenance	2,400,230	869,858	1,052,020	(182,162)	-17.3%
11	Administration	380,650	98,456	165,890	(67,434)	-40.7%
12	Customer Relations	13,370	11,420	6,060	5,360	88.5%
13	PILT	552,830	261,530	276,420	(14,890)	-5.4%
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	13,500	(13,379)	-99.1%
16	Services Rendered-Other Departments	576,570	288,920	286,200	2,720	1.0%
17	**TOTAL OPERATING EXPENSES**	**8,091,200**	**3,050,911**	**3,982,190**	**(931,279)**	**-23.4%**
18	NET OPERATING REVENUE/(LOSS)(excl depr)	502,770	719,705	141,040	578,665	410.3%
19	CAPITAL EXPENDITURES	3,890,900	329,663	1,218,160	(888,497)	-72.9%
20	**ENDING CASH BALANCE**		**7,554,374**			
21	MINIMUM BALANCE (15% OF OPER EXP)		1,213,680			
22	OVER/(UNDER) MINIMUM BALANCE		6,340,694			
23	****RESTRICTED FUNDS****					
24	**REVENUES & SOURCES**					
25	SIF Collections	810,000	602,401	387,200	215,201	55.6%
26	SIF Interest Income	73,690	15,856	36,840	(20,984)	-57.0%
27	**TOTAL SIF REVENUES & SOURCES**	**883,690**	**618,256**	**424,040**	**194,216**	**45.8%**
28	SIF Capital Expenditures	1,545,130	52,429	474,140	(421,711)	-88.9%
29	**SIF ENDING CASH BALANCE**		**5,697,361**			
30	**TOTAL ENDING CASH BALANCE**		13,251,736			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING 1,992,657

City of Loveland
Financial Statement-Power
For Period Ending 6/30/2013

		*	TOTAL BUDGET	*	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
	****UNRESTRICTED FUNDS****	*		*				
1	REVENUES & SOURCES:	*		*				
2	Electric revenues	*	$52,078,940	*	$24,175,187	$24,637,770	($462,583)	-1.9%
3	Wheeling charges	*	$210,000	*	$124,595	$105,000	$19,595	18.7%
4	Interest on investments	*	$281,360	*	$53,319	$140,680	($87,361)	-62.1%
5	Aid-to-construction deposits	*	$646,890	*	$275,879	$323,445	($47,566)	-14.7%
6	Customer deposit-services	*	$124,050	*	$99,260	$62,025	$37,235	60.0%
7	Doorhanger fees	*	$390,000	*	$202,080	$195,000	$7,080	3.6%
8	Connect Fees	*	$125,000	*	$80,192	$62,500	$17,692	28.3%
9	Services rendered to other depts.	*	$30,000	*	$1,412	$15,000	($13,588)	-90.6%
10	Other revenues	*	$223,120	*	$162,702	$111,560	$51,142	45.8%
11	Year-end cash adjustments	*	$0	*	$0	$0	$0	0.0%
12	**TOTAL REVENUES & SOURCES**	*	**$54,109,360**	*	**$25,174,625**	**$25,652,980**	**($478,355)**	**-1.9%**
13	OPERATING EXPENSES:	*		*				
14	Hydro oper. & maint.	*	$87,990	*	$3,281	$43,995	($40,714)	-92.5%
15	Purchased power	*	$38,917,480	*	$18,058,673	$18,252,801	($194,128)	-1.1%
16	Distribution oper. & maint.	*	$3,267,900	*	$1,475,801	$1,633,950	($158,149)	-9.7%
17	Customer Relations	*	$975,330	*	$313,679	$487,665	($173,986)	-35.7%
18	Administration	*	$871,950	*	$252,588	$435,975	($183,387)	-42.1%
19	Payment in-lieu-of taxes	*	$3,651,680	*	$1,672,153	$1,749,155	($77,002)	-4.4%
20	1% for Arts Transfer	*	$39,170	*	$18,827	$18,762	$64	0.3%
21	Services rendered-other depts.	*	$2,130,030	*	$1,064,870	$1,065,015	($145)	0.0%
22	**TOTAL OPERATING EXPENSES (excl depn)**	*	**$49,941,530**	*	**$22,859,871**	**$23,687,318**	**($827,447)**	**-3.5%**
23	NET OPERATING REVENUE/(LOSS) (excl depn)	*	$4,167,830	*	$2,314,754	$1,965,662	$349,092	17.8%
24	CAPITAL EXPENDITURES:	*		*				
25	General Plant/Other Generation & Distribution	*	$5,858,070	*	$3,501,122	$2,929,035	$572,087	19.5%
26	Aid-to-construction	*	$646,890	*	$230,961	$323,445	($92,484)	-28.6%
27	Service installations	*	$124,050	*	$118,741	$62,025	$56,716	91.4%
28	**TOTAL CAPITAL EXPENDITURES**	*	**$6,629,010**	*	**$3,850,824**	**$3,314,505**	**$536,319**	**16.2%**
29	**ENDING CASH BALANCE**	*		*	**$18,091,392**			
30	MINIMUM BAL. (15% of OPER EXP excl depn)	*		*	$7,491,230			
31	OVER/(UNDER) MINIMUM BALANCE	*		*	$10,600,163			
32	****RESTRICTED FUNDS****	*		*				
33	PIF Collections	*	$1,661,920	*	$1,089,939	$830,960	$258,979	31.2%
34	PIF Interest Income	*	$137,580	*	$25,553	$68,790	($43,237)	-62.9%
35	**TOTAL REVENUES**	*	**$1,799,500**	*	**$1,115,492**	**$899,750**	**$215,742**	**24.0%**
36	PIF Feeders	*	$75,000	*	$0	$37,500	($37,500)	-100.0%
37	PIF Substations	*	$1,912,900	*	$0	$956,450	($956,450)	-100.0%
38	**TOTAL EXPENDITURES**	*	**$1,987,900**	*	**$0**	**$993,950**	**($993,950)**	**-100.0%**
39	**ENDING PIF CASH BALANCE**	*		*	**$9,307,858**			
40	**TOTAL ENDING CASH BALANCE**	*		*	**$27,399,250**			

NOTE: YTD ACTUAL does NOT include encumbrances totalling $1,765,455

City of Loveland

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: 9
MEETING DATE: 7/17/2013
SUBMITTED BY: Steve Adams, Director MS for SA

TITLE: Commission/Council Report

SUMMARY:

- Discuss events that the Loveland Utility Commission Board members attended and any City Council items related to the Water and Power Department from the past month.

RECOMMENDATION:

Commission/Council report only.

REVIEWED BY DIRECTOR: MS for SA

City of Loveland

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AGENDA ITEM: 10
MEETING DATE: 7/17/2013
SUBMITTED BY: Steve Adams, Director MS for SA

TITLE: Director's Report

SUMMARY:

- **New Employee Introductions:**
  - Tori Mitchell, Office Support Specialist for Customer Relations
  - Kalvin Andrade, Plant Operator D at the Wastewater Treatment Plant
  - Bryan Easterly, Water Meter Tech 1

- **Net Zero Cities:** The second annual Net Zero Cities Conference is scheduled to be held in Fort Collins, Colorado from October 23-24, 2013. See attachment A for more details. – Steve Adams

- **Senate Joint Resolution 13-018:** See attachment B for a copy of the Senate Joint Resolution 13-018, Concerning the contribution of renewable energy to Colorado's economy, adopted by the General Assembly during the 2013 legislative session. – Steve Adams

- **August Customer Relations Calendar:** Please see attachment C for the Customer Relations schedule of events for August 2013. – Gretchen Stanford

- **Thank You:** Please see attachment D to read a thank you note from Darell Zimbleman.

- **Idylewilde Dam Update:** Steve Adams met with the Kevin Atchley, the District Forest Ranger and Sue Greenly, the District Lands/Special Uses Staff on July 10, 2013. During the one-hour meeting, the Forest Service agreed to provide input on a preferred option by using their National Forest Management Act Program. They will meet internally to discuss this program, and then will plan to meet with the City's Project Team in late August 2013. These meetings will help the City prepare information for discussions with City staff, City Advisory Boards and City Council on renewing the Federal Energy Regulatory Commission (FERC) license or decommissioning the hydro facility. – Steve Adams

RECOMMENDATION:
Director's report only.

REVIEWED BY DIRECTOR: MS for SA

Attachment A

Attachment B

Cindi L. Markwell
Secretary of the Senate

Senate
State of Colorado
Denver

State Capitol Building
Room 346
Denver, Colorado 80203
(303) 866-4838
E-mail: cindi.markwell@state.co.us

June 12, 2013

Steve Adams, Director
Loveland Water & Power
200 N Wilson Ave
Loveland, CO 80537

Dear Mr. Adams:

Enclosed is a copy of Senate Joint Resolution 13-018, *Concerning the contribution of renewable energy to Colorado's economy*, adopted by the General Assembly during the 2013 legislative session. This document is being sent to you in accordance with the provisions contained therein.

Sincerely,

Cindi L. Markwell

Cindi L. Markwell
Secretary of the Senate

CLM/cds

Attachment B

2013

SENATE JOINT RESOLUTION 13-018

BY SENATOR(S) Schwartz, Aguilar, Carroll, Giron, Guzman, Heath, Hodge, Hudak, Jahn, Jones, Kefalas, Kerr, Newell, Nicholson, Steadman, Tochtrop, Todd, Ulibarri, Morse;
also REPRESENTATIVE(S) Tyler, Buckner, Court, Duran, Fields, Fischer, Foote, Ginal, Hamner, Hullinghorst, Kagan, Kraft-Tharp, Labuda, Lebsock, Levy, McCann, McLachlan, Melton, Moreno, Pabon, Peniston, Pettersen, Primavera, Rosenthal, Ryden, Salazar, Schafer, Singer, Vigil, Young, Ferrandino.

CONCERNING THE CONTRIBUTION OF RENEWABLE ENERGY TO COLORADO'S ECONOMY.

WHEREAS, Colorado is an international leader in renewable energy research, development, and deployment and is home to the National Renewable Energy Laboratory; and

WHEREAS, Colorado hosts 2,301 megawatts of utility-scale wind energy development, ranking tenth in the nation; and

WHEREAS, Colorado hosts 258 megawatts of solar energy development, ranking fifth in the nation; and

WHEREAS, Nearly 5,000 Coloradans are employed by the wind energy industry and its supply chain; and

WHEREAS, More than 3,600 Coloradans are employed by the solar energy industry and its supply chain; and

WHEREAS, Nearly 70% of a wind turbine's value is now produced in the United States, compared to 25% before 2005; and

WHEREAS, The wind energy industry pays over $10 million annually in property taxes to Colorado counties; and

WHEREAS, Landowners in Colorado receive over $5.4 million in lease payments annually for hosting utility-scale wind projects; and

WHEREAS, In 2011, the solar energy industry invested $258 million in Colorado towards solar installation for homes and businesses, representing a 38% increase over the previous year; and

WHEREAS, The price of electricity generated from utility-scale wind energy in the United States has dropped by more than 90% since 1980; and

WHEREAS, The price of solar panels in the United States has dropped by more than 80% since 2008; and

WHEREAS, Colorado was the first state in the nation with a voter-initiated renewable energy standard when Amendment 37 passed in the 2004 general election; and

WHEREAS, Colorado's utilities have a track record of leadership on renewable energy deployment; and

WHEREAS, Renewable energy generation produces no carbon dioxide or air pollution, keeping Colorado's skies clear; now, therefore,

Be It Resolved by the Senate of the Sixty-ninth General Assembly of the State of Colorado, the House of Representatives concurring herein:

That we, the members of the Colorado General Assembly, recognize the tremendous contribution to Colorado's economy made by the renewable energy and energy efficiency industries.

Attachment B

Be It Further Resolved, That copies of this Joint Resolution be sent to: Governor John Hickenlooper; Colorado's congressional delegation; all of Colorado's electric utilities; companies in Colorado's wind energy supply chain; and Dr. Steven Chu, United States Secretary of Energy.

John P. Morse
PRESIDENT OF
THE SENATE

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Attachment C

August

Sun	*Mon*	*Tue*	*Wed*	*Thu*	*Fri*	*Sat*
				1	2	3
4	5	6	7 Open House (Drive Electric NoCo)	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23 Corn Roast Festival	24 Corn Roast Festival
25	26	27	28	29	30	31

2013

87

10

June 2013

Dear LUC members:

Thank you so very much for all the kind words said on my behalf at the June LUC meeting. You all will be missed! I enjoyed my time on the LUC and the Water Board for what we were able to accomplish, but even more because of the kindness and friendship. I know that Lovelands water & power supplies are in good hands.

Thank you & Best Wishes

Dave

P.S. The plaque & flower pot were very nice!

City of Loveland

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WATER & POWER DEPARTMENT
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AGENDA ITEM: 11
MEETING DATE: 7/17/2013
SUBMITTED BY: Larry Howard, Senior Civil Engineer – Water Resources

TITLE: Water Supply Update

DESCRIPTION:
Summary of projection for water supply in 2013.

SUMMARY:
The City continues to enjoy a sufficient and reliable supply going into the highest-use time of the year, with full expectation of ending the season with the Colorado Big Thompson (CBT) carryover capacity full and Green Ridge Glade Reservoir (GRG) full. We currently have available a nearly full reservoir at GRG, all of our 2013 CBT quota water except a little over 1,000 AF which have been rented, and most of our 2012 CBT carryover, which is currently being used along with direct river diversions which have been fairly strong into the first week of July. Flows are now dropping off except for senior decrees. Staff also confirms that the voluntary response for the Drought Management Plan is still appropriate. The Executive Dashboard dated June 4, 2013, is attached as well.

For this season, conditions were very dry, near the levels of 2002, until April and May. The April snows improved conditions a great deal, bringing them to near normal levels. Precipitation has dropped during June and July, and drought conditions persist in our area. The last date at which the presence of snow was recorded this year at Bear Lake (June 5, 2013) coincided with the 30-year median date for the last snow at this site.

You will find attached the June 30, 2013 copy of the "U.S. Monthly Drought Outlook" report from the National Oceanic and Atmospheric Administration (NOAA), which is a new NOAA response to a call for drought forecasts on a shorter-term, monthly basis. The map shows clearly the expectation that drought will persist in our area.

Also attached is a copy of the July 1, 2013, "Water Supply & Utilization Report" from the Bureau of Reclamation, for the CBT system. Conditions across the CBT system for June have been well below average, and for the October-June period are much closer to average for much of the system. Peak runoff for the season of native waters in the Big Thompson River at Lake Estes occurred on June 10, 2013, at 758 cfs. CBT system storage remains below average, at 87% of average for this date, following the dry 2012 season.

RECOMMENDATION:
Staff report only. No action required.

REVIEWED BY DIRECTOR: MS for SA

ATTACHMENTS:

- Executive Dashboard, June 4, 2013
- NOAA National Oceanic & Atmospheric Administration, June 30, 2013 "Response to Americans' Call for Shorter-Term Drought Forecasts," with graphs
- "Water Suppy & Utilization Report" for July 1, 2013 from the U.S. Bureau of Reclamation

Water Supply Update Report

City of Loveland Water Year

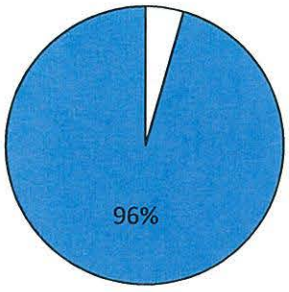
2013

All values in acre-ft

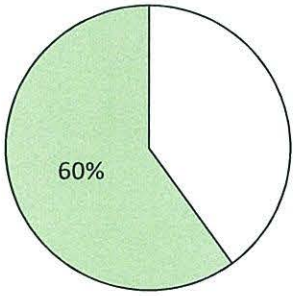
July 11, 2013	Demand	Supply	Totals
Storage			
GRG Reservoir			
Volume Necessary to Fill	(301)		
C-BT System			
Eureka Ditch Available		0	
Balance Carried Over		3,439	
Quota Water Available		5,964	
Estimated Windy Gap		2,502	
Carryover for Next Year	(2,651)		
Supplemental Carryover	(1,566)		
Net Storage Available			**7,388**
Big Thompson River Rights			
Direct Domestic			
20		0	
10.5		0	
4		214	
2		309	
1		1,180	**1,703**
202 A			
10.5		0	
7		81	
6		413	
4		321	
1&2		503	**1,319**
392			
10.5		0	
7		144	
6		8	
4		257	
1&2		300	**710**
Net River Rights Available			**3,732**
System Demands			
Remaining Demand	(8,404)		
Remaining Parks Leases	(400)		
Net Remaining Demands			**(8,804)**
Water Supply Status November 1, 2013			**2,315**

Water Year is from November 1 through October 31

Projected Demand Based on 2010 Production



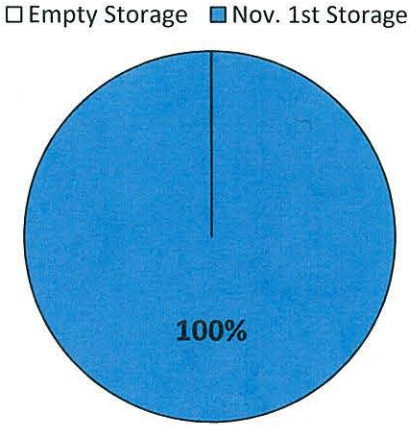
Current GRGR Volume



C-BT Quota

Projected Storage*

November 1, 2013



**Storage = Carryover + GRG Reservoir*

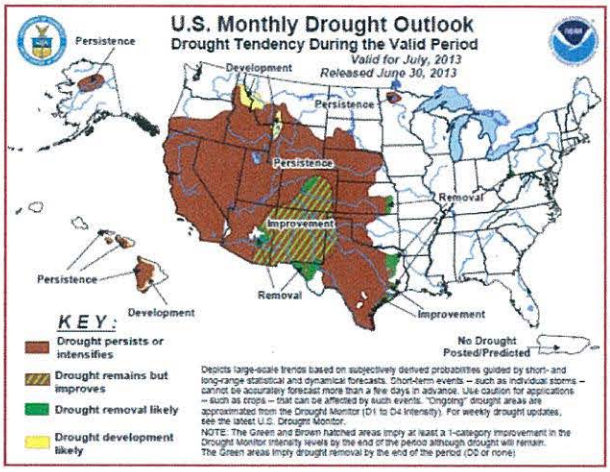
NOAA NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
UNITED STATES DEPARTMENT OF COMMERCE

NOAA responds to Americans' call for shorter-term drought forecasts

July 1, 2013

On June 27, the President's Climate Action Plan called upon federal agencies to help communities around the nation become more resilient to and prepared for weather and climate extremes, such as drought. To further this call to action, NOAA this week added a new product to its toolkit that will give more timely and accurate drought predictions across the United States.

The new forecast-NOAA's monthly drought outlook-adds to the seasonal predictions issued by NOAA's Climate Prediction Center, and complements the weekly drought condition updates via the U.S. Drought Monitor (www.drought.gov).



NOAA's Climate Prediction Center unveiled a new U.S. Monthly Drought Outlook product, which more accurately reflects rapidly evolving drought conditions across the country.

Download here (Credit:NOAA)

This new product will better capture the rapid onset of drought and drought improvement--information needed by our many stakeholders, especially farmers and ranchers who need timely and accurate information to make short-term decisions during growing season.

The monthly product is now possible due to improvements in weather and climate model forecasts and associated post-processing as reflected in extended range forecasts (e.g., 6-10 day, 8-14 day, and monthly forecasts). The product now includes keywords such as "persistence," "improvement," and "removal," which will help users more clearly understand predicted conditions in their region.

This monthly drought outlook is part of the suite of climate services NOAA provides to government, the business sector, academia, and the public to support informed decision-making and build a climate-smart nation. To view the July 2013 Drought Outlook,
visit: http://www.cpc.ncep.noaa.gov/products/expert_assessment/monthly_drought.html.

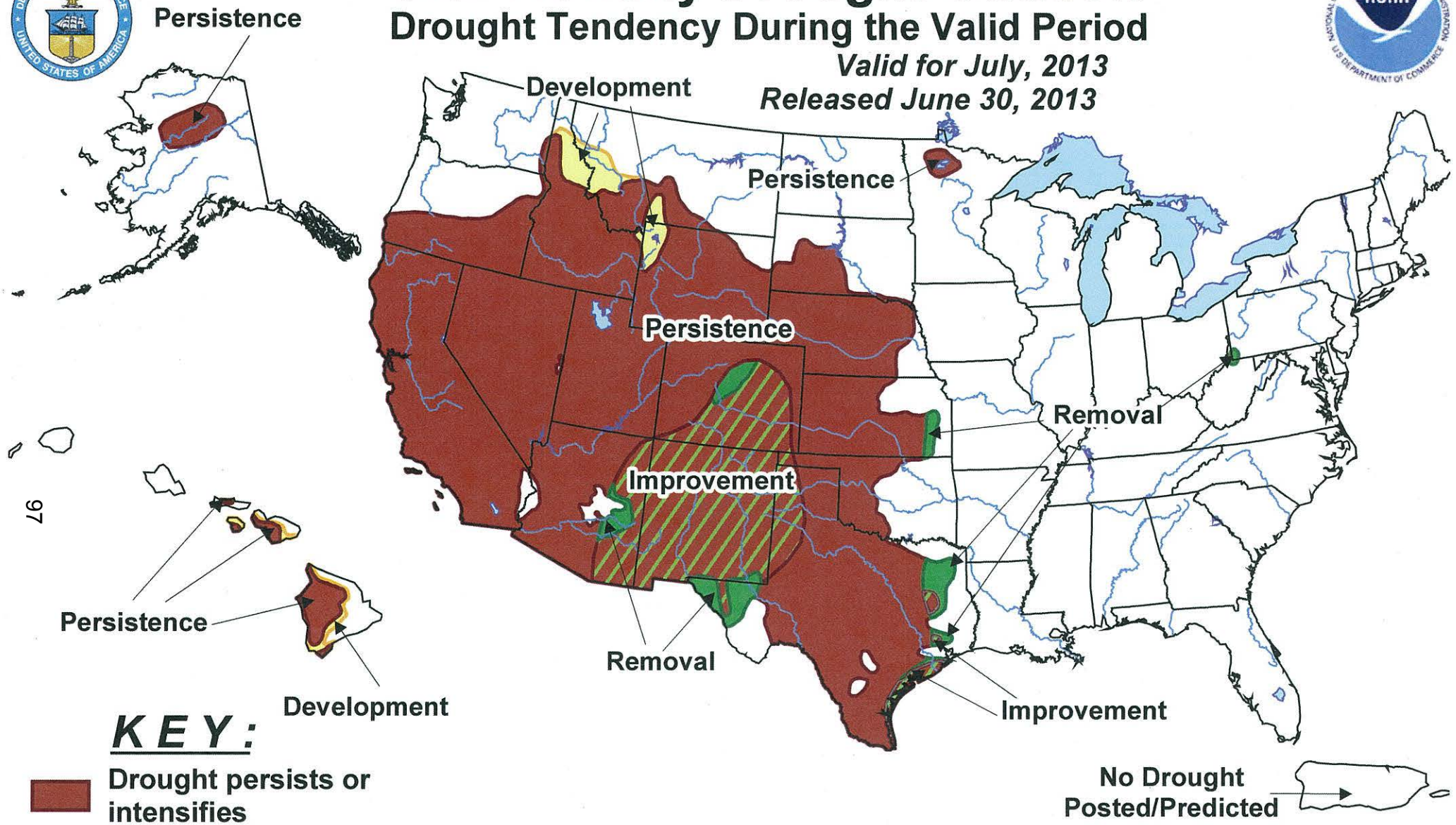
NOAA's mission is to understand and predict changes in the Earth's environment, from the depths of the ocean to the surface of the sun, and to conserve and manage our coastal and marine resources. Join us on Facebook, Twitter and our other social media channels.

U.S. Monthly Drought Outlook

Drought Tendency During the Valid Period

Valid for July, 2013

Released June 30, 2013



97

KEY:

- **Drought persists or intensifies**
- **Drought remains but improves**
- **Drought removal likely**
- **Drought development likely**

Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Short-term events -- such as individual storms -- cannot be accurately forecast more than a few days in advance. Use caution for applications -- such as crops -- that can be affected by such events. "Ongoing" drought areas are approximated from the Drought Monitor (D1 to D4 intensity). For weekly drought updates, see the latest U.S. Drought Monitor.

NOTE: The Green and Brown hatched areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period although drought will remain. The Green areas imply drought removal by the end of the period (D0 or none)

www.nws.noaa.gov

National Weather Service

Climate Prediction Center

Home Site Map News Organization Search Go

HOME > Expert Assessments > Drought Assessment > Monthly Drought Outlook

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- U.S. Monthly Temp. & Prec.
- U.S. Seasonal Temp. & Prec.
- Verification

Monitoring and Data
- GIS Data
- U.S. Weekly Drought Monitor
- Drought
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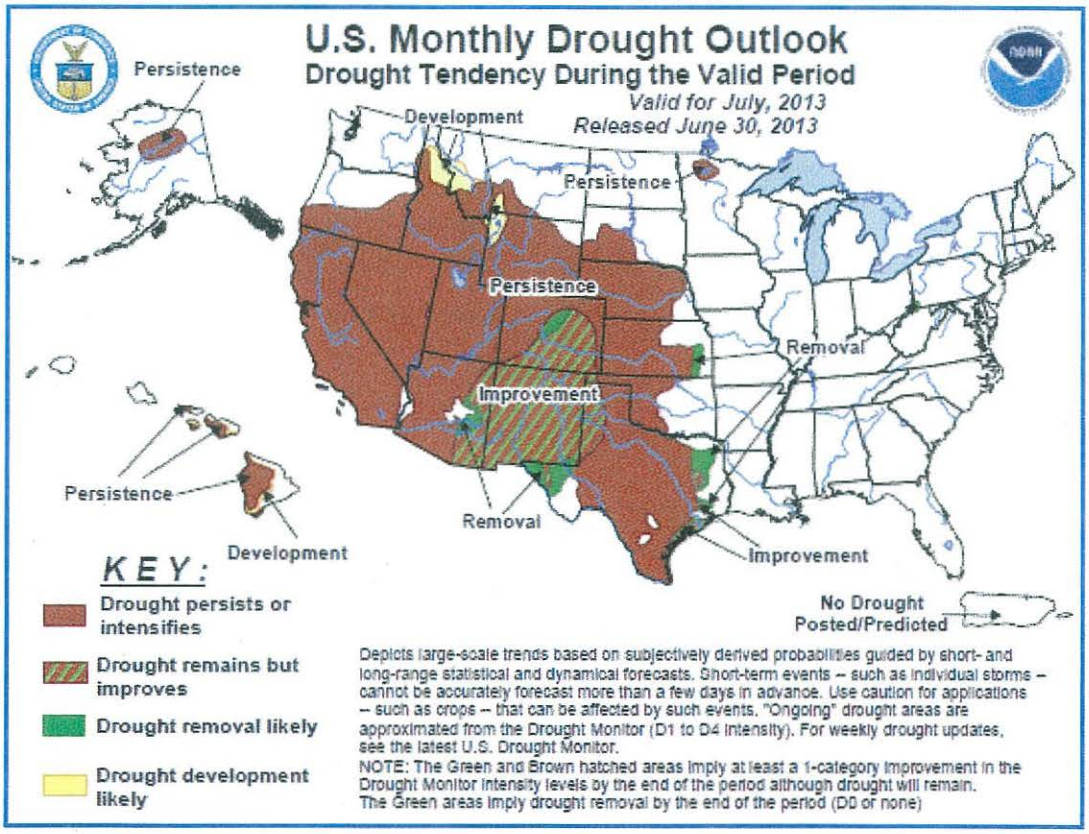
USA.gov

U.S. Monthly Drought Outlook



(Click on image to enlarge)

PDF Version of Monthly Drought Outlook Graphic

Latest Monthly Assessment - During the previous two weeks, unseasonable rainfall overspread the Pacific Northwest and northern California. Showers and thunderstorms over western Texas brought localized drought relief, but mostly dry conditions persisted across eastern Texas and the Southwest. Heavy rainfall

during late June eased drought across the upper Midwest, while moderate drought conditions lingered over northern Minnesota. During July, robust monsoon thunderstorm activity is forecasted to bring drought relief to southern Colorado, most of New Mexico, western Texas, and eastern Arizona, but may cause localized flash flooding in wildfire burn scar areas. In contrast, a hot, dry start to the month is expected to exacerbate drought conditions in the desert Southwest and the northern Rockies. Summer convection is forecasted to ease drought conditions in eastern Texas and far eastern Kansas, while prospects for drought improvement are less certain across the remainder of the Plains. Drought persistence is also forecasted for northern Minnesota, which missed out on recent rainfall, while widespread heavy rainfall expected in early June is likely to remove lingering drought in the central Appalachians. Seasonable dryness and suppressed tropical convection favor drought persistence and possible expansion across Hawaii, while drought conditions are likely to persist in central Alaska, where record breaking temperatures were observed in late June.

Forecaster: A. Allgood

Next Monthly Drought Outlook issued: July 31, 2013 at 3:00 PM EDT

Monthly Drought Outlook Discussion

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WESTERN DIVISION SYSTEM
RESOURCES DIVISION
LOVELAND, COLORADO

JULY 1, 2013
WATER SUPPLY AND UTILIZATION REPORT
WESTERN DIVISION SYSTEM
PICK-SLOAN MISSOURI BASIN PROGRAM

PRECIPITATION WELL BELOW AVERAGE
TEMPERATURES GENERALLY ABOVE AVERAGE

Precipitation was well below average over the Colorado-Big Thompson Project (Project) during June. The Willow Creek and Lake Granby watersheds were the lowest at 11 percent of average. The Lake Estes, St. Vrain, and Poudre watersheds were the highest at 28 percent of average.

Temperatures over the Project were generally above average for June.

PRECIPITATION

Watershed	June Precipitation			October-June Precipitation		
	2013 (Inches)	Avg1/ (Inches)	% of Avg	WY2013 (Inches)	Avg1/ (Inches)	% of Avg
Green Mtn.	0.25	1.21	21	12.29	12.45	99
Willow Crk.	0.16	1.45	11	8.68	11.57	75
L. Granby	0.16	1.45	11	8.68	11.57	75
L. Estes	0.56E	2.00	28E	12.48E	12.78	98E
St. Vrain	0.56E	2.00	28E	12.48E	12.78	98E
Poudre	0.56	2.01	28	9.91	10.62	93

1/ 30 year average, 1981-2010
E estimated

INFLOWS BELOW AVERAGE

Inflows were below average over the Project during June. The inflow to Willow Creek was the lowest at 69 percent of average. The inflow to Green Mountain Reservoir was the highest at 90 percent of average. Water year to date (October-June) inflows have been 93 percent of average.

RESERVOIR INFLOW

Reservoir	June Inflow			October-June Inflow		
	2013 (KAF)	Avg 1/ (KAF)	% of Avg	WY 2013 (KAF)	Avg 1/ (KAF)	% of Avg
Green Mtn.*	108.8	121.5	90	241.2	274.6	88
Willow Crk.	11.8	17.0	69	49.5	49.2	101
L. Granby	86.8	91.8	95	181.9	190.0	96
L. Estes 2/	27.8	31.1	89	58.8	60.1	98

* Undepleted
1/ 30 year average, 1981-2010
2/ Lake Estes Computed Inflow

The dates and rates of peak snowmelt runoff are shown in the table below:

2013 DAILY PEAK RUNOFF

Reservoir	Date	2013 Avg. Daily Peak Inflow (cfs)
Green Mtn 1/	6-10-13	3101
Willow Creek	5-18-13	901
Lake Granby	6-11-13	2934
Lake Estes	6-10-13	758

1/ Undepleted

2013 BYPASS/SPILL (AF)

Bypass/Spill	Granby	Willow Crk.	Green Mtn.
March	0	0	256
April	0	0	3840
May	0	4949	4165
June	0	0	4170
Total	0	4949	12,431

TRANSMOUNTAIN DIVERSIONS BELOW AVERAGE

Transmountain diversions through Adams Tunnel during June were 90 percent of average. During June, 13,200 acre-feet of water was brought through the tunnel. Water year to date (October-June) diversions have been 124 percent of average.

TRANSMOUNTAIN DIVERSION

Adams Tun.	June			October-June		
	2013 (KAF)	Avg 1/ (KAF)	% of Avg.	WY 2013 (KAF)	Avg 1/ (KAF)	% of Avg
	13.2	14.7	90	207.8	167.8	124

1/ 30 year average, 1981-2010

RESERVOIR STORAGE VARIED

The Lake Granby storage of 362,300 acre-feet on June 30 was 79,500 acre-feet below average and 57,600 acre-feet lower than 1 year ago on this date. Terminal reservoir storage in Carter Lake and Horsetooth Reservoir was 89 and 104 percent of average, respectively.

Colorado-Big Thompson Project storage water in Lake Granby, Carter Lake, and Horsetooth was 573,800 acre-feet on June 30 which was 86,100 acre-feet below average and 71 percent of the total available storage capacity.

RESERVOIR STORAGE

	Total Storage on June 30						
Reservoir	2013 (KAF)	2013 (% of Avg)	2012 (KAF)	2011 (KAF)	2010 (KAF)	1981-10 Avg (KAF)	Total Storage Cap.(KAF)
Green Mtn	134.8	98	107.1	139.0	151.8	137.6	153.6
L. Granby	362.3	82	419.9	462.1	535.0	441.8	539.8
Horse-tooth	126.4	104	117.5	135.4	150.2	122.1	156.7
Carter L.	85.1	89	74.7	108.0	111.6	96.0	112.2
Dillon	240.6	96	234.9	238.6	257.1	249.4	254.0
Williams Fork	96.4	119	88.2	96.4	96.3	81.1 1/	96.8
Project	Total Storage Water in Lake Granby, Carter Lake, and Horsetooth Reservoir on June 30						
CBT	573.8	87	612.1	705.5	796.8	659.9	808.7

1/ 20 year average, 1970-1989.

PROJECT WATER DELIVERIES ABOVE AVERAGE

Project water deliveries during June were 125 percent of average. Colorado-Big Thompson seasonal deliveries (November 2012-June 2013) were 92 percent of average to date.

Units = 1000 AF

Project	Delivery Point	June Delivery			Seasonal Delivery Through June 30		
		2013	Avg 1/	% of Avg.	2013	Avg 1/	% of Avg
	Carter Lake *	13.7	7.7	178	32.3	21.7	149
	Hansen F.C. *	2.6	2.9	90	5.6	12.7	44
	Horsetooth Res *	7.2	8.2	88	21.2	29.5	72
CBT Total		23.5	18.8	125	59.1	63.9	92

1/ 30 year average, 1981-2010

* May include some Windy Gap and/or carriage contract water.