LOVELAND UTILITIES COMMISSION
REGULAR MEETING
August 14, 2013 - 4:00 p.m.
Service Center Board Room
200 North Wilson Avenue

Please note the change in date for this meeting.

AGENDA

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

4:05 pm - **APPROVAL OF MINUTES - 7/17/2013**

CITIZENS REPORTS

4:10 pm - **CONSENT AGENDA**

1. 1st Street Waterline Replacement Bid Award – Roger Berg
2. 2013 Small Diameter Waterline Replacement Bid Award – Craig Weinland
3. Change Order Increase for Annual Directional Bore Purchase Order and Contract – Kathleen Porter

4:20 pm - **STAFF REPORT**

4. State of Colorado Electric Legislation – Kim O'Field and Dan Hodges

4:35 pm - **REGULAR AGENDA**

5. Power Cost of Service Study Update – Jim Lees
6. Idylwilde Hydroelectric Project Relicensing & Permitting Update – Greg Dewey
7. CBT Market Price Consideration - Scott Dickmeyer

6:20 pm -

8. **COMMISSION / COUNCIL REPORTS**

9. **DIRECTOR'S REPORT**

INFORMATION ITEMS

10. Financial Report Update – Jim Lees

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: Dan Herlihey (arrived at 4:40 pm during item 3), Larry Roos, David Schneider (Chair), Gary Hausman, Gene Packer (Vice Chair) (Left at 7:05 after item 7), John Rust Jr., and Randy Williams

Alternate Board Member: Daniel Greenidge

Council Liaison: Daryle Klassen

City Staff Members: Bob Miller, Bryan Easterly, Brieana Reed-Harmel, Chris Matkins, Darcy Hodge, Garth Silvernale, Greg Dewey, Jim Lees, Larry Howard, Michelle Stalker, Roger Berg, Russel Jentges, Steve Adams, Scott Dickmeyer, Sharon Citino, Tracey Hewson, Tori Mitchell, and Tanner Randal

Guest Attendance: Mark Beauchamp (by video conference), Tony Urquhart ,and Cortney Brand (Brown and Caldwell)

CALL TO ORDER: Dave Schneider called the meeting to order at 4:05 pm.

APPROVAL OF MINUTES: Dave asked for a motion to approve the minutes of the June 19, 2013 meeting.
Motion: Gene Packer made the motion to approve the minutes.
Second: Randy Williams seconded the motion. The minutes were approved unanimously.

ELECTION OF OFFICERS:
NOMINATION: Randy Williams nominated Gene Packer as LUC Chair
SECOND: Dave Schneider seconded the nomination
NOMINATION: John Rust Jr. nominated Dave Schneider as LUC Chair
SECOND: Gary Hausman seconded the nomination
Voting forms were passed around. Larry Roos abstained from voting.
Chair: Dave Schneider was elected chair
Steve Adams turned the time over to Dave Schneider to run the rest of the meeting.
NOMINATION: Dave Schneider nominated Gene Packer as LUC Vice Chair
SECOND: Randy Williams seconded the nomination
There were no other nominations for Vice Chair.
Vice Chair: Gene Packer was unanimously elected as the Vice Chair.

CITIZEN REPORTS: none

CONSENT AGENDA

Item #1: 2013 2nd Quarter Goals and Milestones Report – Steve Adams This is a quarterly review of our progress on our 2013 utility goals and milestones report.

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

Item #2: Award a One Year Contract to Wesco Distribution for Prysmian Underground Primary Cable – Brieana Reed-Harmel This item is to award a one-year contract to Wesco Distribution for Prysmian underground primary cable.

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.

Motion: Gary Hausman made the motion to accept the consent agenda items as written.
Second: John Rust Jr. seconded the motion. The motion was approved unanimously.

REGULAR AGENDA

Item #3: Power Cost of Service Study Update – Jim Lees The purpose of this item is to get recommendations from the Loveland Utilities Commission on key study components.

Recommendation: Head toward cost of services in two years with plus or minus 3% of the overall rate increases by class.

Motion: Gary Hausman made the motion.
Second: John Rust Jr. seconded the motion. The motion was approved unanimously.

Comments: Clarification was made that the presentation was based on a 3.4% wholesale rate increase from PRPA, but we have now learned that rate increase will only be 2.1% which changes the pass-through rate from 2.76% to 1.7% overall. Board inquired on what costs are included in the cost of service study and staff responded that all costs are included such as PRPA's rates, operating expenses, metering costs, meter reading, overhead etc.). Board inquired on how Loveland's study compares with other utilities. The presenter responded that Loveland is closer than many other utilities to cost of service. Loveland's variance by class is between 0.5% and 8.2% whereas many utilities are off by more than 10%. The presenter did caution that a cost of service study is a snap shot in time and that weather patterns affect the cost of service study. Discussion ensued on how changes to base charges verses usage charges affect different customers and the impact on conservation efforts. Discussion also ensued on whether to decrease the amount of time between cost of service studies for power and on how quickly to move toward cost of service for each class.

Item #4: C-BT 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 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 C-BT 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.

Staff 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.

Motion: Randy Williams made the motion to increase the City's currently recognized price for CBT from $13,000/unit to $15,000/unit.
Second: John Rust Jr. seconded the motion. The motion was approved unanimously.

Comments: Discussion ensue on whether Loveland is lagging too far behind in adjusting the price, particularly during the upswings and on the importance of keeping the price close to what it costs to actually purchase C-BT shares. Discussion also ensued on whether keeping the price down provides an economic incentive to build in Loveland verses surrounding areas. The board is interested in visiting the price of C-BT more often and looking at a shorter 4-month moving average cost, particularly during times of price volatility.

STAFF REPORTS

Item #5: Water Treatment Plant Tier 2 Notice After Action Report – Chris Matkins 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.

Staff report only. No action required.

Comments: Board inquired whether backup valves in the same series of lines may prevent future situations. Discussion ensued on the challenges of working with the State of Colorado, Dept. of Public Health and Environment (State) through this type of issue and on how serious the wording seemed for this type of incident, but that most of the wording of the notice was dictated by the State. Staff pointed out that there were no violations of water discharge standards or drinking water standards, but that the violation was for not feeding alum continuously. Utilities often have short time periods where there is not a continuous feed, but the state has not specified the time threshold for when this becomes a violation. Loveland was in a much better situation than other utilities in that Loveland has a large storage tank where the water is stored after being treated and long transmission lines the water travels through before being delivered to customers. Board inquired on the number of tier 2 notices Loveland has experienced and Staff responded that this was the first in at least the last fifty years. Staff commented that if they would have felt that the water was unsafe, they would have issued a boil order themselves. If a similar situation were to happen again, we will close and evacuate the water storage tank, meanwhile using interconnects to feed customers.

Item #6: Water Utility Asset Management System and Strategy – Chris Matkins – 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.

Staff report only. No action required.

Comments: Board discussed how these same asset management principles and systems could be applied to other areas of the City and how we should share what we are learning and doing with other departments. Discussion ensued on how the Water Division already has the software tools to improve asset management, but the greatest challenge is finding the staff time required to create and populate an asset register database.

Item #7: 2014 Budget Presentation & Discussion – Jim Lees This item gives an update on the 2014 Water and Power budget.

Staff Report only. No action required.

Comments: Board inquired on what the differences were from the original seven FTE positions requested to the now six FTE positions requested. Board commented on how well the budgeting process went this year and that they liked being involved early on in the process.

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

Staff Report only. No action required.

Comments: The board said they like the new financials presentation format.

COMMISSION/COUNCIL REPORTS

Item #9: Commission/Council Reports 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.

Randy Williams: Inquired of Daniel Greenidge on the type of distribution curve he referred to earlier in the evening.

John Rust Jr: Shared mementos and memories from when he served on the Platte River Power board when the first load of coal came in from the Thunder Basin Coal Mine in Wyoming. He also made comments regarding how debris in the Poudre River are affecting rafters and kayakers.

Dan Herlihey: Expressed appreciation that the railroad crossing upgrade on 10th Street is underway.
Gene Packer: none (He left before the commissioner reports)
Gary Hausman: None
Dave Schneider: Attended Innosphere and said that it offered a lot about energy and how it connects to water. NREL was in attendance. Expressed that we are fortunate that CSU is so engaged in this effort and shaping what will happen in the next forty years.
Larry Roose: None
Daniel Greenidge: Suggested that we incorporate a vulnerability assessment prior to proceeding with the front entry security project.

Council Report: Daryle Klassen

6/25/2013 Special Session: N/A

7/2/2013 Regular Meeting: City Council, convened as the Board of the Water Enterprise, approved on second reading an Ordinance authorizing the Water Enterprise to complete a financial transaction with Wells Fargo Bank to obtain $10 million of bond proceeds to be used for Water Treatment Plant improvements.

City Council approved on first reading an Ordinance to implement an interfund loan from the Power Enterprise to the Water Enterprise to fund a portion of the Water Capital Improvement Program to replace aging infrastructure.

7/9/2013 Study Session: N/A

7/16/2013 Regular Meeting: City Council approved on second reading an Ordinance to implement an interfund loan from the Power Enterprise to the Water Enterprise to fund a portion of the Water Capital Improvement Program to replace aging infrastructure.

Larry Roos was appointed as Loveland Utilities Commission Board Member. Daniel Greenidge was appointed as an Alternate Loveland Utilities Board Member.

Comments: Passed on Alan Krcmarik's appreciation for all staff and board did over the past year to portray the need for water financing and to help secure financing for the Water Utility. Discussed economic developments related to MadWire and DataTrack and what it takes to keep and bring in businesses to the Loveland area. Shared his experience when he was the master of ceremonies for an event in which Elvis Presley wore his jacket for his second set of music.

DIRECTOR'S REPORT

Item #10: Director's Report – Steve Adams

Comments: Discussed moving up the August 2013 meeting by one week from August 21, 2013 to August 14, 2013 in order to incorporate LUC recommendations on the Power Cost of Service Study for the August 27, 2013 City Council Study Session. Mentioned that Tom Hacker is the City's new Public Information Officer. Tom will be meeting with each department of the City.

INFORMATION ITEMS

Item #11: Water Supply Update – Larry Howard Summary of projection for water supply in 2013.

Information report only. No action required.

ADJOURN
The meeting was adjourned at 8:04 pm. The next LUC Meeting will be August 14, 2013 at 4:00 pm.

Respectfully submitted,

Michelle Stalker
Recording Secretary
Loveland Utilities Commission

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: 1
MEETING DATE: 8/14/2013
SUBMITTED BY: Tanner Randall, Civil Engineer

TITLE: 1st Street Waterline Replacement Bid Award

DESCRIPTION:
Due to the poor condition of the existing 16" ductile iron pipe (DIP) waterline on 1st Street, between Lily Drive and Tyler Avenue, it will be replaced with a new 16" polyvinyl chloride (PVC) waterline and associated appurtenances. The project's bid opening was on Thursday, August 8, 2013.

SUMMARY:
The 1st Street waterline project includes approximately 2,150 feet of 16" PVC along with another 110 feet of smaller diameter waterline replacements. Included in this project is a temporary water system and new valves to limit water outages to existing customers. Once constructed, this replaced section of the water system will reliably serve City of Loveland customers for many years.

RECOMMENDATION:
Adopt a motion awarding the West 1st Street Water Line Replacement Project (W1312C) to BT Construction in the amount of $597,797.50 and allow the City Manager to sign the construction contract.

REVIEWED BY DIRECTOR: MS for SA

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AGENDA ITEM: 2
MEETING DATE: 8/14/2013
SUBMITTED BY: Craig Weinland, Construction Coordinator MS for CW

TITLE: 2013 Small Diameter Waterline Replacement Bid Award

DESCRIPTION:
Due to aging water infrastructure, there have been numerous breaks and leaks in portions of Butternut Drive, Greeley Drive, Katie Drive, Jill Drive, Monroe Drive, and East 2nd Street. The existing waterlines will be replaced with new 8" polyvinyl chloride (PVC) waterline and associated appurtenances. The project's bid opening was on Thursday, August 8, 2013.

SUMMARY:
Having analyzed the number and location of breaks to existing City of Loveland waterlines, a list of priority locations in need of replacement was configured. This project addresses four of these locations by replacing existing 3", 4", 6", and 8" diameter waterlines with new 8" PVC. These new waterlines, along with new valves and fire hydrants will reliably serve City of Loveland customers for many years.

RECOMMENDATION:
Adopt a motion awarding the 2013 Small Diameter Waterline Replacement Project (W1308C) to Coulson Excavating Company, Inc. in the amount of $830,090 and authorize the City Manager to sign the construction contract on behalf of the City.

Note: At the time of preparation of this document the bid date had yet to occur. Values of bids and the associated contractor name will be available at the time of the August 2013 LUC meeting.

REVIEWED BY DIRECTOR: MS for SA

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AGENDA ITEM: 3
MEETING DATE: 8/14/2013
SUBMITTED BY: Kathleen Porter, Field Engineering Supervisor MS for KP

TITLE: Change Order Increase for Annual Directional Bore Purchase Order and Contract

DESCRIPTION:
This item is a change order to increase the annual directional bore purchase order and contract.

SUMMARY:
This item increases the Purchase Order from $1,500,000 to $2,500,000. The original purchase order amount was based on last year's costs and was for $1,000,000. In April 2013, we asked for an additional $500,000. With about four months to go, we have $364,822.00 remaining, for Aid to Construction (ATC) projects and in-house projects. However, we need an additional $1,000,000 to complete the capital, ATC, and in-house projects that we must finish this year.

We have completed the South Wilson overhead to underground conversion, 99% of the East Substation to Crossroads Substation 600 amp feeder, the Airport Substation to Crossroads to Centerra 600 amp feeder and 95% of the East Substation to Highway 402 to Valley Substation 600 amp feeder. We still have the East 10th and 11th Street overhead to underground conversions, the 600 amp feeder from Horseshoe Substation to Highway 287 to 29th Street, the 600 amp feeder from Namaqua to Cascade on West 1st Street, the ditch from Wilson to Namaqua (Valley to West feeder) and the 600 amp feeder on Van Buren, from the Railroad to 22nd Street to complete.

There are various reasons why the projects are not completed. The 8th Street and 10th and 11th Street conversions and the Wilson to Namaqua ditch are taking longer than estimated due to easement acquisition and ditch crossing permits. West 1st Street to Rossum will begin in a couple of weeks, Van Buren, Railroad to 22nd will begin in three weeks and the Horseshoe Sub to Highway 287 to 29th Street will begin at the end of September.

The funds for this request are in the 2013 budget.

ITEM	DESCRIPTION	COST CHANGE
Annual Directional Bore Purchase Order	To pay for existing projects during the year of 2013.	$1,000,000

RECOMMENDATION:
Adopt a motion approving a change order to the Annual Directional Bore Purchase Order and Contract to increase the not-to-exceed amount to $1,000,000 and authorizing the City Manager to sign the change order on behalf of the City.

REVIEWED BY DIRECTOR: MS for SA

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AGENDA ITEM: 4
MEETING DATE: 8/14/2013
SUBMITTED BY: Kim O'Field, Technical Specialist

TITLE: State of Colorado Electric Legislation

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

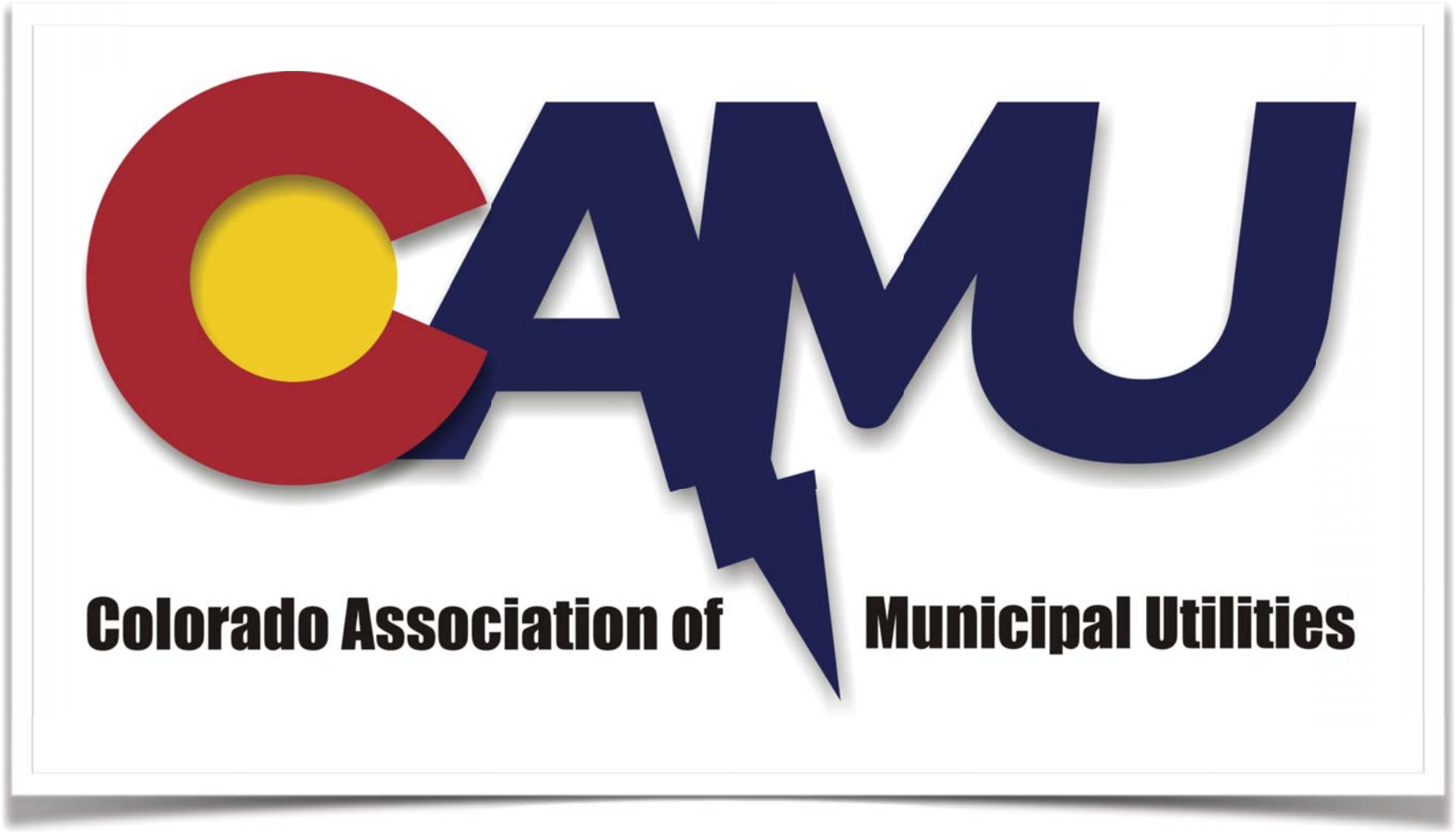
SUMMARY:
The Colorado Legislature ended its 2013 Session on May 8, 2013. Dan Hodges, Executive Director of CAMU will be giving a presentation to update you on:

- Municipal electric systems in Colorado
- The 2013 Session
- Electric-related legislation looking forward to 2014

RECOMMENDATION:
Information item only. No action required.

REVIEWED BY DIRECTOR: MS for SA

ATTACHMENTS:
Attachment 1: CAMU Municipal Electric Systems in Colorado

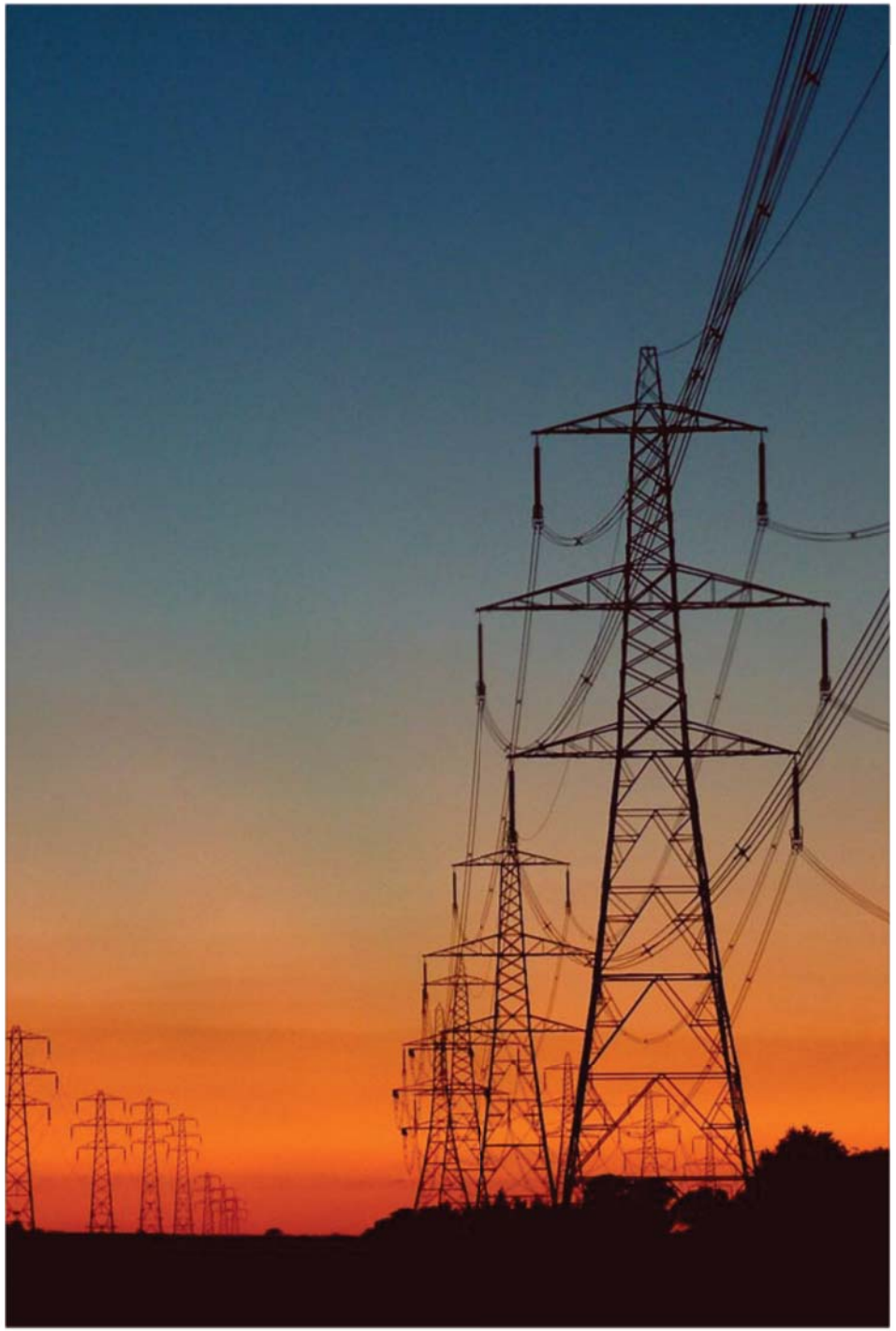


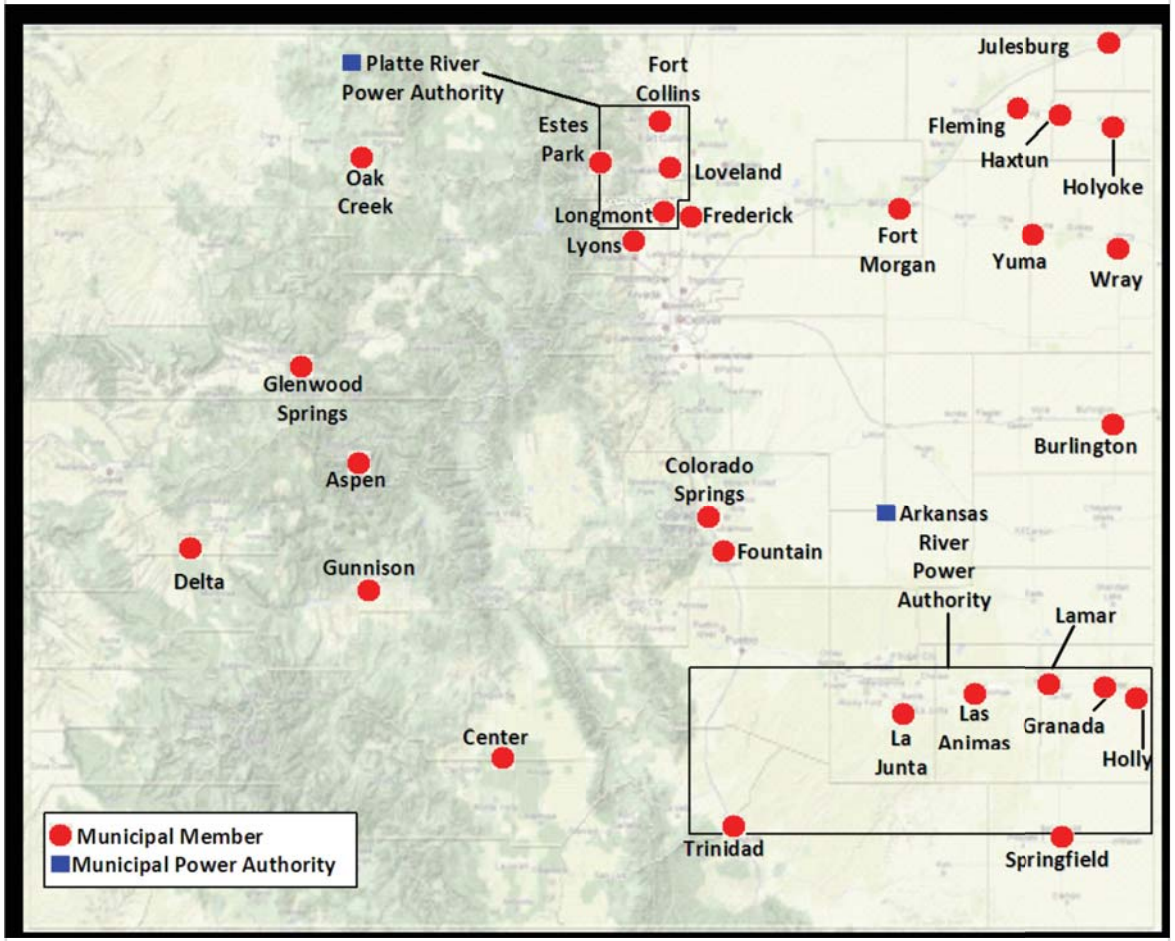
Municipal Electric Systems in Colorado

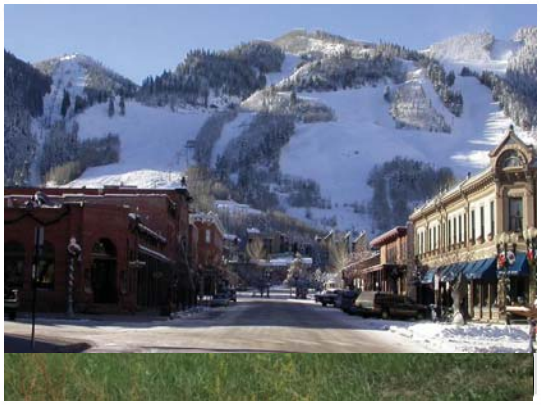
Presentation to the City of Loveland

Agenda

- Municipal Electric Systems in Colorado
  - Who We Are &How We Compare
- CAMU at the Legislature
  - Trends
  - 2013 Session
  - Looking Ahead



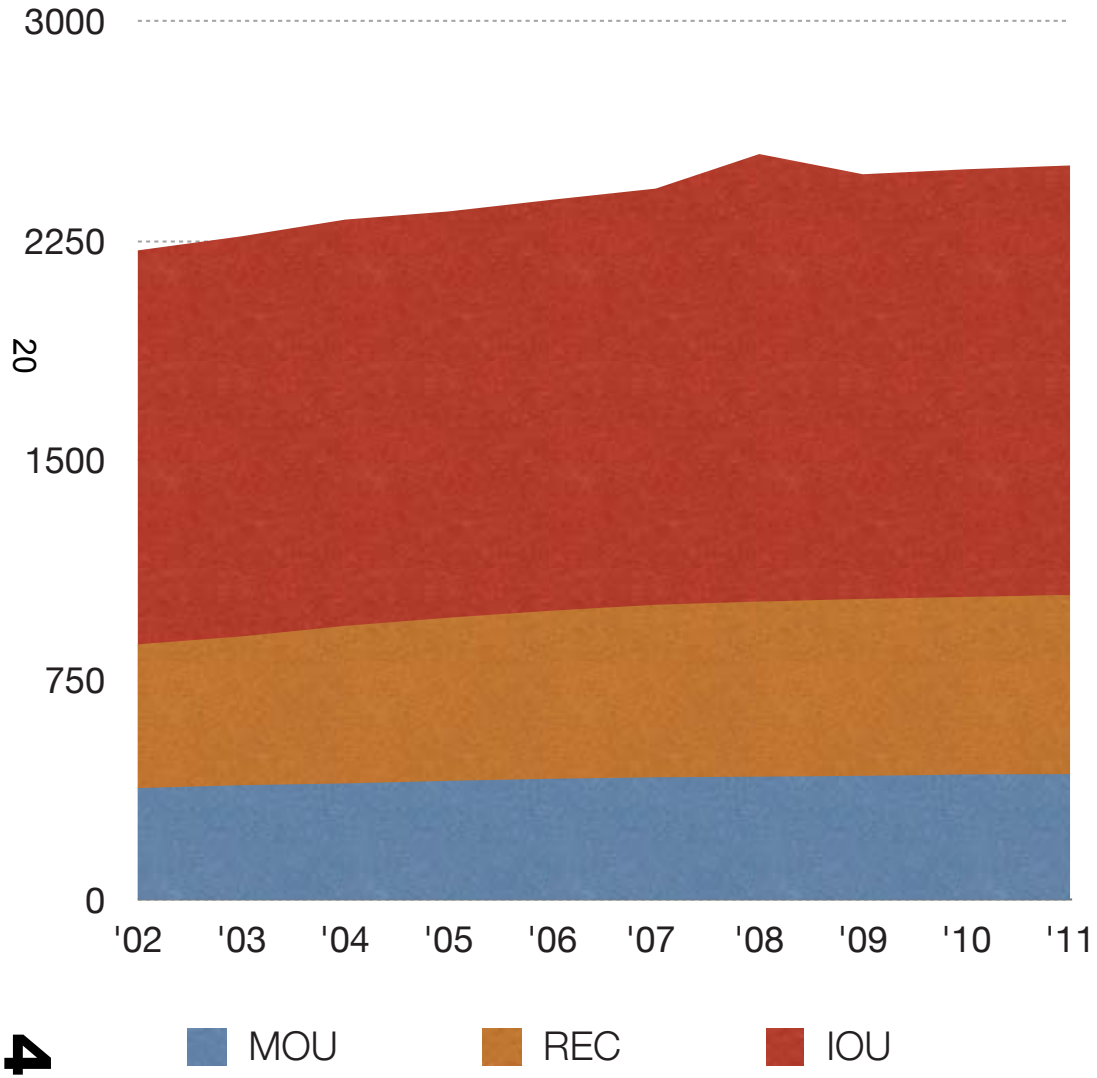




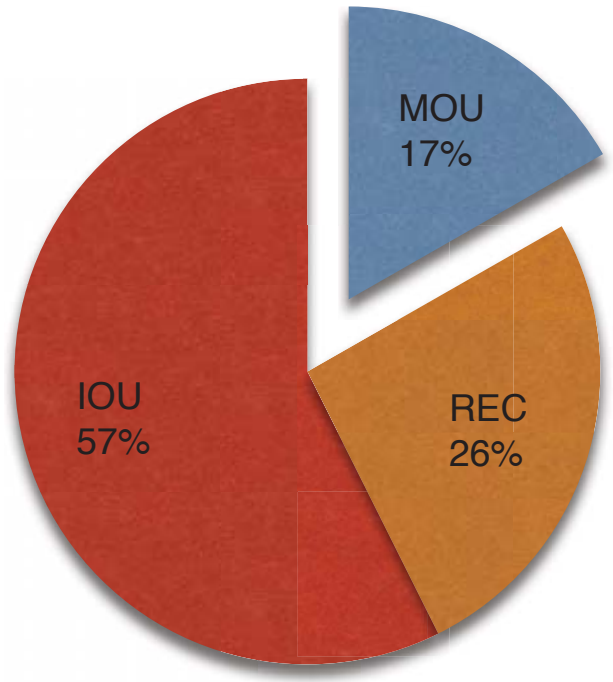
Municipal Electric Systems in Colorado- Who We Are

Municipal Electric Systems in Colorado- How We Compare

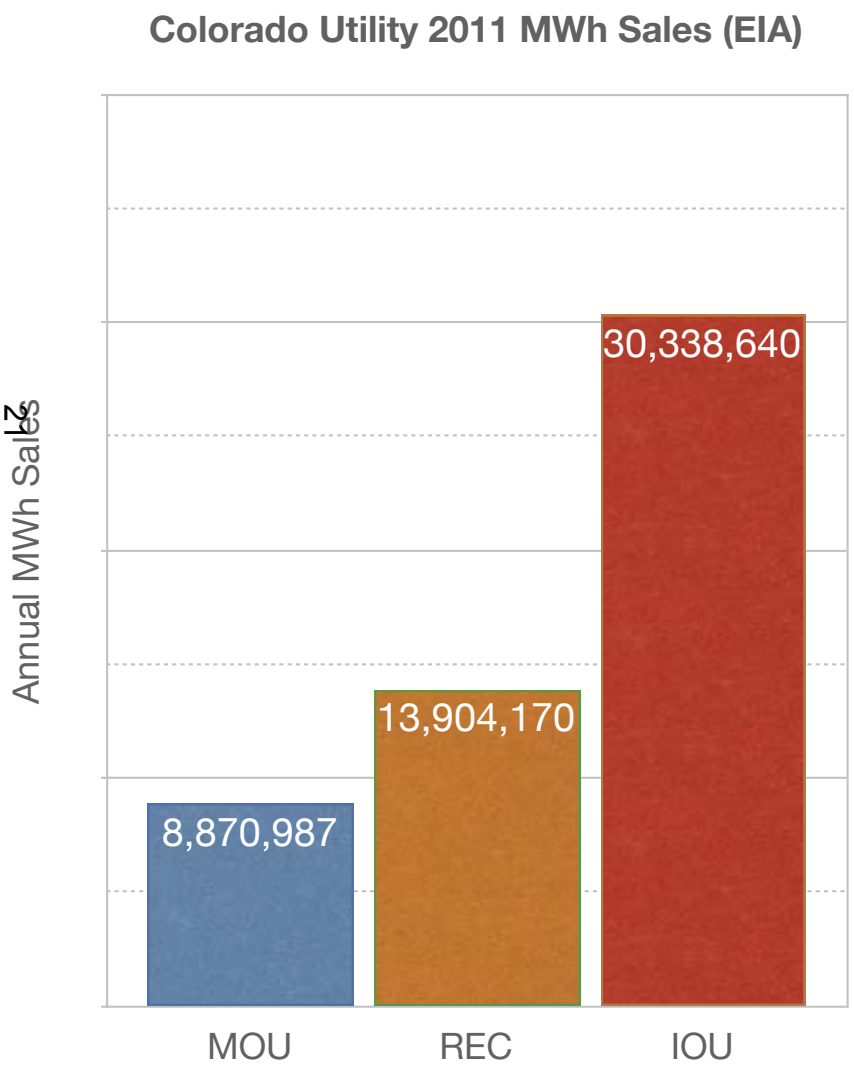
Colorado Electric Customers (thousands) by Utility Type

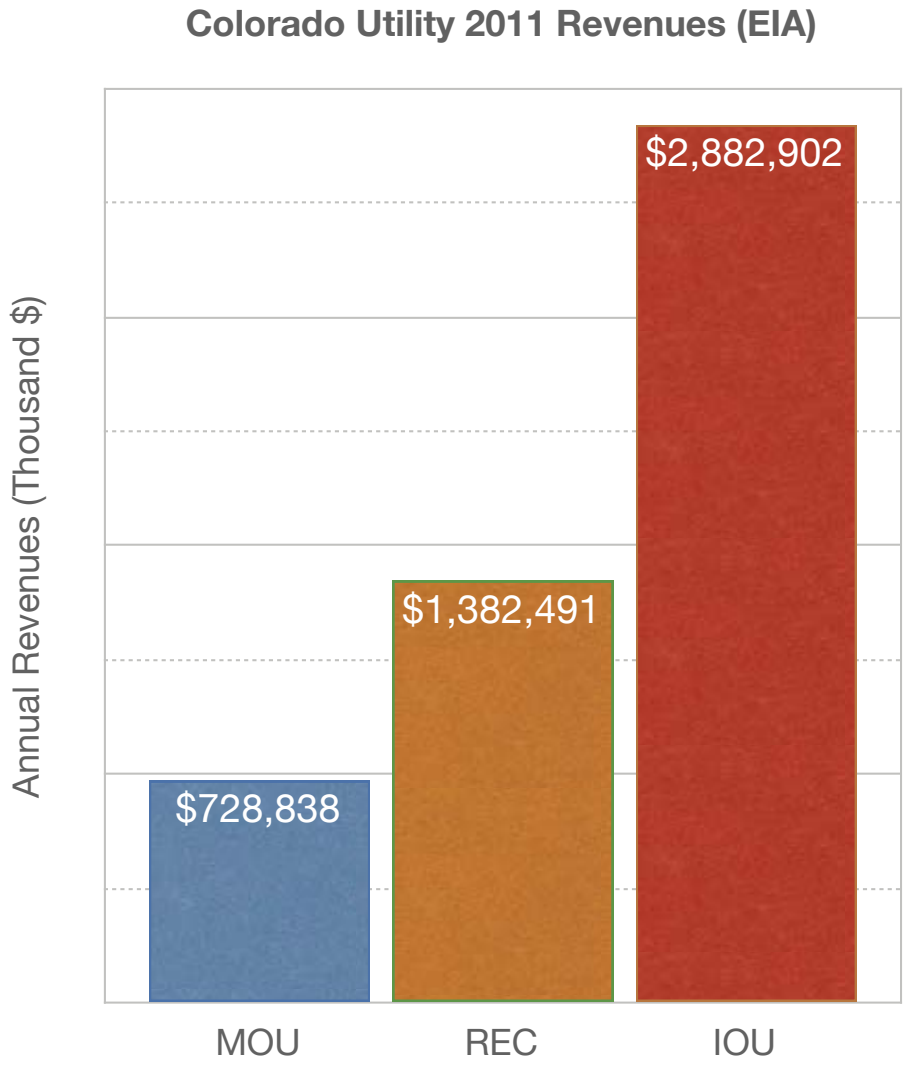


Colorado Utilities by Percent of Population Served

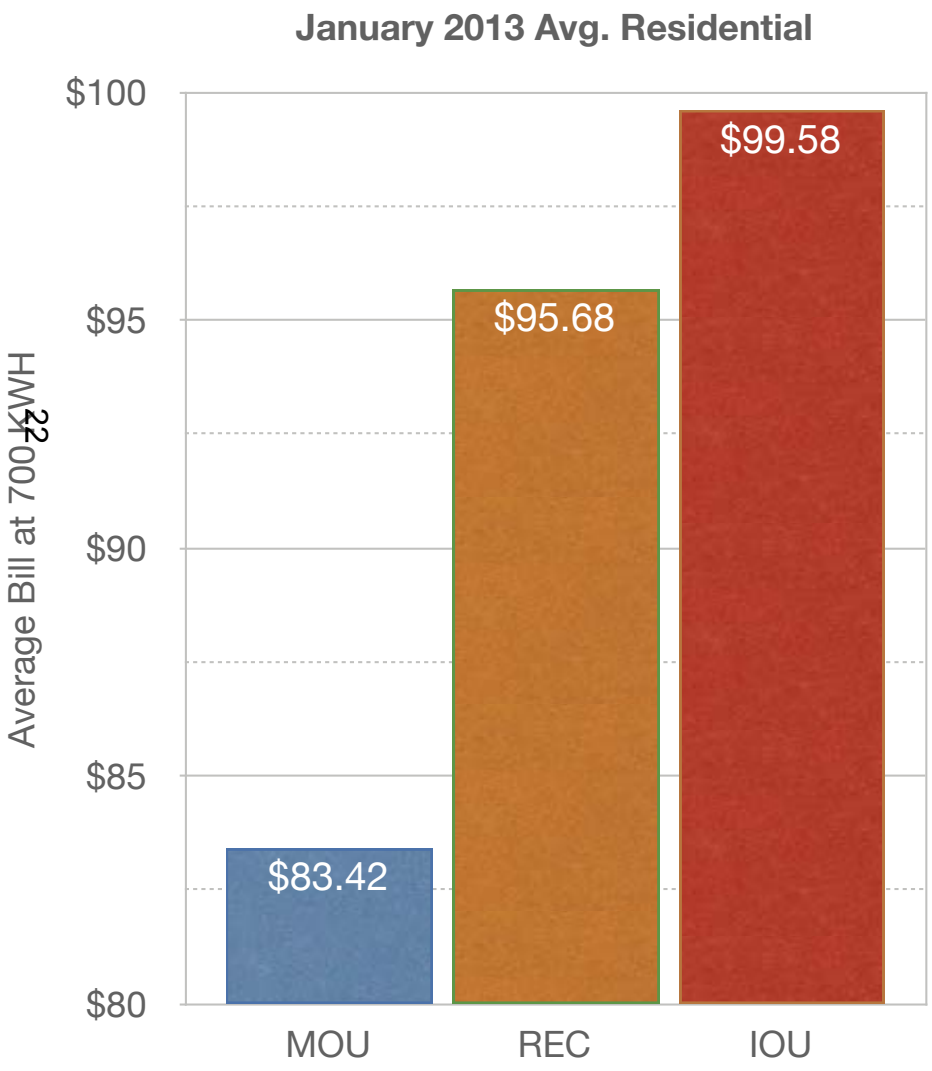


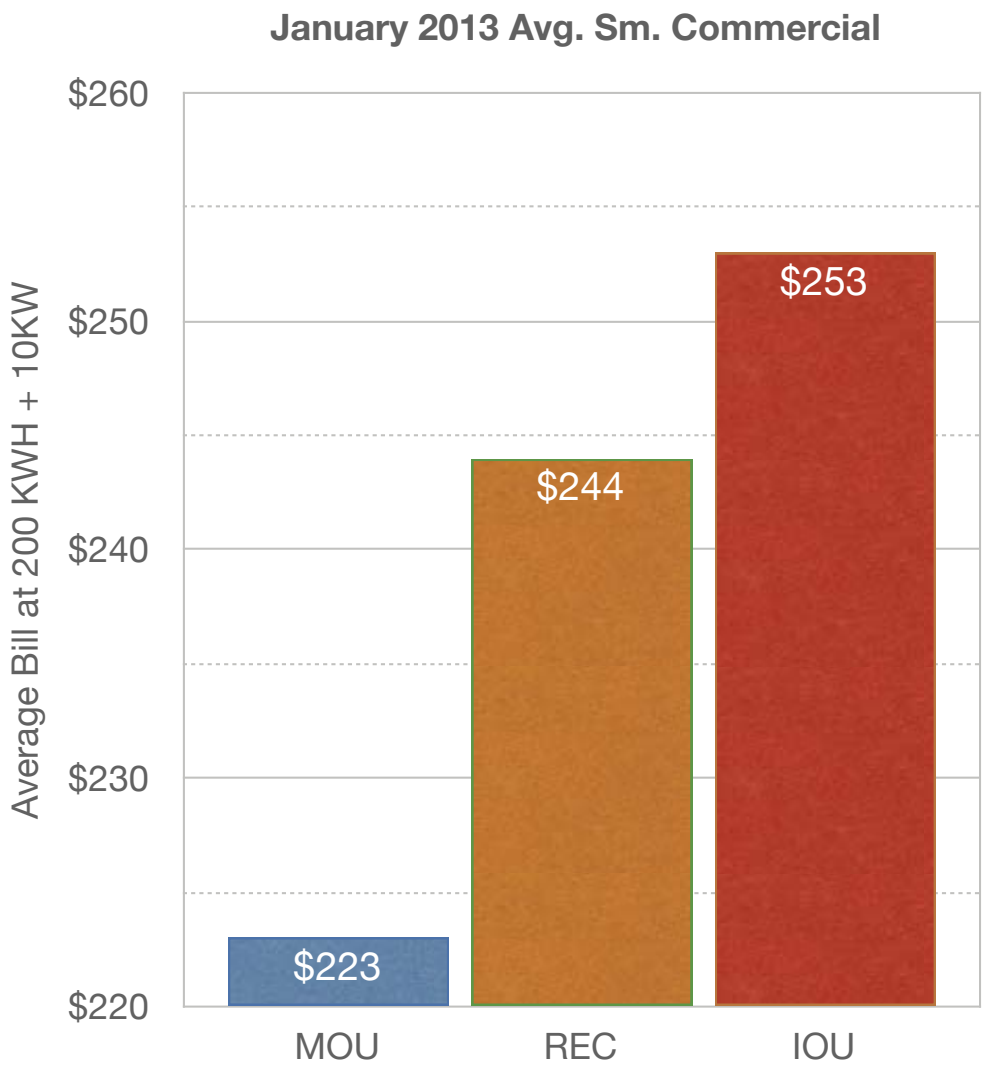
Municipal Electric Systems in Colorado- How We Compare





Municipal Electric Systems in Colorado- Comparative Electric Bills





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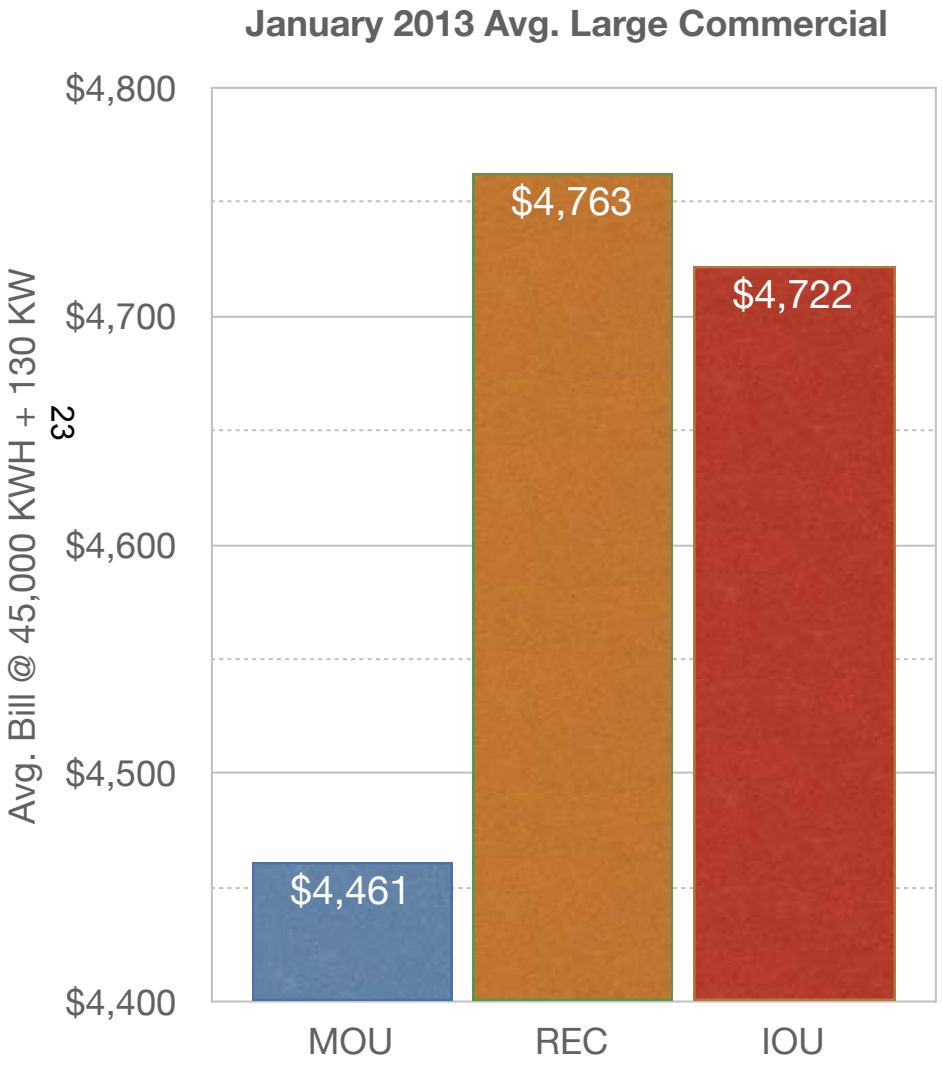
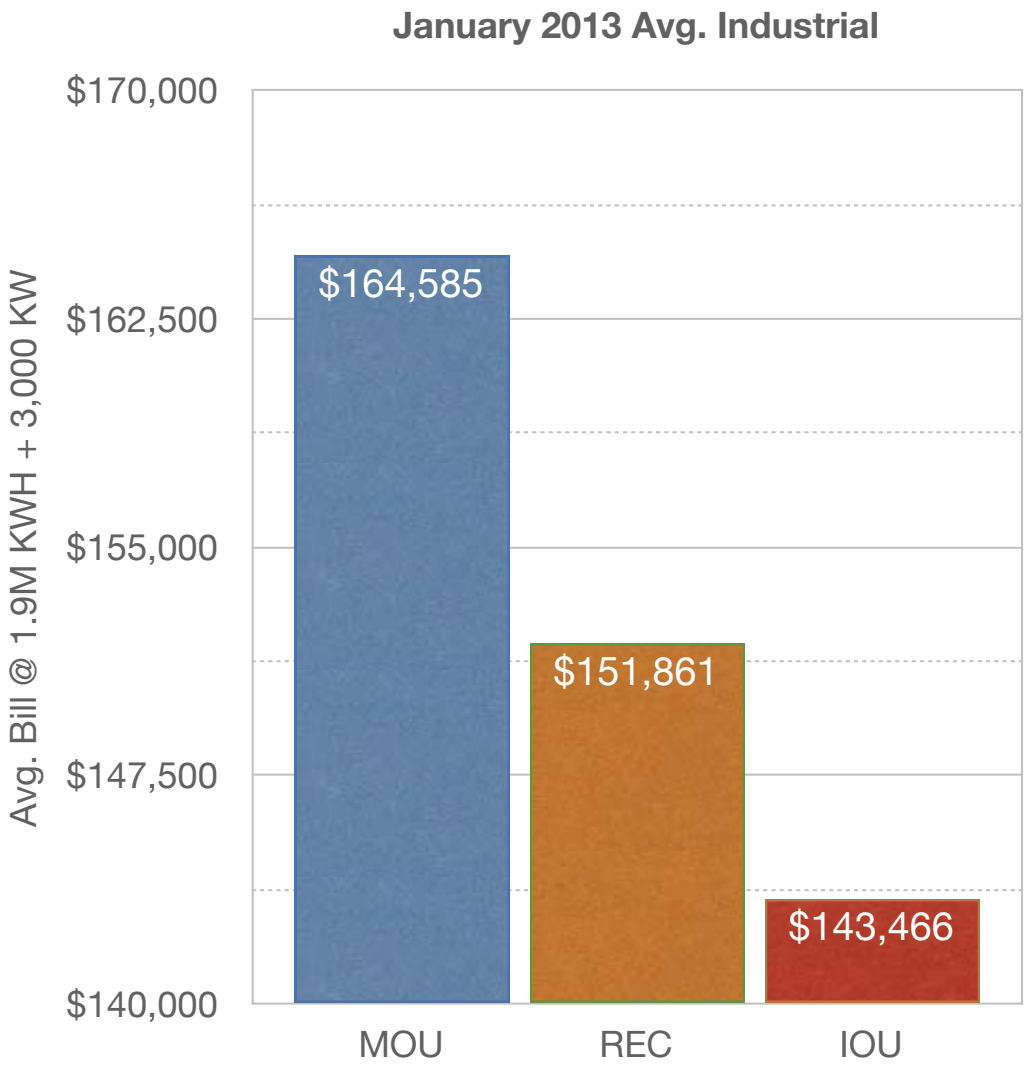




Municipal Electric Systems in Colorado- The Colorado Constitution

- **Article V, Section 35**

  "The General Assembly shall not delegate any power to interfere with any municipal function whatever."

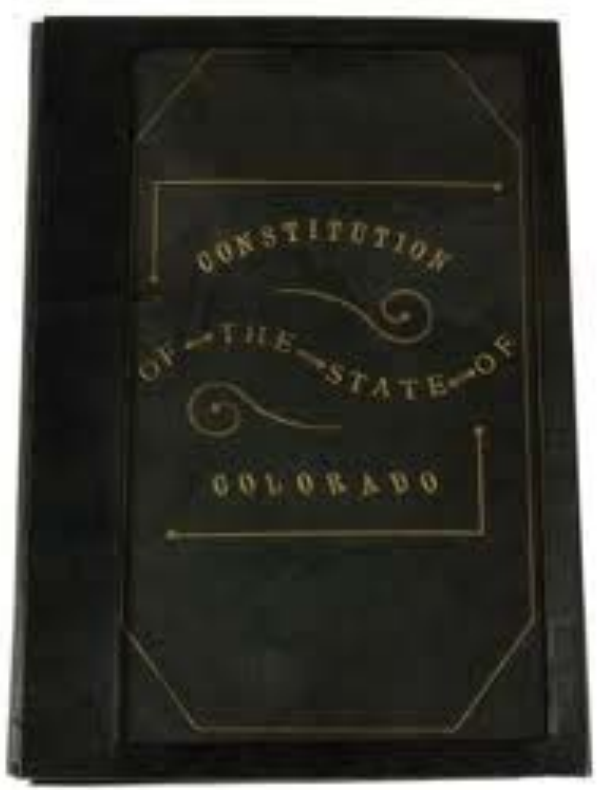
- **Article XX, Sections 1 & 6**

  "Shall have the power to construct and operate power plants and any other public utilities and everything required therefore"

  "Intention to grant municipalities the full right of self-government"

- **Article XXV**

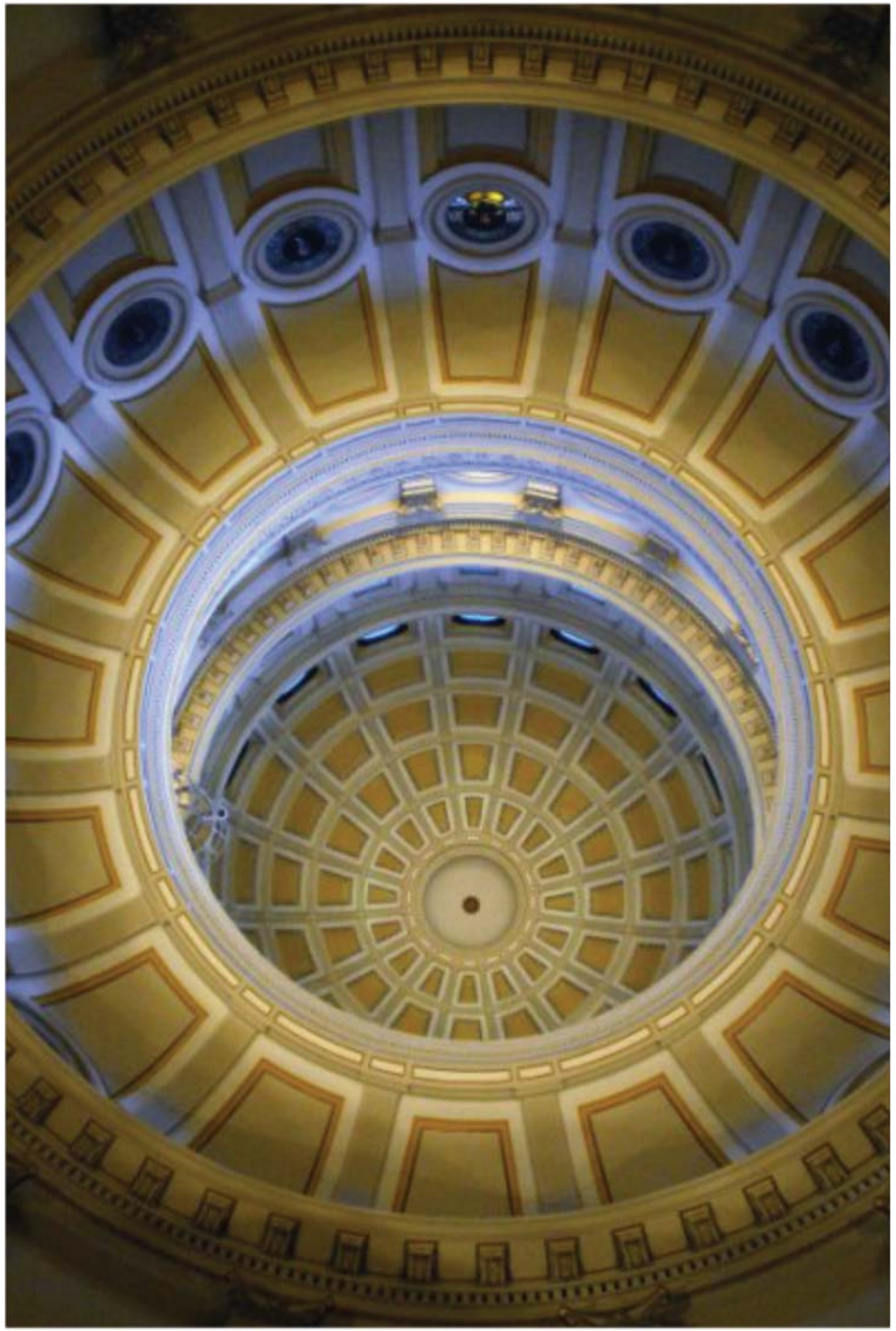
  "Nothing herein shall be construed to apply to municipally owned utilities"



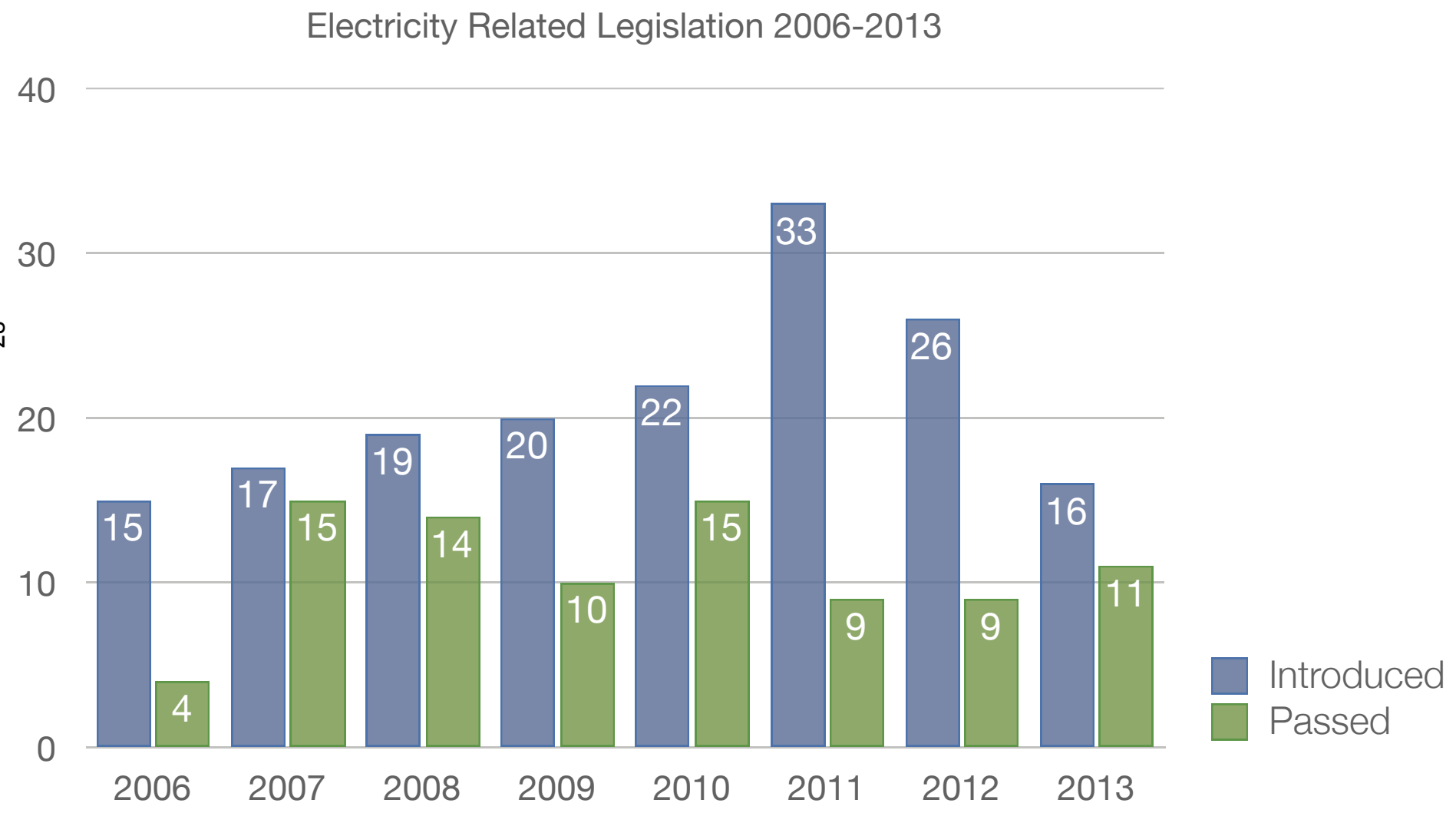
Public Power is Progressive

CAMU at the Legislature

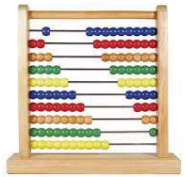
- Trends
- 2013 Session
- Looking Ahead



Electricity Legislative Trends in CO

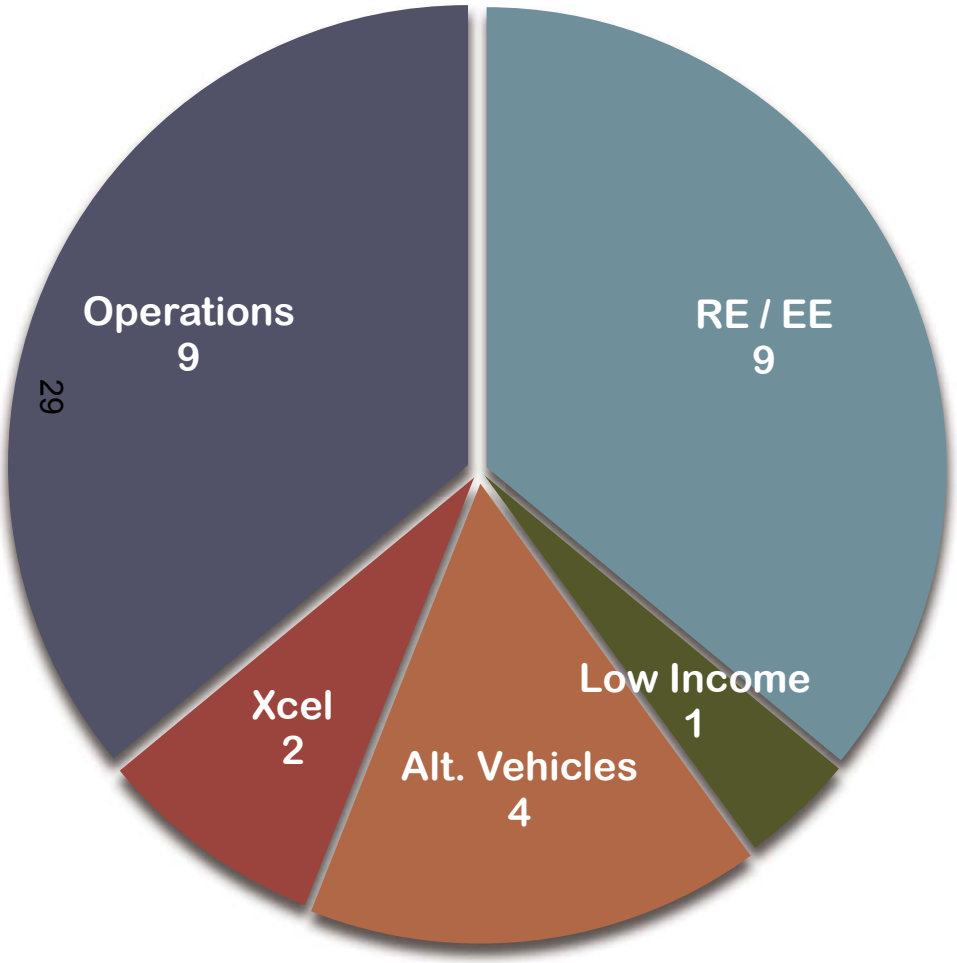


2013 By The Numbers

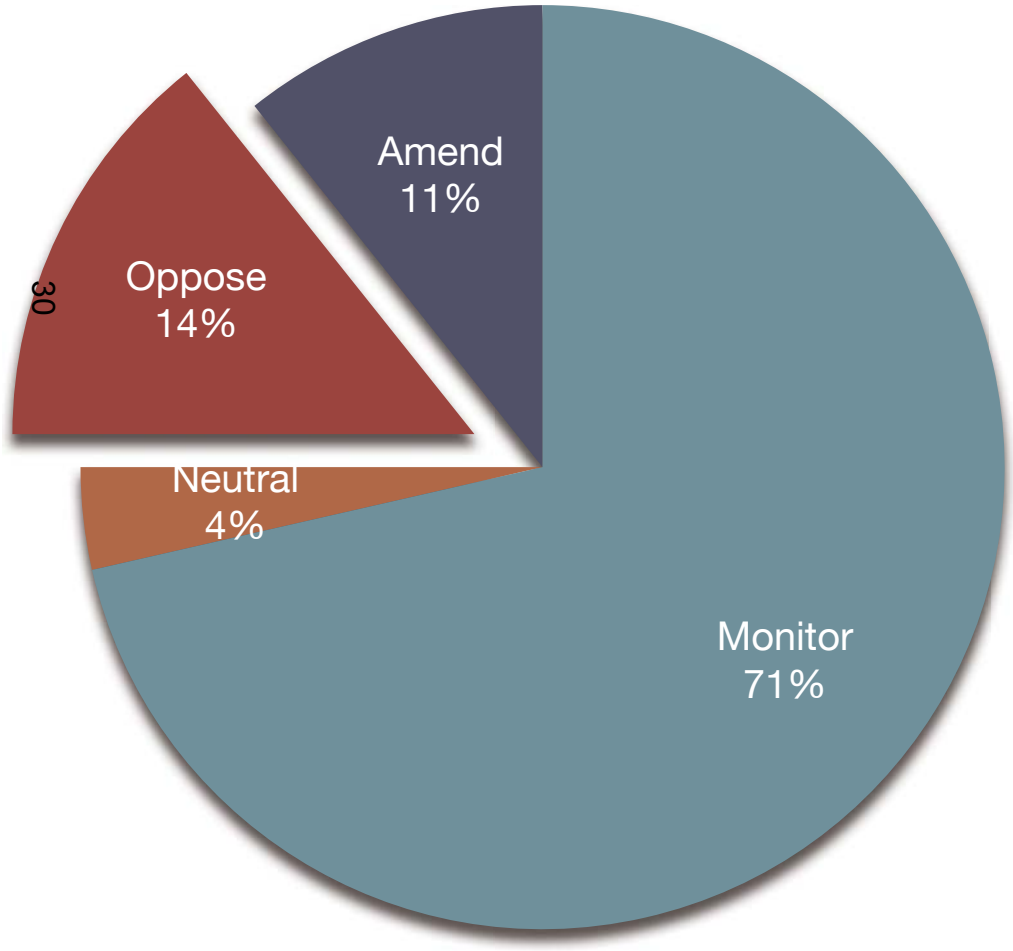


	2013	%
Total Bills Introduced	710	-
Total Bills Tracked	25	4%
Tracked Bills Defeated	10	40%
Tracked Bills Passed	15	60%

2013 Legislation by Subject



2013 Positions & Scorecard



Position	Passed	Pl'd
Support	0	0
Oppose	0	4
Neutral	1	0
Amend	2	

2013 Legislative Accomplishments

Helped Defeat

HB13-1216 "Distributed Generation Mandate"

SB13-203 "Limiting Local Governments & Service Stations"

Amended

SB13-025 "Collective Bargaining for Firefighters"

- Changed definition of "firefighter" to clarify potential conflicts

SB13-272 "DSM Mandates on Gas Utilities"

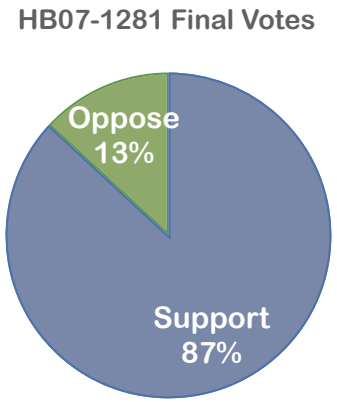
- Amended municipal utilities out of the introduced version of the bill

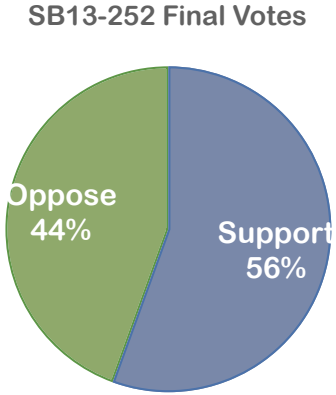
SB13-252 "Increasing Colorado's RES"

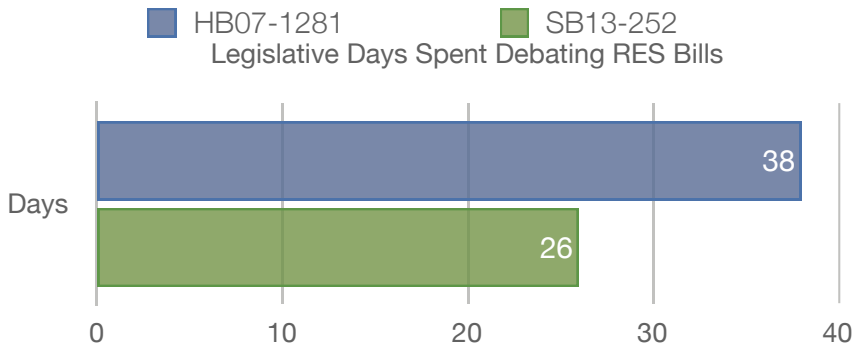
- Removed 1% DSM requirement on munis. Successfully fought attempts to include munis during committee meetings

Retrospective on SB13-252

- Omnibus Bill (5 bills in one)
  - Multiplier Fix / Coal Methane / Pyrolysis / DG Mandate / RES Mandate
- Was written without stakeholder input & specifically targets TriState and IREA
  - No Deals Per TS / AG Community Angered / Tension With CAMU / All-in On Veto / Lawsuit?
- Show of Strong Party Control of Legislature
- Signed into law with accompanying and confusing executive order







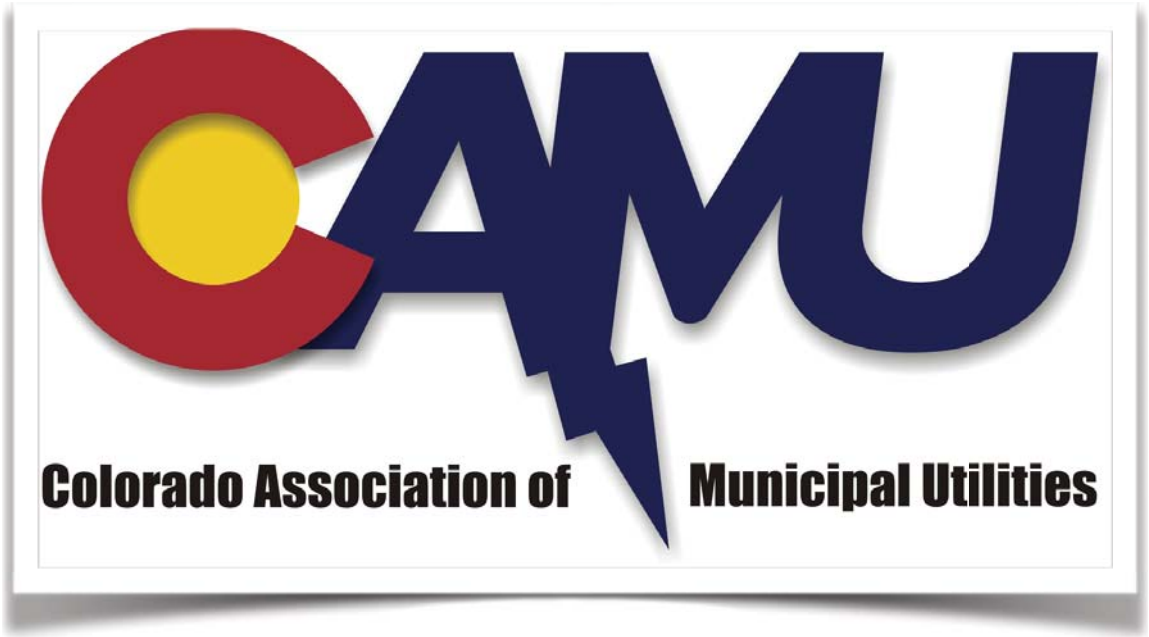
Looking Ahead

"Whereof what's past is prologue" - *The Tempest*

- Party control remains same / feeling emboldened after '13?
- Recalls?
- Election Year for the General Assembly, Governor, US Senate, State Attorney General, SOS & Treasurer
- Potential for a ballot-o-Rama
- Hard to say if we are in "their" sights

Municipal Electric Systems in Colorado

Questions ?



City of Loveland

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WATER & POWER DEPARTMENT
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AGENDA ITEM: 5
MEETING DATE: 8/14/2013
SUBMITTED BY: Jim Lees, Utility Accounting Manager MS for JL

TITLE: Power Cost of Service Study Update

DESCRIPTION:
The purpose of this item is to get recommendations from the Loveland Utilities Commission on a proposed 2014 Power rate design for existing customer classes, a methodology for launching a Coincidental Peak Demand rate design and a new Electric Vehicle (EV) Charging Station rate.

SUMMARY:
At last month's LUC meeting, Mark Beauchamp, President of Utility Financial Solutions, our power rate consultant, made a presentation via video conference of the first results for 2014 rate designs from the Power cost-of-service rate study and asked for direction from the LUC on three key rate study components. Those three components are:

1) Increasing the monthly base charge to reflect cost of service

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

The direction that was received from the LUC was to step into cost of service results over a two year period for items 1 and 3, and for item 2, the direction was to put a cap on how much each rate class would be adjusted in 2014 of + or – 3% of the overall average rate increase. Currently, the overall average rate increase for 2014 is 1.70%, which is strictly a pass-through of PRPA's 2.1% wholesale power rate increase. We are due to receive an August update from PRPA on the 2014 wholesale power rates in the next few days, and the hope is that what is presented to the PRPA Board at their August meeting will be very close to or exactly what the actual wholesale rates will be for 2014.

The overall average rate increase for 2014 is 1.70%, and based on the proposed changes in the base, consumption and demand charges, the average rate increase by rate class is:

RATE CLASS:	**% Increase**
Residential	0.92%
Small General Service	4.61%
Large General Service	1.11%
Primary Service with Customer-owned Transformer	4.23%

Taking into account the direction from the LUC, here is a summary of the key rates Mark has developed for 2014:

SUMMARY OF KEY CHANGES

POWER: SUMMER MONTHS	July-Sept. 2013	July-Sept. Proposed 2014
Residential:		
Base Charge (per month)	$8.91	$10.77
Consumption Charge (per kWh including PILT)	$0.07853	$0.08029
Small General Service:		
Base Charge (per month)	$14.20	$17.22
Consumption Charge (per kWh including PILT)	$0.07686	$0.07963
Large General Service:		
Base Charge (per month)	$65.00	$77.98
Consumption Charge (per kWh including PILT)	$0.03989	$0.03860
Demand Charge (per kW)	$11.51	$12.65
Primary Service (with Customer-owned Transformer):		
Base Charge (per month)	$81.00	$90.17
Consumption Charge (per kWh including PILT)	$0.03825	$0.03780
Demand Charge (per kW)	$10.51	$11.80

POWER: NON-SUMMER MONTHS	Jan.-June, Oct.-Dec. 2013	Jan.-June, Oct.-Dec. Proposed 2014
Residential:		
Base Charge (per month)	$8.91	$10.77
Consumption Charge (per kWh including PILT)	$0.07193	$0.06772
Small General Service:		
Base Charge (per month)	$14.20	$17.22
Consumption Charge (per kWh including PILT)	$0.07194	$0.07374
Large General Service:		
Base Charge (per month)	$65.00	$77.98
Consumption Charge (per kWh including PILT)	$0.03816	$0.03974
Demand Charge (per kW)	$10.49	$9.85
Primary Service (with Customer-owned Transformer):		
Base Charge (per month)	$81.00	$90.17
Consumption Charge (per kWh including PILT)	$0.03660	$0.03909
Demand Charge (per kW)	$9.49	$9.24

If approved, the 1.70% rate increase would result in the following average monthly changes by rate class:

AVERAGE CHANGE IN MONTHLY POWER BILL	Overall Avg. Change	Summer Avg. Change	Non-Summer Avg. Change
Residential	$0.57	$3.90	($0.54)
Small General Service	$7.17	$11.04	$5.88
Large General Service	$43.08	$151.78	$6.85

There are only six Primary Service customers with very diverse energy usage profiles, so an average change for that class is not very meaningful.

Development of Coincident Peak Demand Rate Structure

One of the primary goals of this rate study is to make available to our largest customers a coincident peak demand rate structure. Currently, for our largest customer classes, Large General Service (LG) and Primary Service with Customer-Owned Transformer (PT), their electric bill is made up of three components: 1) a monthly base charge; 2) a charge for the number of kWh used; and 3) a charge per kW that is based on the peak demand for that billing

period (also known as the distribution facilities demand). A coincident peak demand rate structure adds a fourth component to the billing: the coincident peak demand charge per kW. The coincident peak demand is the demand reading for a customer at the day and hour that Platte River Power Authority (PRPA) is hitting their peak demand for that month. So, for our large customers, the revenue that is currently collected from the distribution facilities peak demand for the billing period will be split into two parts: 1) revenue from the distribution facilities peak demand for the billing period, but based on a much lower charge per kW; and 2) revenue from the coincident peak demand.

What are the benefits of a coincident peak demand rate structure? There are primarily three:

1) We have had some of our large customers asking us for this rate structure, so we will be responding to those requests.
2) It is a more accurate way to bill a customer. A significant portion of our monthly purchased power bill from PRPA (about 30% on average over the course of a year) is based on what our system demand is at the time of PRPA's monthly system peak. We now will be in a position to bill a large customer very directly for their contribution to that demand component of the PRPA purchased power billing.
3) Some customers have the ability to shed some of their demand at the time of PRPA's monthly system peak if they are notified of when that peak may be coming. If they are successful at shedding demand at the time of PRPA's monthly system peak, they will save money on their electric bill.

It is part of our plan in conjunction with introducing this coincident peak rate structure to inform our customers who are on this rate about when PRPA's monthly system peak demand is expected.

Since this is a pilot program, we wanted to start out with what we believe is a manageable number of customers to have on the coincident peak rate. In analyzing the energy load data from 2012 for our largest customers, and keying in on the distribution facilities demand for those customers, there were seven that stood out from the other large customers. These seven all had an average monthly distribution facilities demand of 1,400 kW or more. So, these seven will make up the pilot program.

A key question that Staff wrestled with in regard to rolling out this rate was: should we take these seven customers and design one coincident peak rate to be applied to all seven of them (the approach the City of Fort Collins uses for their largest customers) or should we develop a custom rate for each of the customers which is tailored to each one based on their energy usage profile (the approach the City of Longmont uses for their largest customers)? We decided to follow Longmont's approach and have a custom rate developed for each of the seven customers. There are pros and cons with each approach, but in the end, we believed it to be best for both the customer and the utility to have rates that specifically incorporate that customer's energy usage profile. In order to make the transition smoother for each of the seven customers, the rate for each customer for 2014 has been designed to generate the same amount of revenue as would have been generated if the customer had stayed with its existing rate class, either LG or PT. If, at the end of 2014 a customer has total billings on the coincident peak rate that exceeds what those billings would have been if they had stayed on their previous

rate class, the Power Utility will refund the difference to the customer. This refund offer will just be for the first year, while the customers are figuring out if and how they can save on their electric bills by shedding demand at the time of PRPA's monthly system peak. After 2014, the rate for each customer will be updated annually to reflect any changes in their energy usage profile and in the cost of serving them. Another important question with regard to launching this rate is whether to make it mandatory or voluntary. Since the rate for 2014 will be revenue neutral compared to what the power bill would have been if each customer stayed on their current rate, and since the rate will be updated annually to reflect any changes in their energy usage profile and the cost of serving them, the recommendation is to make the rate mandatory for all customers who meet the criteria for being on it. The mandatory approach is consistent with how both Fort Collins and Longmont are administering their large customer rate tariffs.

Development of Electric Vehicle Charging Station Rate

Pilot Program

In 2012, the City of Loveland was the first municipality in the nation to deploy an all-electric vehicle. We added two all-electric Nissan Leafs as part of our fleet and installed two single-cord publicly accessible Level 2 charging stations at strategic locations. Due to the success of this pilot program and the positive feedback from business, community and staff members, we are working to expand our commitment to supporting electric vehicles as a mainstream form of transportation.

Drive Electric Northern Colorado

In late 2012, Northern Colorado was selected through a national search process by the Electrification Coalition, a non-profit electric vehicle (EV) advocacy organization, to be the focus of a model "EV Deployment Community" initiative. The EV Deployment Community model seeks to engage all parties from governments to cities to businesses, suppliers and end-users in the EV ecosystem to coordinate efforts and develop and demonstrate scalable and replicable best practices for supporting widespread EV adoption. This Front Range effort has been branded as Drive Electric Northern Colorado (DENC). Partners of this initiative are the City of Loveland, the City of Fort Collins, and Colorado State University (CSU), and the initiative is sponsored by the Electrification Coalition. This program was formally launched and publicly announced on February 25, 2013 at the Museum of Discovery in Fort Collins. The aim of this regional effort is to become a comprehensive plug-in electric vehicle deployment community.

Project Summary

There are three classes of electric vehicle charging station equipment based on the type of power required and relative speed of charging.

- **Level 1** charging uses ordinary household 120 volt power and can be supported by plugging the electric vehicle into a typical electric outlet. Driving range for each hour of charging time is between 2 and 5 miles for Level 1 charging.
- **Level 2** charging requires using a battery charging appliance powered by 240 volt electric service similar to what is used by clothes dryers and air conditioners. Driving range for each hour of charging time is between 7 and 20 miles for Level 2 charging.
- **Level 3** charging requires advanced direct current (DC) quick charging equipment powered by 480 volt high power commercial electric service. Level 3 chargers can provide 60 to 80 miles of driving range in less than 30 minutes.

The City is installing four publicly accessible charging stations at strategic locations around Loveland and electric vehicle drivers will pay a user fee for electric vehicle charging. These publicly accessible charging stations are Level 2 dual-cord chargers which will provide the community with eight electric vehicle charging opportunities in the City of Loveland. The locations of these publicly accessible charging stations are as follows:

Location	Charging Station Level & Number of Cords	Planned Availability Date
Civic Center 500 E. 3rd Street	Level 2 – dual cord charging station	October 1, 2013
Service Center 200 N. Wilson Avenue	Level 2 – dual cord charging station	October 1, 2013
Library 300 Adams Avenue	Level 2 – dual cord charging station	October 1, 2013
McKee Hospital 2000 Boise Avenue	Level 2 – dual cord charging station	October 1, 2013

The user fee for these Level 2 charging stations will be $1.00 per one-hour charging session, with $1.00 being the minimum fee for a charging session and each additional hour will be $1.00, so the charging sessions will be sold in one-hour blocks. These fees are calculated to recover the direct energy, equipment purchases and user fee payment processing costs associated with each charging session. The user fees are not calculated to recover capital and installation costs. The City has received a grant from the State of Colorado for assistance with capital and installation costs. If adopted by City Council, this new charging station rate will go into effect January 1, 2014, so the public will have the opportunity to use the charging stations for free until then.

RECOMMENDATIONS:

1) Recommend moving forward with the proposed rates for 2014 for the existing customer classes
2) Recommend moving forward with the methodology for launching the Coincident Peak Demand rate design
3) Recommend moving forward with the proposed rate design for the Plug-In Electric Vehicle Charging Station

REVIEWED BY DIRECTOR: MG for SA

City of Loveland

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AGENDA ITEM: 6
MEETING DATE: 8/14/2013
SUBMITTED BY: Greg Dewey, Civil Engineer – Water Resources

TITLE: Idylwilde Hydroelectric Project Relicensing & Permitting Update

DESCRIPTION:
The purpose of this item is to provide LUC with information regarding the required relicensing of Idylwilde Hydroelectric Project by the Federal Energy Regulatory Commission (FERC). Comments and suggestions from the LUC are requested at this meeting.

SUMMARY:
The City of Loveland faces a decision. That decision is to either relicense and refurbish or surrender the license and decommission the Idylwilde Hydroelectric Project. The project consists of a dam, reservoir, penstock, turbines and powerhouse. Either choice will be costly and require months of permitting, design and construction, but it appears the cost for either choice is roughly equivalent to at least $6 million. The cost estimates are based on current engineering estimates for decommissioning and relicensing. The estimates are comparable and valid for decision making purposes. The actual costs may vary from the estimates based on bids received at the time the decision is implemented.

The decision must be made this fall to allow for compliance with the schedule for activities as dictated by the federal government. When the decision is made, Loveland needs to inform the various federal agencies of its intentions for the project. Staff will work with USFS and outreach to the other stakeholders during this process.

Water and Power staff have been working on the relicensing matter for years; however, it has become apparent that the option of decommissioning may be attractive given the economics of the project, even though decommissioning also has significant costs. Bulleted lists of the work done to date, the relicensing scenario, and the decommissioning scenario are included in Attachments A, B, and C, respectively. Photos of a June 4, 2013 field inspection of the project are in Attachment D. Identified agencies and other stakeholders are listed in Attachment E.

Staff has prepared draft information so that a discussion can be held. FERC states that the City cannot formally pursue both relicensing and decommissioning (license surrender) simultaneously. Staff has and continues to summarize information for city decision makers to be presented at the following public meetings. Dates are driven by the need to complete a relicensing process by March 8, 2016, so as to maintain continuity of compliance:

- Meetings with potentially affected parties (August through October)
- USFS meeting with staff and consultant discussing preferred options (late-August)
- Parks & Recreation Commission (September 12, 2013)
- Loveland Utilities Commission (September 18, 2013
- Loveland Utilities Commission (October 16, 2013)
- Study Session at City Council (October 22, 2013)
- Consideration/decision by City Council (November 5, 2013)

RECOMMENDATION:
Review the attached materials and suggest any other information that might be helpful in formulating a recommendation to City Council at a later date.

REVIEWED BY DIRECTOR: MS for SA

ATTACHMENTS:
Attachment A: Background on Idylwilde Project
Attachment B: Relicensing Scenario
Attachment C: Decommissioning (license surrender) Scenario
Attachment D: Project Photo Journal (June 4, 2013)
Attachment E: Notice of Intent with Identified Agencies and Stakeholders

Attachment A: Background on Idylwilde Project

1. History on Idylwilde Project:

- Planning for the municipal project began in 1912, leading to completion of the dam on U.S. Forest Service property in 1917. The hydroelectric plant was then constructed on municipally-owned property, now Viestenz-Smith Mountain Park, allowing generation and distribution of electricity beginning February 11, 1925.

- On July 31, 1976, the Big Thompson Flood destroyed 75 percent of the concrete dam, washed out or damaged approximately 1,700 lineal feet of penstock pipeline, and totally destroyed the hydroelectric plant, substation, and appurtenances.

- On December 6, 1977, Loveland filed an application for a minor license to reconstruct the projects (to be known by FERC as the Loveland Project No. 2829.) Although the new project used two 450kw generating units, compared to the former project's three 300kw generating units, the rated generation capacity was the same at 900kw.

- On June 30, 1978 FERC issued an order granting the license.

- The project was reconstructed as follows: (1) a concrete gravity type diversion dam, 238 feet long and 42.5 feet high; (2) a reservoir forebay containing 45 acre-feet of water; (3) a 36-inch diameter penstock pipeline 9,534 feet long; (4) a powerhouse containing the two 450 kw generating units; (5) a 24-kv transmission line 1,055 feet long; and (6) appurtenant facilities.

- The facilities were back in operation in 1981.

2. History on licensing:

- FERC issued the existing license for the Idylwilde Project on June 30, 1978 when the project had to be rebuilt due to the Big Thompson Flood.

- Since the dam and portions of the penstock/pipeline are on United States Forest Service (USFS or Forest Service) property, an easement or special use permit from USFS is required. The Forest Service proposed to issue a special use permit in lieu of an easement upon expiration of the current easement.

- To continue operating the project, a renewed license from the Federal Regulatory Energy Commission (FERC) is required.

- The current FERC license and USFS easement both expire on March 8, 2016.

- City embarked on the process of relicensing with FERC and USFS easement renewal in 2010. USFS says a Special Use Permit will be more appropriate than an easement, so a special use permit will likely be the required instrument.

- City developed Pre-Application Document (PAD) for public review, dated February 7, 2011.

3. Work performed to date:

- The City set up a website with various documents, including the notice of intent letter and PAD. The site can be found here: Idylwilde Hydro Facility Relicensing http://www.cityofloveland.org/index.aspx?page=555

- City had the studies / reports prepared in the PAD process of the following subjects:
  - Geology and Soils
  - Hydrology
  - Water Resources
  - Water Quality
  - Fisheries and Aquatic Resources
  - Wildlife and Biological Resources
  - Wetlands
  - Recreation and Land Use
  - Cultural Resources

- Additional studies have been performed regarding dam stability, dam maintenance, powerhouse assessment, fisheries / benthic habitat.

2. Future options for Idylwilde Project:

- Continued operation (relicensing) with major rehabilitation for dam safety and power generation.

- Decommissioning of the project (license surrender). **Note:** License surrender allows any other party to apply to FERC for licensing of a project at this site.

- FERC states that the City cannot formally pursue both decommissioning (license surrender) and relicensing at the same time.

- FERC has been kept informed of the City's informal review of the decommissioning option.

- The decommissioning option was discussed with the Forest Service staff at a meeting in October, 2011.

- Either relicensing or decommissioning require FERC approval and a National Environmental Policy Act (NEPA) process, likely an Environmental Assessment (EA) based on discussions with FERC.

Attachment B: Relicensing Scenario

1. Brief Summary of relicensing issues:

In response to an issue raised by FERC, Loveland initiated an analysis of dam stability. The City also estimated the cost of needed repairs and rehabilitation of the power generating system. Results indicate that:

- Current state safety requirements are not met for some loading conditions on the dam.
- Costs of meeting current state requirements for the dam and rehabilitating the power system range from $5 Million to $6 Million, depending on the option.
- These costs would be incurred under a relicensing option. Costs would be offset by power generation benefits, but over a relatively long period of time.
- These costs and the expected economic benefit have caused the City to seriously consider the option of decommissioning the project (license surrender).

2. Review of Relicensing Scenario

Idylwilde Dam:

- Implement safety option to stabilize the dam, as recommended by dam consultant, GEI.
- Implement maintenance and seepage control plan at dam, as recommended by dam consultant, GEI.
- Implement improvements recommended by powerhouse condition assessment consultant, Sunrise Engineering, such as improved debris screens.
- Partial or complete sediment removal may be required. However, GEI responded to FERC and State Engineer's Office that sediment is not a safety hazard to dam.
- Minimum bypass flow of 7 cubic feet per second must be maintained in the future.
- No winter operations allowed.

Pipeline:

- Replace wooden trestle #2 with a steel trestle.
- Erosion protection and rust control on pipeline necessary.

City Hydroelectric Powerhouse:

- Rehabilitate existing turbines or install new turbines.
- New turbines will require new powerhouse, adjacent to existing powerhouse.
- Improve control capability.

3. Discussion of process and Forest Service participation:

- If the City decides to relicense, the relicensing and special use permit process will continue.
- Relicensing requires FERC approval and a National Environmental Policy Act (NEPA) process with formal Forest Service participation, likely an Environmental Assessment (EA) based on discussions with FERC.

Attachment C: Decommissioning (license surrender) Scenario

1. Brief Summary of significant decommissioning costs to the City:

- Dam removal required. Partial dam removal estimated to cost $3 million; complete dam removal estimated to cost $3.6 million.

- Disposition of sediments behind dam and site restoration. The cost of sediment removal and dam site restoration could be approximately $1.0 million with complete sediment removal.

- Disposition of pipeline. All above ground piping would be removed. Degree of removal for below ground piping increase the total cost.

2. Need for Forest Service input in the development of preferred option:

- In order to reach a local public decision with City's advisory boards and elected City Council regarding decommissioning or relicensing, the City needs informal input from the Forest Service over the next few months to determine if decommissioning is feasible or desirable, including:

    - Whether the Forest Service would expect complete or partial dam removal.
    - The Forest Service's likely opinion regarding sediment removal and site restoration options.
    - Disposition of the pipeline on Forest Service land, i.e., removal of surface pipeline sections followed by restoration; leaving section in place behind rock wall between dam and private land.

- Costs of decommissioning vary significantly depending on Forest Service preferences/requirements regarding:
    - Partial or complete dam removal
    - Degree of sediment removal
    - Final disposition of pipeline.

3. Review of Decommissioning Scenario:

Idylwilde Dam:

- Partial dam removal demolishes currently-visible items. The existing dam structure would be dismantled along construction joint. Upstream cutoff wall and riprap to remain. Estimated to cost $3 million.

- Complete dam removal demolishes all items, even those below existing grade. Excavation to bedrock is anticipated in this scenario. Estimated to cost $3.6 million.

- Final grading of streambed is the same for both dam removal options; difference is extent of excavation and removal of structures below final grading.

- Sluicegate is removed in both options. Flow will not be impeded, so no need for a minimum bypass flow requirement.

- Partial or complete sediment removal is anticipated. Complete sediment removal estimated to cost $1 million.

- Post-dam use of highway pullout and parking area needs to be addressed. Does Colorado Department of Transportation (CDOT) or Colorado Parks and Wildlife (CPAW) want this to remain?

Pipeline:

- Removal of trestles and other facilities, followed by restoration with natural vegetation.

- Plugging exposed ends of pipeline and tunnel or fill entire length of buried pipe?

- Leave in place section behind rock wall between dam and private land?

- Erosion protection and rust control on left behind, exposed, above-ground sections of pipeline still necessary?

- Private parties located along its length should be considered.

- Need to provide water for tailrace pond at Viestenz-Smith Mountain Park

City Hydroelectric Powerhouse:

- Powerhouse and turbines to remain or be removed?

4. Discussion of process and Forest Service participation:

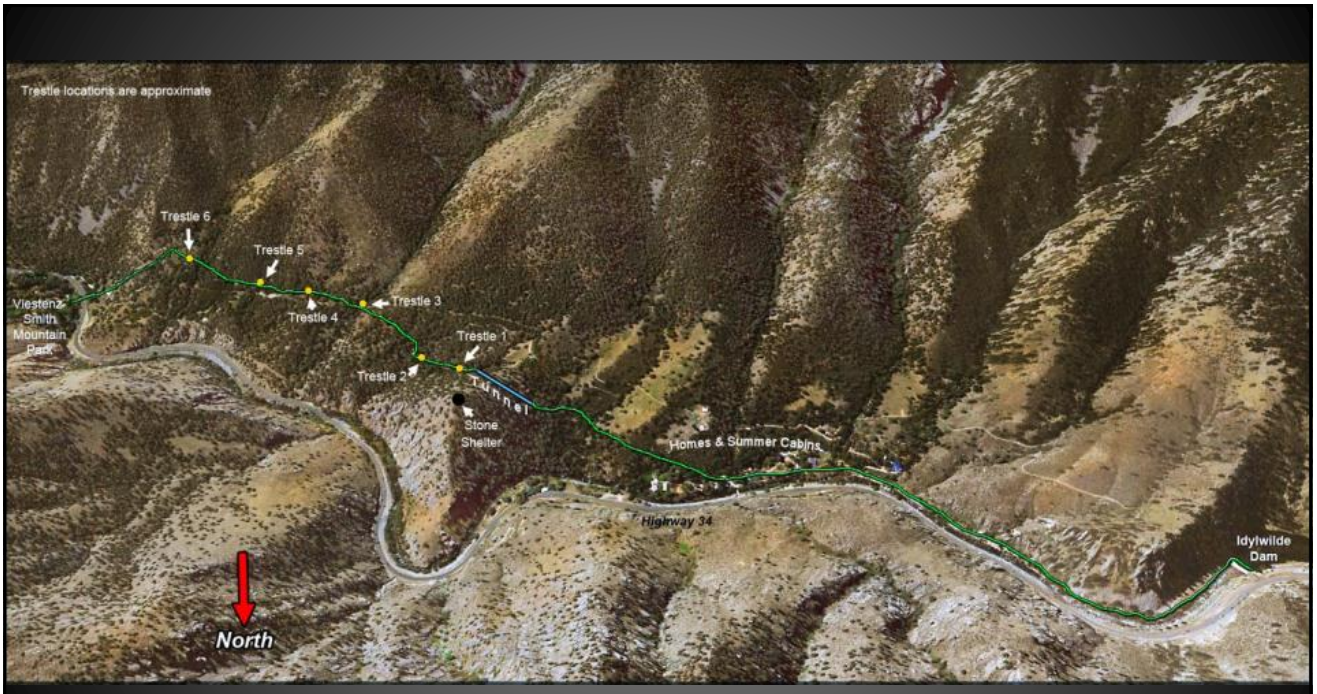
- If the City decides to decommission, the license surrender process will be initiated with FERC.

- NEPA compliance required (i.e. Environmental Assessment) with formal Forest Service participation.

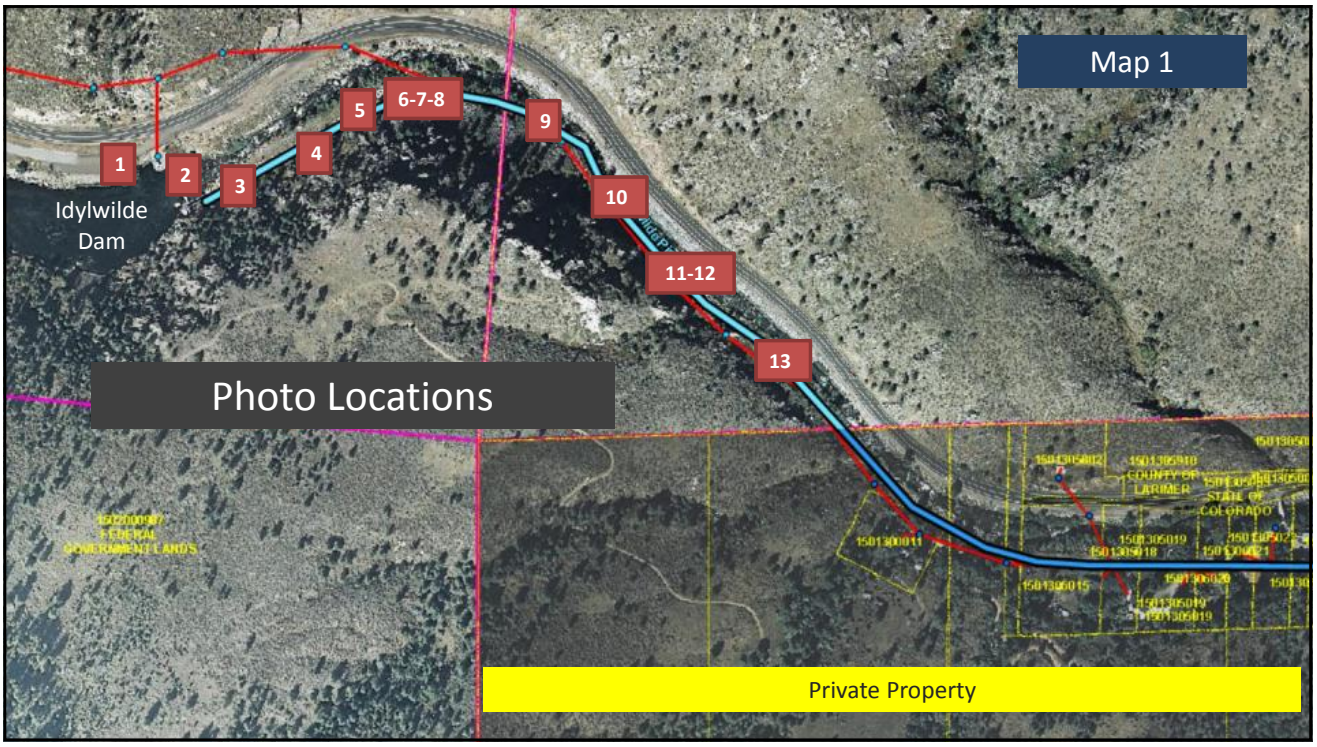
Idylwilde Dam, Pipeline Route and HydroElectric Powerhouse

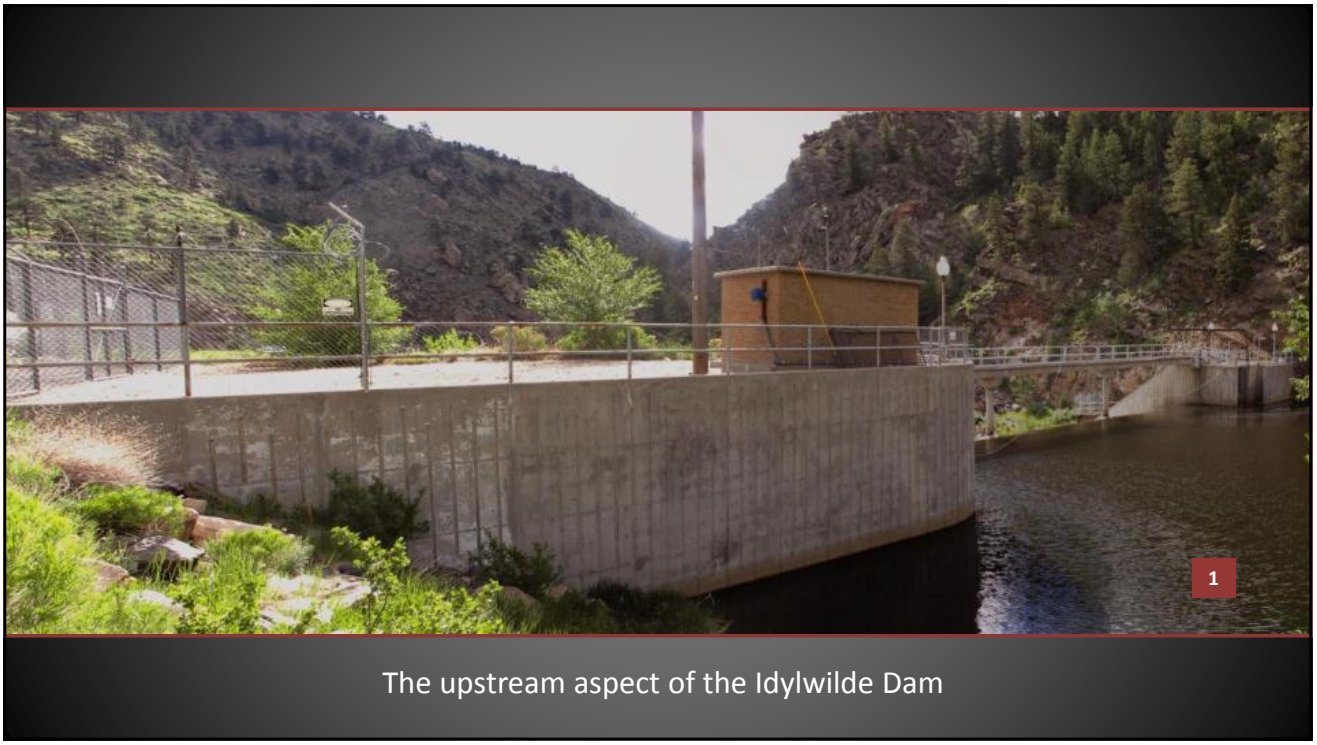
Project Photo Journal
June 4, 2013

City of Loveland, CO



Project Overview





The upstream aspect of the Idylwilde Dam

2

Looking downstream from the Dam

Large boulders over the pipe just below the dam.

4


Pieces of the original dam in the fill.
6


A steel beam in the fill.
7


Pipeline coverage about one quarter mile below the dam.
8

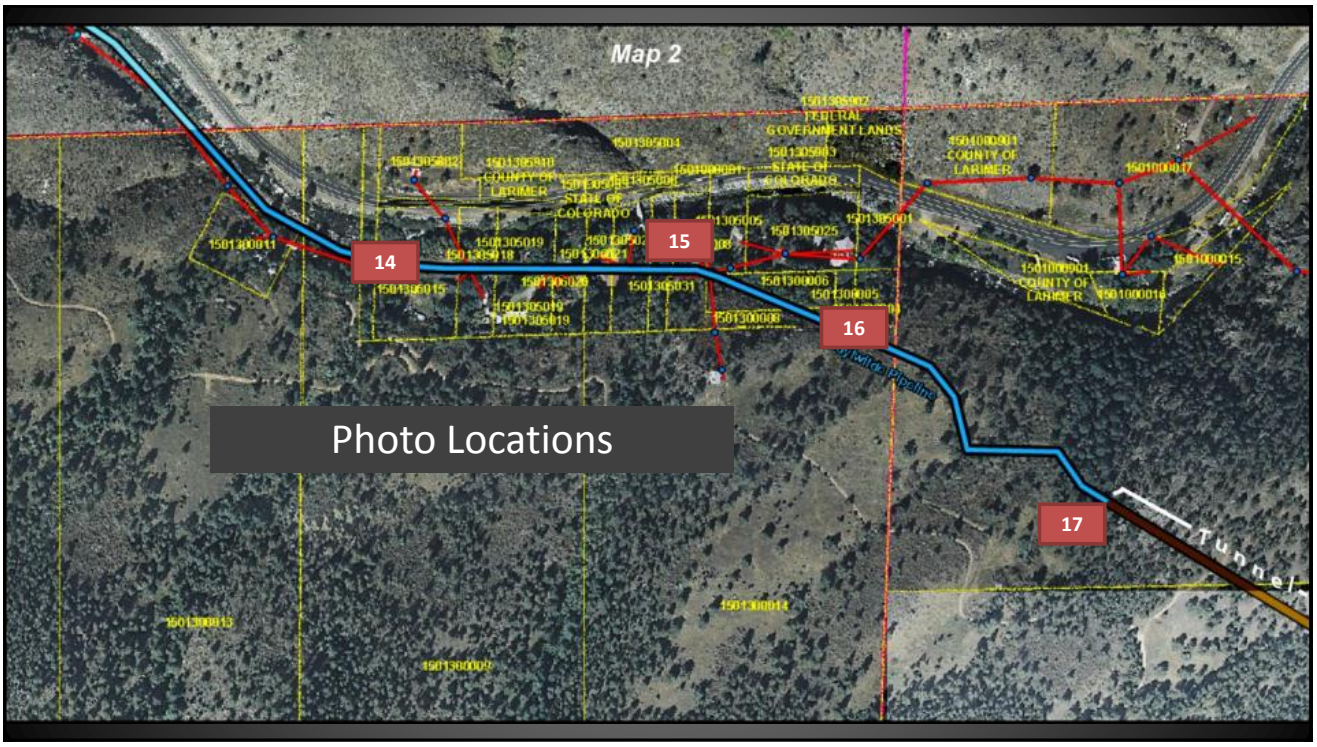

Pipe exposed.
9


Typical pipe coverage
10


Exposed flange.
11


A small area of erosion about a half mile below the dam.
12

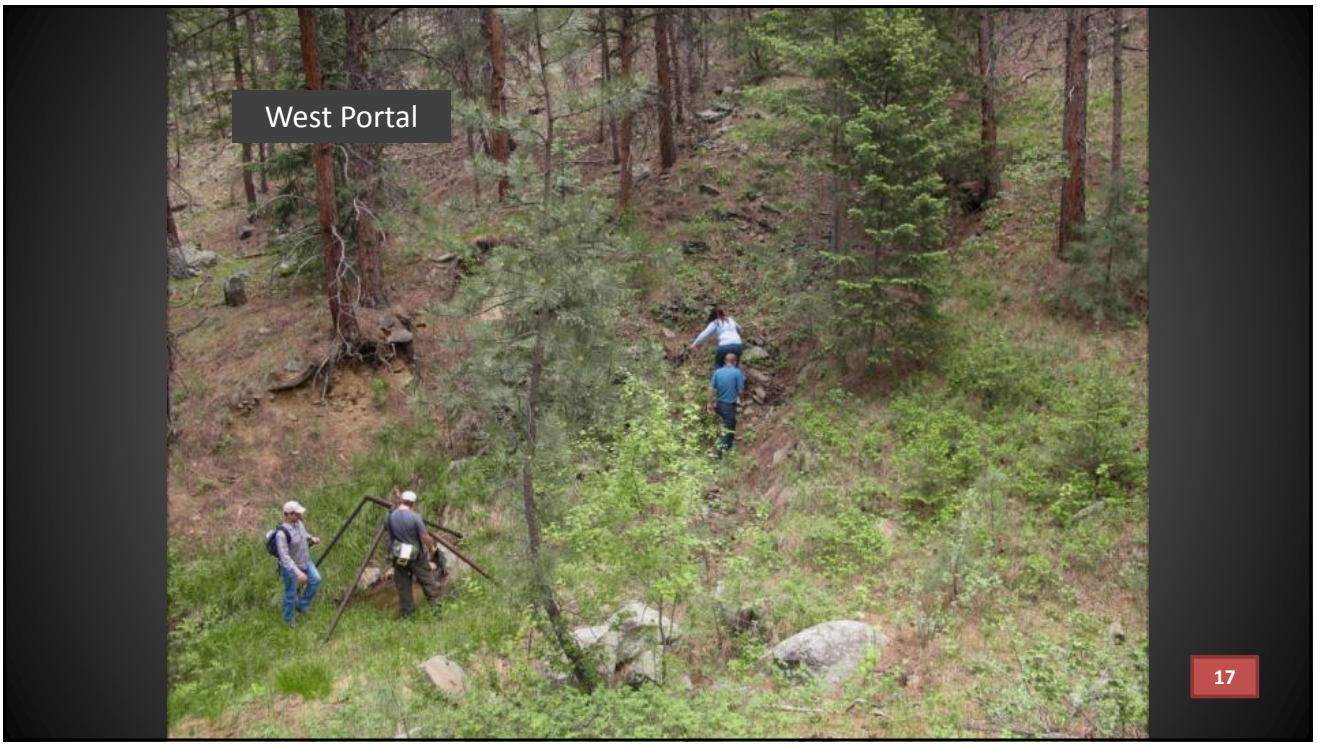

A drainage culvert beneath the pipeline.
13

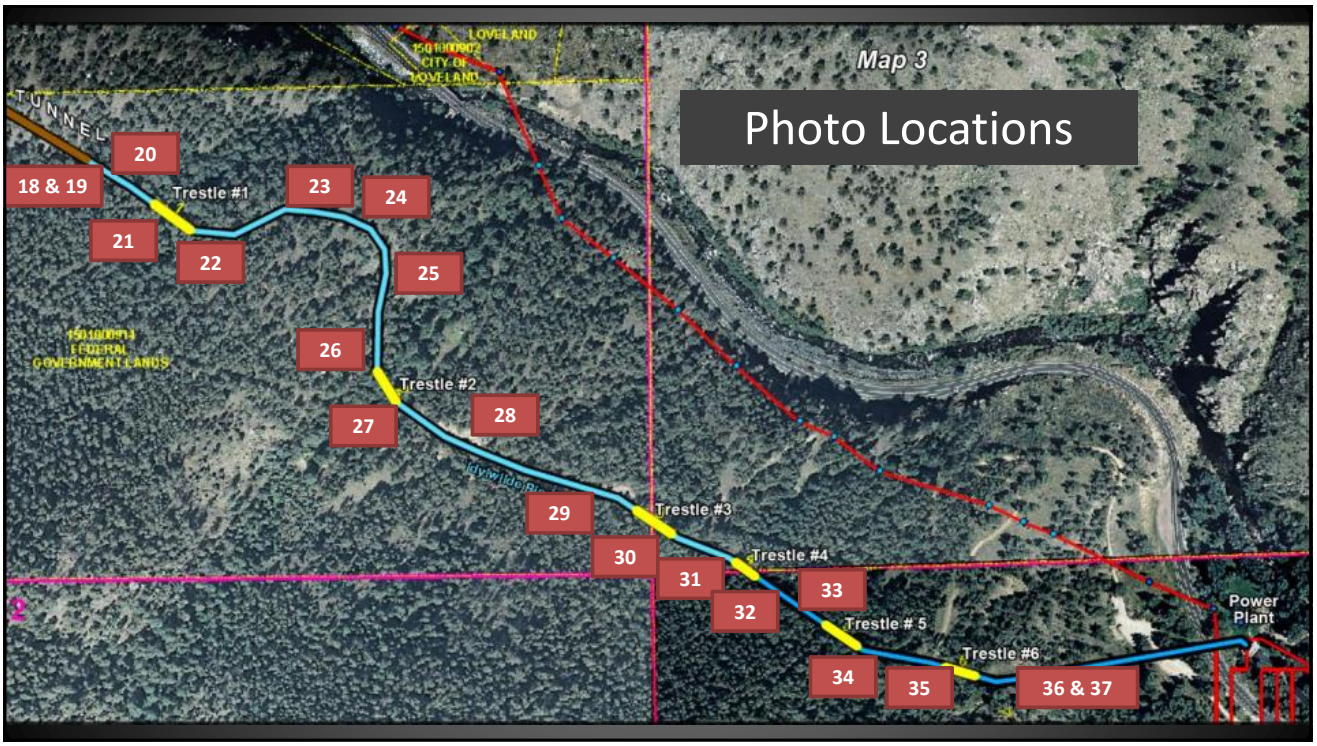

Map 2
Photo Locations
14
15
16
17
Tunnel


Pipeline beneath the road.
14


The area behind the homes and summer cabins near where the pipeline leaves private property.
15


Pipeline cover about halfway between private property and the west portal of the tunnel.
16


West Portal
17


Map 3
Photo Locations
TUNNEL
LOVELAND
CITY OF LOVELAND
FEDERAL GOVERNMENT LANDS
Trestle #1
Trestle #2
Trestle #3
Trestle #4
Trestle # 5
Trestle #6
Power Plant
18 & 19
20
21
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23
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28
29
30
31
32
33
34
35
36 & 37

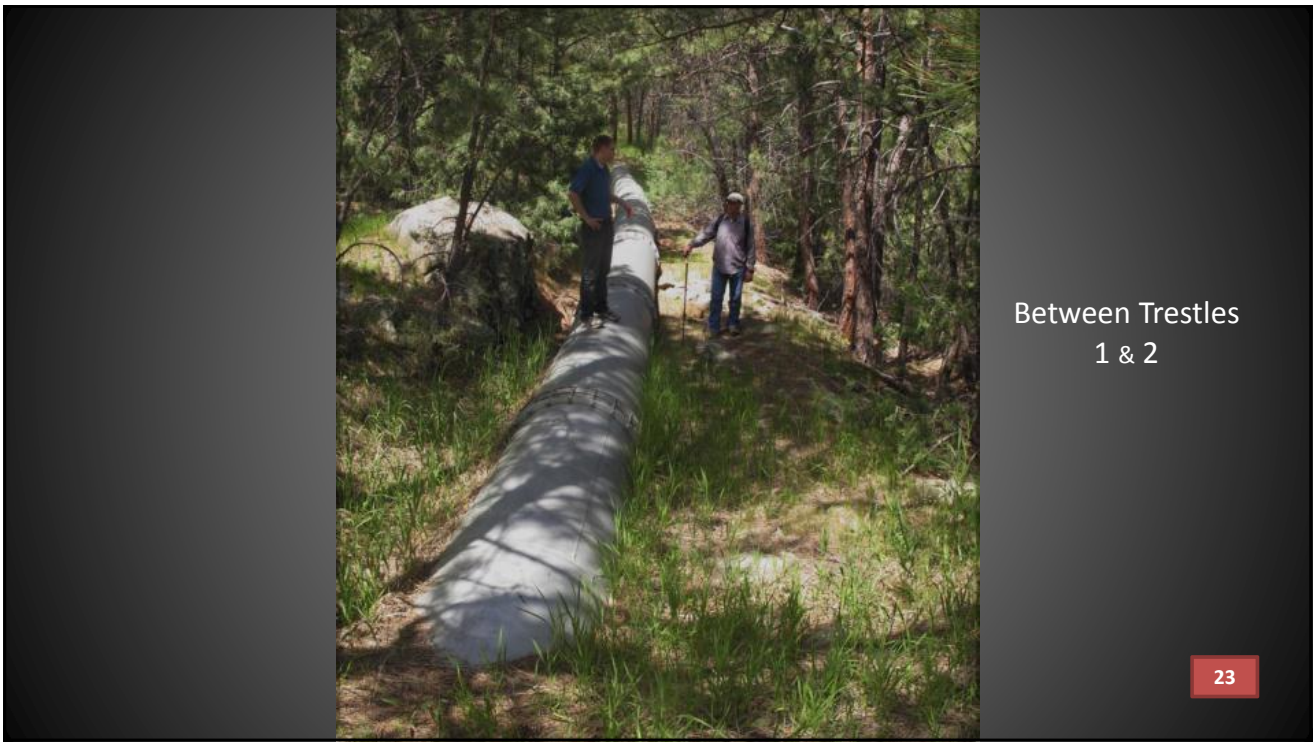

East Portal
18


Access cover over the East Portal
19


Approaching Trestle 1
20


Trestle 1
21


Looking back at Trestle 1
22


Between Trestles 1 & 2
23

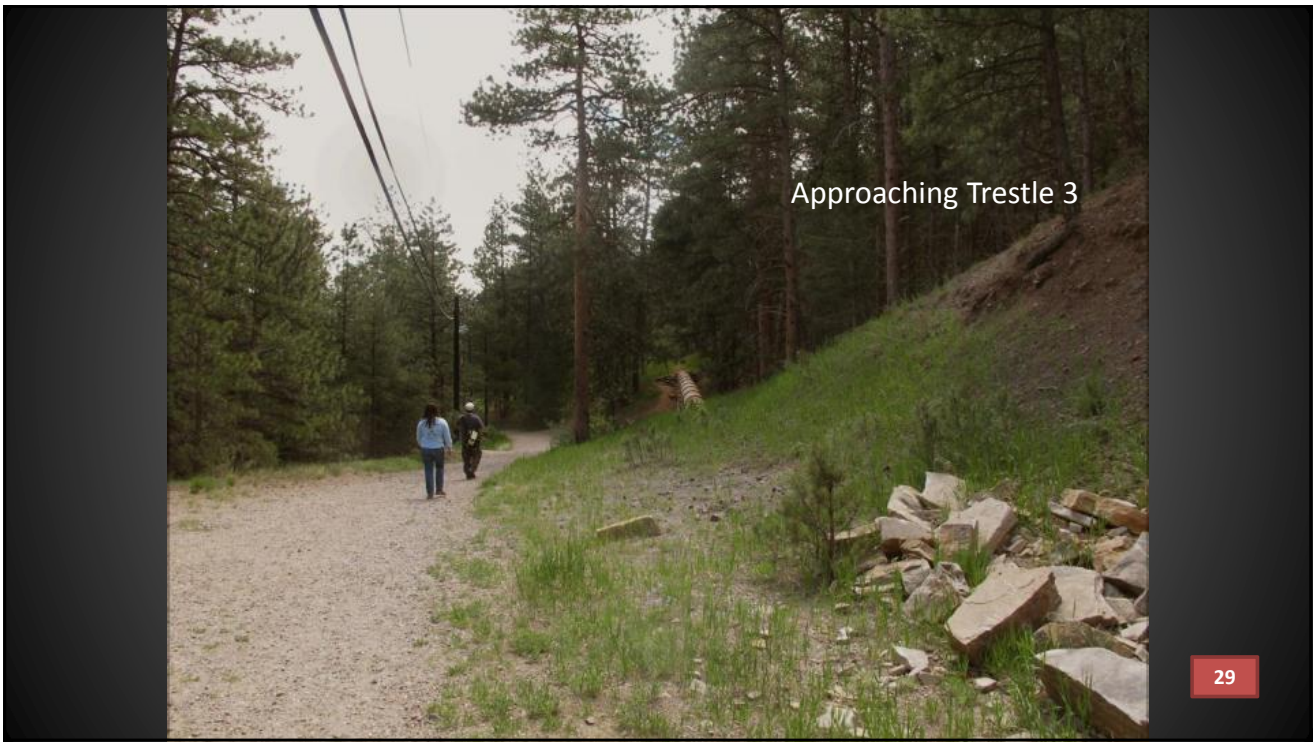

Between Trestles 1 & 2
24


Between Trestles 1 & 2
25


Trestle 2
26


Looking back at Trestle 2
27

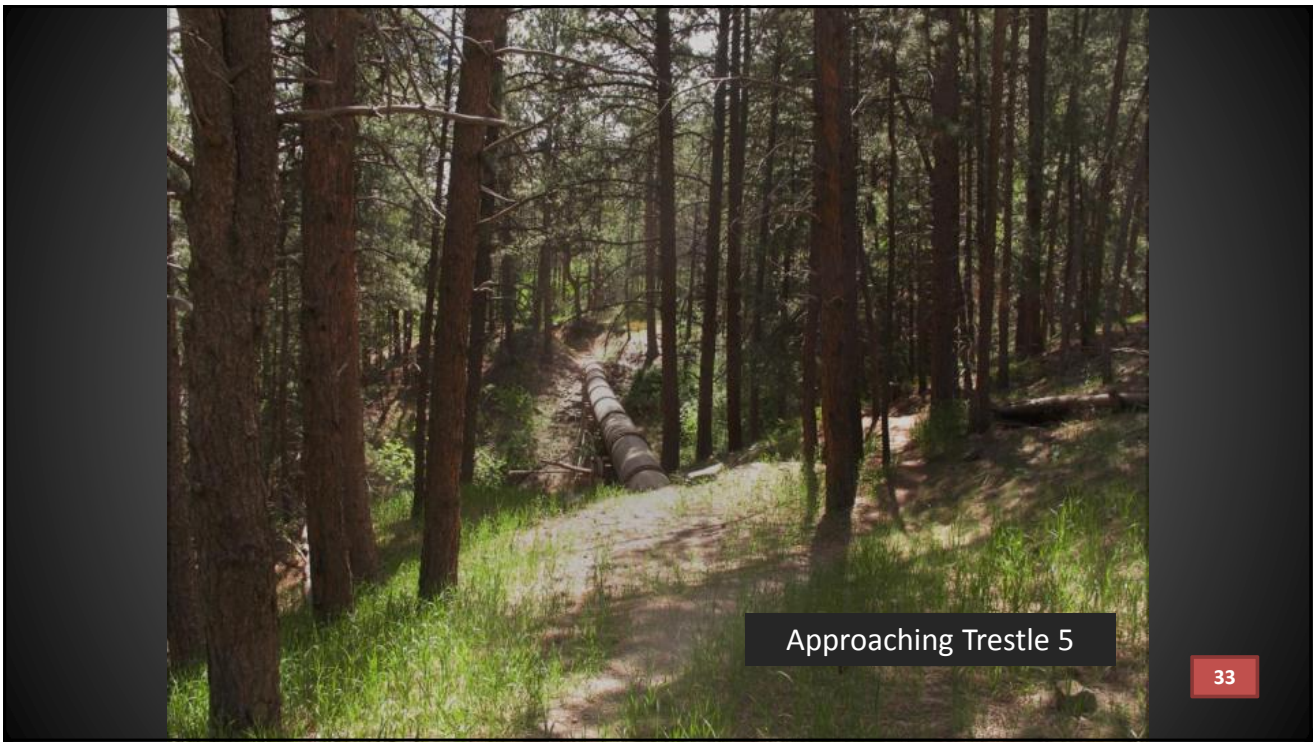

Between
Trestles 2 & 3
28


Approaching Trestle 3
29


Trestle 3
30


Approaching Trestle 4
31


Passing Trestle 4
32


Approaching Trestle 5
33


Looking back at Trestle 5
34


Trestle #6
35

Trestle #6 & Palisade Mountain From the beginning of the Round Mountain Trail

36

The vent pipe at the start of the Round Mountain Trail

37

Idylwilde Dam, Pipeline Route and HydroElectric Powerhouse

Ancillary Items

City of Loveland, CO

Water taps to property owners.

Clean up of West Portal

Vent structure above West Portal

Pipe flange near the East Portal

Access cover at East Portal

Access cover just below East Portal

Drainage culvert below East Portal.

Pipe above ground between Trestles 1 & 2

Vent between Trestles 4 & 5

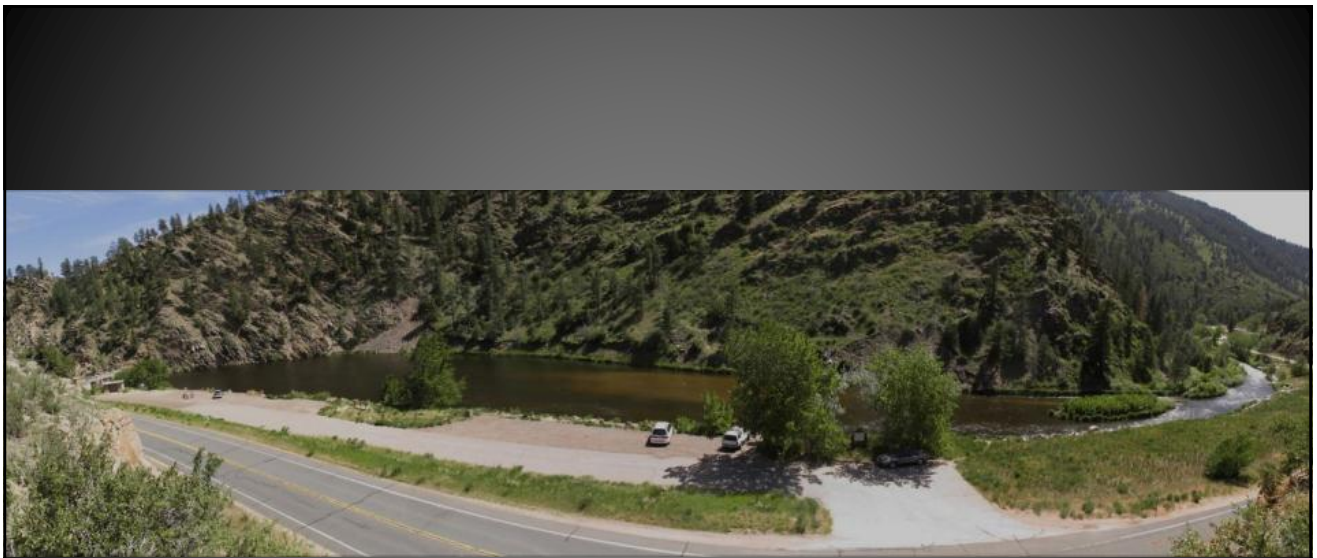
Drainage structure between Trestles 5 & 6

Structure at the east end of Trestle 6

Vent structure at Trestle 6

Possible restoration after removal at the east end of Trestle 3

Trestle 3 removal and possible restoration



Panoramic View of Idylwilde Dam, Reservoir and Recreation Area

Closer view of Reservoir and Recreation Area

City of Loveland

Water and Power Department

Service Center • 200 North Wilson Avenue • Loveland, CO 80537
(970) 962-3000 • Fax (970) 962-3400 • TDD (970) 962-2620
www.cityofloveland.org

February 7, 2011

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Regarding:

- **City of Loveland, Colorado, Project Number P-2829, (Minor), a.k.a. Idylwilde Hydropower Project, (P-2829)**
- **Transmittal of Notification of Intent (NOI) and Pre-Application Document (PAD)**
- **Notification of Request for Designation as non-Federal Representative**
- **Notification of Request for License Renewal and Request to use the Traditional License Process (TLP)**

Dear Secretary Bose:

This letter is in reference to the Federal Energy Regulatory Commission's (FERC's or Commission's) September 18, 2009 guidance letter on the preparation of a license application for the City of Loveland Idylwilde Hydropower Project (FERC Project Number P-2829). It hereby conveys notification of the intention of the City of Loveland to file an application for a subsequent license for the City of Loveland, Colorado Project, FERC Number P-2829.

Notification of Intent (NOI) and Pre-Application Document (PAD)

Pursuant to 18CFR§5.5 and 5.6 of the Commission's regulations, the City of Loveland is transmitting herewith its Notification of Intent (NOI) and Pre-Application Document (PAD). Copies of the NOI are also being sent to resource agencies, Indian tribes, municipalities, counties, and interested parties.

Project Description

The Idylwilde Hydropower Project (P-2829) is small, with a total nameplate capacity of 900 kW. It has been in operation on the Big Thompson River about 14 miles west of the City of Loveland, providing power for the community since February, 1925 except for five years rebuilding destroyed project components following the Big Thompson Canyon Flood on July 31, 1976. The city's records indicate that activities leading to the financing, design and construction of the project began as early as 1912. Facilities include a concrete gravity diversion dam 239' in overall length with a 110' concrete ogee overflow spillway section with crest elevation 6,017' msl, and a 12" diameter outlet providing minimum bypass flows of 7.0 cfs. The diversion dam forms an impoundment with a surface area of 3.67 acres, a maximum storage capacity of approximately 45 acre-feet, and a maximum depth of 24' at spillway crest elevation. A 36" diameter penstock, 9,534 in length, crosses U.S. Forest Service, private, and municipal properties to deliver water to two 450 kW turbine-generator units located in a small powerhouse located in Viestenz-Smith Park, which belongs to the licensee, City of Loveland.

Request for Designation as non-Federal Representative

The City of Loveland hereby requests that it be designated as the Commission's non-Federal representative for purposes of consultation under section 7 of the Endangered Species Act and the joint agency regulations thereunder at 50 CFR Part 402. The City also requests authorization to initiate consultation under section 106 of the National Historic Preservation Act and the implementing regulations at 36 CFS § 800.2(c)(4).

Request for Traditional License Process (TLP)

Because of the relatively small size of the project and its generation capacity, the long history of successful operation and service, and because no changes to the configuration or operation of the project are proposed, impacts on the natural resources and environment from continued operation are considered to be minimal. The project has historically provided pleasant recreational opportunities and remains an amenity enjoyed by many in the surrounding area. In addition to the benefit for the city from the power produced, the site provides opportunities for lake fishing, stream fishing, hiking, picnicking, historical and environmental education, family gatherings and weddings.

Pursuant to Section 5.3 of the Commission's regulations, 18CFR§5.3, the City of Loveland believes the Traditional Licensing Process (TLP) offers an efficient and effective option for accomplishing this process in a timely manner, and hereby requests use of the TLP for the licensing of the City of Loveland, Colorado Project, a.k.a. Idylwilde Hydroelectric Project, FERC Project No. P-2829.

The TLP provides ample opportunities for public involvement and comment, but by design is less comprehensive in scope than the Integrated License Process. As discussed previously in this letter, this project is small at a total 900 kW nameplate output. Its history spans many decades of operation and community benefit from the power produced and from the recreation provided in association with the facilities, and the anticipated level of controversy is expected to be minimal. Over the last several months the city's staff has initiated contact with local, state and federal entities and potentially interested parties in anticipation of initiating the process to relicense this project. These contacts have resulted in meetings and opportunities to share information, to explain the City's intention to relicense the project and the process it will use, and to gather informal input. Obviously much work lies ahead as formal comments are gathered, but controversy concerning the continued operation of this small community project has not been encountered and is not anticipated. The TLP offers an efficient and effective path to the successful relicensing of the project.

Recent studies associated with development of the Pre-Application Document were conducted documenting the existing environment and identifying preliminary issues and recommended studies. The recent studies encompassed geology and soils, water resources and water quality, fisheries, wildlife, vegetation, wetlands, threatened and endangered species, cultural resources, recreation and land use. Some additional data collection is recommended to refine information on water resources, water quality and fisheries for the application. As a result, no disputes over the need for resource studies are anticipated. Any unanticipated disputes can be addressed in the Traditional License Process. No impacts on tribal resources have been identified. The complexity of the issues associated with project relicensing is low.

Publication of Notice

As required by 18 CFR § 5.3(d)(2), the City of Loveland is publishing notice of this request simultaneously with the publication of notice of availability of the NOI and PAD in the *Loveland Reporter-Herald* newspaper, of general circulation in Larimer County, Colorado, where the Project is located and in the *Denver Post*, of general statewide circulation. As required by 18 CFR § 5.3(d)(1), the City is also concurrently providing copies of this request to all affected resource agencies, Indian tribes, and potentially interested parties.

Comments on using Traditional License Process (TLP)

By copy of this letter, the City of Loveland is notifying the resource agencies, Indian tribes, and potentially interested parties that comments on this application for using the Temporary License Process (TLP) must be provided to the Commission no later than March 9, 2011. All comments should reference FERC Project No. P-2829—City of Loveland Project, a.k.a. Idylwilde Hydroelectric Project, and they should address, as appropriate to the circumstances of the request, the following topics:

- Likelihood of timely license issuance;
- Complexity of the resource issues;
- Level of anticipated controversy;
- Relative cost of the TLP compared to the ILP;
- The amount of available information and potential for significant disputes over studies; and
- Other factors believed by the commenter to be pertinent.

Comments should be submitted to the Commission electronically in accordance with procedures posted on the Commission's website at http://www.ferc.gov, pursuant to 18 CFR § 385.2003(c), or by sending an original and eight copies to:

Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

If you have any questions or need additional information, please contact Larry Howard, Senior Civil Engineer for Water Resources at (970) 962-3703 or via email at howarl@ci.loveland.co.us.

Respectfully submitted,

William D. Cahill,
City Manager

Ralph K. Mullinix
Director, Loveland Water & Power

Enclosures:

- List of agency, tribal, governmental, private, and special interest groups copied (w/o Pre-Application Document).
- Notification of Intention
- Pre-Application Document

Entity	POC & Mailing Address	E-Mail Address
Big Thompson Watershed Forum	Zach Shelley 800 S. Taft Avenue Loveland, CO 80537	zshelley@btwatershed.org
Colorado Department of Public Health and Environment	John Hranac Surface Water Specialist WQ Control Division WQDC-WSP-EDU-B1 4300 Cherry Creek Drive South Denver, CO 80246-1530	john.hranac@state.co.us
Colorado Division of Transpiration	Gloria Hice-Idler CDOT Division Four 1420 2nd Street Greeley, CO 80631	Gloria.Hice-Idler@dot.state.co.us
Colorado Division of Wildlife	Larry Rogstad 4207 W. County Road 16E Loveland, CO 80537	larry.rogstad@state.co.us
Colorado State Engineers Office	John Batka 810 9th Street #200 Greeley, CO 80631	john.batka@state.co.us
Colorado State Historic Preservation Officer	Edward Nichols Civic Center Plaza 1560 Broadway #400 Denver, CO 80202	oahp@chs.sgtate.co.us
Larimer County - Natural Resources	Gary Buffington 1800 S. County Road 31 Loveland, CO 80537	gbuffington@larimer.org
Larimer County - Planning	Rob Helmick 200 W. Oak Street Fort Collins, CO	rhelmick@larimer.org
Larimer County - Road and Bridge	Dale Miller 2643 Midpoint Drive Fort Collins, CO 80524	dmiller@larimer.org
Northern Colorado Water Conservancy District	Eric Wilkinson 220 Water Avenue Berthoud, CO 80513	ewilkinson@ncwcd.org
US Bureau of Land Management	Edward Rumbold 2850 Youngfield Street Lakewood, CO 80215	edward_rumbold@blm.gov
US Bureau of Reclamation	Andrew Gilmore 11056 W. County Road 18E Loveland, CO 80537	agilmore@usbr.gov
US Environmental Protection Agency	Melanie Wasco NEPA Compliance and Review Program 1595 Wynkoop Street Denver, CO 80202-1129	wasco.melanie@epamail.epa.gov
US Fish and Wildlife	Sandy Vana-Miller USFWS, ES, Colorado Field Office P.O. Box 25486 DFC (MS 65412) Denver, Colorado 80225-0486	sandy_vana-miller@fws.gov
US Corps of Engineers	Franklin Scott 9307 S. Wadsworth Boulevard Littleton, CO 80128	j.scott.franklin@usace.army.mil
US Forest Service	Sue Greenley Canyon Lakes Ranger District 2150 Centre Avenue, Bldg. E Fort Collins, CO 80526	sgreenley@fs.fed.us
TRIBES		
Southern Ute Indian Tribe of the Southern Ute Reservation	Matthew Box, Chairman P.O. Box 737 Ignacio, CO 81137	
Northern Cheyenne Tribe	Leroy Spang, President P.O. Box 128 Lame Deer, MT 59043	
Cheyenne and Arapaho Tribes of Oklahoma	Janice Boswell, Governor P.O. Box 38 Concho, OK 73022	
Northern Arapaho Business Council Wind River Indian Reservation	Harvey Spponhunter, Chairman P.O. Box 396 Ft. Washakie, WY 82514	
Ute Mountain Tribe of the Ute Mountain Reservation	Earnest House, Chairman P.O. Box 448 Towaoc, CO 81334	
Ute Indian Tribe of the Uintah and Ouray Reservation	Curtis Cesspooch, Chairman P.O. Box 190 Fort Duchesne, UT 84026	
COUNTIES		
Boulder County	1325 Pearl Street Boulder, CO 80302	

Larimer County	200 W. Oak Street Fort Collins, CO 80521	
Weld County	915 10th Street Greeley, CO 80631	
MUNICIPALITIES		
Berthoud, Town of	328 Massachusetts Avenue Berthoud, CO 80513	
Estes Park, Town of	170 MacGregor Avenue Estes Park, CO 80517	
Fort Collins, City of	300 LaPorte Avenue Fort Collins, CO 80521	
Johnstown, Town of	450 S. Parish Avenue Johnstown, CO 80534	
Lyons, Town of	432 5th Avenue Lyons, CO 80540	
Mead, Town of	441 3rd Street Mead, CO 80542	
Timnath, Town of	4800 Goodman Street Timnath, CO 80547	
Windsor, Town of	301 Walnut Street Windsor, CO 80550	
W/WW ENTITIES		
Elco Water District	232 S. Link Lane Fort Collins, CO 80524	
Boxelder Sanitation District	3201 E. Mulberry #Q Fort Collins, CO 80524	
Fort Collins Loveland Water District	5150 Snead Drive Fort Collins, CO 80525	
South Fort Collins Sanitation District	2560 E. CR 32 Fort Collins, CO 80528	
Little Thompson Water District	835 E. Highway 56 Berthoud, CO 80513	
DITCH/ RESERVOIR COMPANIES		
Hillsborough	Abraham Sauer 6491 County Road 50 Johnstown, CO 80534	
Seven Lakes	Vern Kamerzell 12614 Highway 60 Milliken, CO 80543	
Farmers	Jim Croissant 26442 Weld County Rd. 15 Johnstown, CO 80534	
Home Supply	Minera Lee 220 Water Avenue Berthoud, CO 80513	
Buckingham	Henry Hetzel 1931 S. County Rd. 19 Loveland, CO 80537	
Big T	Dick Coulson 3609 N. County Rd. 13 Loveland, CO 80538	
Louden	Dale Leach 4009 E. County Rd. 30 Fort Collins, CO 80528	
GLIC	Dave Bernhardt 23809 WCR 25 Milliken, CO 80543	
South Side	Gale Bernhardt 2633 Logan Drive Loveland, CO 80538	
Ryan Gulch	Bill Beierwaltes 1907 Gail Court Loveland, CO 80537	
Handy Ditch	Brad Johnson 1132 E. Highway 56 Berthoud, CO 80513	
ENVIRONMENTAL GROUPS/ SPECIAL INTREST GROUPS		
Agricultural Water Conservation Clearinghouse	Reagan Waskom E118 Engineering Bldg Campus Delivery Fort Collins, CO 80523	reagan.waskom@research.colostate.edu
Agrium (Caring for our watersheds)	Debbie Tschillard Suite 1700, 4582 South Ulster St Denver, CO 80237	dtschillard@yahoo.com
American Rivers	1101 14th Street NW Suite 1400 Washington, DC 20005	
American Water Resource Association-Colorado Section	PO BOX 9382 Denver, CO 80209	

Big Thompson Conservation District	Lisa Butler P.O. BOX 441 Berthoud, CO 80513	
Central Colorado Water Conservation District	Christopher Schall 3209 West 28th Street Greeley, CO 80634	lfrank@ccwcd.org
Clean Water Action	1630 S. College Ave, Unit C-1 Fort Collins, CO 80525	Lthorp@cleanwater.org
Colorado Association of Conservation Districts	PO BOX 4138 Woodland Park, CO 80866	darlene@cacd.us
Colorado Department of Agriculture	700 Kipling Street Suite 4000 Lakewood, CO 80215	
Colorado Division of Water Resources	Jason Smith 1313 Sherman St. Rm 818 Denver, CO 80203	jason.smith2@state.co.us
Colorado Environmental Coalition	Becky Long 1536 Wynkoop St, #5C Denver, CO 80202	info@cecenviro.org
Colorado Foundation for Water Education	1580 Logan St, Suite 410 Denver, CO 80203	info@cfwe.org
Colorado State University Water Institute	E102 Engineering 1033 Campus Delivery Fort Collins, CO 80523	cwi@colostate.edu
Colorado Trout Hunters	Tad Howard 4398 South Youngsfield St. Morrison, CO 80465	info@coloradotrouthunters.com
Colorado Water Congress	1580 Logan St, Suite 700 Denver, CO 80203	cwc@cowatercongress.org
Colorado Water Conservation Board	1313 Sherman St,. Room 721 Denver, CO 80203	
Colorado Water Protection Project	1410 Grant Street, Suite B204 Denver, CO 80203	laurie@ourwater.org
Colorado Water Wise Council	Paul Lander PO BOX 40202 Denver, CO 80204	
Colorado Watershed Assembly	PO BOX 580 Carbondale, CO 81623	cwa@coloradowater.org
Colorado Women Flyfishers	PO BOX 101137 Denver, CO 80250	info@colowomenflyfishers.org
Colorado Youth Outdoors	Bob Hewson 209 East 4th Street Loveland, CO 80537	bhewson@coloradoyo.org
Defenders of Wildlife	1425 Market Street #225 Denver, CO 80505	defenders@mail.defenders.org
Environment Colorado	Matt Garrington 1536 Wynkoop St. First Floor, Suite 100 Denver, CO 80202	info@environmentalcolorado.org
Friends of the Poudre	PO Box 129 La Porte, CO 80535	
Fort Collins Audubon Society	Phil Cafaro PO BOX 271968 Fort Collins, CO 80527	audubon@fortnet.org
High Plains Environmental	Jim Tolstrop 1854 Piney River Drive Loveland, CO 80538	
Larimer County Department of Health and Environment	Ed Schemm 1525 Blue Spruce Dr. Fort Collins, CO 80524	
Loveland Fishing Club	George Kral	kral@q.com
Loveland Historical Society	503 N. Lincoln Avenue Loveland, CO 80537	contact@lovelandhistorical.org
Loveland SERTOMA Club	Loveland SERTOMA Club #10754 200 E. 7th Street, Suite 120 Loveland, CO 80537	
National Wildlife Federation	Rocky Mountain Regional Center 2260 Baseline Road Suite 100 Boulder, CO 80302	
Natural Resources Conservation	Denver Federal Center PO Box 25426 Denver, CO 80225	
Northern Plains & Mountains	Reagan Waskom E118 Engineering Bldg Campus Delivery Fort Collins, CO 80523	
Pouder Learning Center	Ray Tschillard Pouder Learning Center 8313 W F Street Greeley, CO 80631	
Pouder Paddlers	Mike Koliha PO BOX 1565 Fort Collins, CO 80522	
River Watch	PO BOX 211729 Denver, CO 80221	riverwatch.wildlife@state.co.us
Rocky Mountain Fly Casters	Greg Evans 5065 Westridge Drive Fort Collins, CO 80526	

Rocky Mountain Region Partnership	US Forest Service Rocky Mountain Region 740 Simms Street Golden, CO 80401	
Save the Poudre	PO Box 20 Fort Collins, CO 80522	info@SaveThePoudre.org
Sierra Club	Mark Easter 123 North College Avenue Fort Collins, CO 80524	
Trees Water People	633 Remington St. Ft. Collins, CO 80524	twp@treeswaterpeople.org
Trout Unlimited	Colorado Trout Unlimited 1320 Pearl Street #320 Boulder, CO 80302	
The Water Information Program	Denise Rue-Pastin 841 East Second Avenue Durango, CO 81301	info@waterinfo.org
Western Resource Advocates	Stacy Tellinghuisen 2260 Baseline Road, Suite 200 Boulder, CO 80302	
Western States Water Council	5296 Commerce Drive, Suite 202 Murray, UT 84107	credding@wswc.utah.gov
IDEWILD LANE/ PALISADE AREA		
CARMEN, HOWARD N/LENA R	1346 W HIGHWAY 34 Loveland, CO 80537	
CARMEN, HOWARD N/LENA R	1348 W HIGHWAY 34 Loveland, CO 80537	
STEES, C KEVIN	1337 W HIGHWAY 34 Loveland, CO 80537	
LUCERO, NATALIE	215 IDLEWILD LN Loveland, CO 80537	
KOBOBEL, DIANA J	502 IDLEWILD LN Loveland, CO 80537	
TILLMAN, WILLIAM H/SHARON T	3 IDLEWILD LN Loveland, CO 80537	
GALASSO, FRANCIS	21 IDLEWILD LN Loveland, CO 80537	
24 IDLEWILD LLC	24 IDLEWILD LN Loveland, CO 80537	
24 IDLEWILD LLC	24 IDLEWILD LN Loveland, CO 80537	
CURRY, ROY F, JR/FRANCES L	156 IDLEWILD LN Loveland, CO 80537	
BANKS, JERRY L	128 IDLEWILD LN Loveland, CO 80537	
SHARP, RHONDA K	80 IDLEWILD LN Loveland, CO 80537	
NELSON, RICHARD J	80 IDLEWILD LN Loveland, CO 80537	
WATERS, RONALD J	80 IDLEWILD LN Loveland, CO 80537	
WRIGHT, JOSEPH C	32 IDLEWILD LN Loveland, CO 80537	
DAUTH FAMILY TRUST, TRUST A (.50)	7 IDLEWILD LN Loveland, CO 80537	
THOMPSON, LESLIE L	28 IDLEWILD LN 1 Loveland, CO 80537	
WATERS, RONALD J	60 IDLEWILD LN Loveland, CO 80537	
WATERS, RONALD J/THONDA K	50 IDLEWILD LN Loveland, CO 80537	
TILLMAN, WILLIAM H/SHARON T	3 IDLEWILD LN Loveland, CO 80537	
DAUTH FAMILY TRUST, TRUST A (.50)	1925 SERRAMONTE DR Fort Collins, CO 80524	
JOHNSON, RUBY M	860 BONNIE BRAE BLVD Denver, CO 80209	
JOHNSON, MARY EVELYN	319 MEADOWLARK DR Alpine, UT 84004	
FULGENZI, DENNIS A	954 DURUM CT WINDSOR, CO 80550	
MONSMA, DWIGHT W	204 4th ST SE Altoona, IA 50009	

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: 7
MEETING DATE: 8/14/2013
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. On July 17, 2013, the LUC adopted Resolution R-3-2013U, changing the City's recognized price for CBT water to $15,000 per unit and establishing a Cash-In-Lieu fee of $15,750. Staff was also directed to closely monitor the situation and keep the LUC members updated monthly.

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). Because of the trend in prices increasing for all transactions, staff recommends changing the City's recognized C-BT market price to $17,500 per unit. 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 ($17,500 / 1.0 * 1.05 = $18,375). 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 $15,000 to $17,500 per C-BT unit. Making this change would result in an increase in the cash-in-lieu fee from $15,750 to $18,375 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.

During the past 8 months, C-BT unit sale prices have been rising very rapidly. Non-specific sale prices, based on information provided by local water brokers and estimations by Northern Water staff, range from $15,500 to $18,500. City staff have estimated, with confidence, that the average sale price of a C-BT unit is slightly below $18,000.

Staff recommends changing the City's currently recognized C-BT market price to $17,500/unit, resulting in a cash-in-lieu fee of $18,375 per acre-foot.

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

RECOMMENDATION:
Adopt the attached Resolution R-4-2013U increasing the City's currently recognized price for C-BT water from $15,000/unit to $17,500/unit.

REVIEWED BY DIRECTOR: MS for SA

ATTACHMENTS:
Resolution #R-4-2013U

LOVELAND UTILITIES COMMISSION

RESOLUTION #R-4-2013U

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

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

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

WHEREAS, following said review, the Loveland Utilities Commission is of the opinion that the market price of one C-BT unit is $17,500.

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

Section 1. That the Loveland Utilities Commission hereby recognizes that the market price of one C-BT unit is $17,500.

Section 2. That Resolution #R-3-2013U of the Loveland Utilities Commission is hereby repealed and superseded in all respects by this Resolution.

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

ADOPTED this 14th day of August, 2013.

_____
Chairman, Loveland Utilities Commission

ATTEST:

_____
Secretary, Loveland Utilities Commission

APPROVED AS TO FORM:

_____
Assistant City Attorney

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: 8/14/2013
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

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: 8/14/2013
SUBMITTED BY: Steve Adams, Director MS for SA

TITLE: Director's Report

SUMMARY:

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

- **Net Zero Cities:** The second annual Net Zero Cities Conference is scheduled to be held in Fort Collins, Colorado from October 23-24, 2013. Please see attachment B for a flier on a call for speakers and presenters. – Gretchen Stanford

- **Open House (Drive Electric Northern Colorado):** On August 7, 2013, Loveland Water and Power teamed up with Drive Electric Northern Colorado (DENC) to host an electric vehicle "Ride and Drive" event held at the Service Center. The event featured test driving of electric vehicles, a cost benefit presentation on electric vehicles and giveaways. - Gretchen Stanford

- **Cherry Pie Festival:** On July 20, 2013, Loveland Water and Power hosted a table at the annual Cherry Pie Festival. Our table had many visitors, were entertained by games and provided with lots of marketing materials for the programs we offer. – Gretchen Stanford

- **Water and Power Website Additions:** Customer Relations Staff continues to add detailed information to Water and Power's website and we encourage you to check it out! Recently we have added a blog to discuss projects, new technologies, events, educational materials and other valuable information. In the near future, we will be adding daily peak information for both water and power. Also, we have added a map to explain where Loveland gets its water from. Please check out these new features on our Loveland Water and Power page at http://www.cityofloveland.org/index.aspx?page=166. – Lindsey Bashline

- **Utility Information for Multi-Family Units and Home Owners Associations:** Customer Relations staff have been contacting local Home Owners Associations (HOA) and multi-family units, offering presentations and talks about utility services. Email addresses are also being collected for a quarterly newsletter from Loveland Water and Power, containing information tailored specifically for HOA or multi-family communities. – Gretchen Stanford

- **PRPA Strategic Plan Update:** Platte River Power Authority (PRPA) is in the process of updating their Strategic Plan. - Steve Adams

- **24th Annual South Platte Forum:** The 2013 South Platte Forum will be held in Longmont, Colorado on October 23-24, 2013. Please let Michelle Stalker know if you are interested in attending. See attachment C for a copy of the conference schedule. – Michelle Stalker

RECOMMENDATION:
Director's report only.

REVIEWED BY DIRECTOR: MS for SA

September

Sun	*Mon*	*Tue*	*Wed*	*Thu*	*Fri*	*Sat*
1	**2**	**3**	**4**	**5** Business Appreciation Event	**6**	**7**
8	**9**	**10**	**11**	**12**	**13**	**14** Sustainable Living Fair
15 Sustainable Living Fair	**16**	**17**	**18**	**19**	**20**	**21**
22	**23**	**24**	**25**	**26**	**27**	**28**
29	**30**					

2013

Attachment A

6

Attachment B

October 23 & 24, 2013 Fort Collins, Colorado

Net Zero Cities

Convening civic and industry leaders from around the world to create net zero energy, carbon, and water communities.

Call for Speakers and Presenters!

Net Zero Cities is seeking nationally or regionally recognized experts in their field to share best practices and inspire innovative thinking around net zero energy, carbon and water communities. This **call for speakers** is open through August 5!

Contact Antonia David, Special Project Coordinator, Colorado Clean Energy Cluster for more information at 970.207.0058, adavid@coloradocleanenergycluster.com.

- Presentations and panel discussions
- Explore net zero energy, carbon, water, and transportation innovations through the triple bottom line lens
- Apply strategies at the city scale to underscore the importance of systems thinking and global collaborations on the path to net zero
- Submit your proposal: **netzerocities.com/speakers**

ABOUT THE SECOND ANNUAL NET ZERO CITIES EVENT

Join us in Fort Collins, Colorado on October 23 and 24!

Net Zero Cities convenes the world's brightest civic and industry leaders to inspire net zero energy, carbon, and water communities. This international conference unites business leaders in energy and water, government officials at all levels, private and public utilities companies, international clear energy and water industry clusters, leading policy makers, and research institutions to discuss the future of net zero communities. Through panel discussions, we hope to highlight the leading examples and innovations in the top net zero sectors.

Learn more about the call for speakers at Netzerocities.com

Attachment C

The Ins and Outs of the South Platte Basin
24th Annual South Platte Forum – Oct. 23-24, 2013
The Conference Center at the Best Western Plus Plaza Hotel, Longmont, Colo.

Wednesday, Oct. 23

8:30 **Welcome**
Reagan Waskom, Colorado Water Institute

8:35 **Opening Keynote**
College of Agricultural Sciences Commitment to South Platte Water Issues - Craig Beyrouty, Dean, Colorado State University

9:00 **Agriculture - Digging In**
- Water Management on a Farm - Dave Petrocco, Petrocco Farms
- Approaches to Dry Up - Troy Bauder, CSU Extension
- What's Going on with Groundwater in the Basin – Reagan Waskom, Colorado Water Institute

10:15 Break

10:45 **Fishies – Swimming In**
Moderator: Pete Conovitz, Colorado Parks and Wildlife
- Will the Real Greenback Please Stand Up: Chasing the Heritage of Colorado's State Fish - Kevin Rogers, Aquatic Research Group, Colorado Parks and Wildlife
- Managing Flows in the Upper South Platte, Rainbow Trout – Ken Kehmeier, DNR
- Improving Urban Streams for Native Warmwater Fishes - Ashley Ficke, Fisheries Ecologist, GEI Consultants, Inc.

12:00 **Luncheon Session**
12:25 Friends of the South Platte Award Presentation
12:40 Luncheon Keynote – TBA

1:20 **Energy / Oil and Gas - Drilling In**
Moderator: Mayor Dennis Coombs, City of Longmont
- Roots to Sustainability, CU NSF Grant Study - Joe Ryan
- Colorado Water Watch - Addressing Concerns at the Energy-Water-Agriculture Interface - Ken
- New state regulations on set-backs and groundwater monitoring – Thom Kerr, Colorado Oil and Gas Conservation Commission

2:35 Break

3:00 **Water Quality – Jumping In**
Moderator: Marcella Hutchinson, US EPA
- Overview - Bill Battaglin, CREEC
- Emerging Contaminants – Jen Stephenson, Northern Water
- Nutrients Management in Colorado - What's Next? - Dick Parachini, Clean Water Program Manager, Water Quality Control Division
- Urban Waters Initiative – Stacey Erickson, USEPA & Devon Buckels, CSFS

5:00 POND Reception – Location TBD

Thursday, Oct. 24

8:30 **Welcome** – Sean Cronin

8:35 **Drought/Fire – Blacking Out**

- Overview of drought impacts on water management - Reagan Waskom, Colorado Water Institute
- Targeting and Prioritizing—How to Prepare for and Respond to Wildfires - Brad Piehl, Partner, JW Associates
- Wildfire Preparedness and Incident Response - Eric Howell, Forest Program Manager, and Catamount Wildland Fire Team Coordinator, Colorado Springs Utilities
- Hayman: Long-term Recovery and its Influence on Waldo Recovery During the First Year - Carol Ekarius, Executive Director, Coalition for the Upper South Platte

10:00 Break

10:30 **Skiing Industry – Skiing Out**
TBA - Vail Associates

11:00 **Projects–Digging Out**
Moderator: Rich Vidmar

- Clear Creek Targeted Watershed Grant: Reflections - Diane Kielty, Project Manager, Clear Creek Watershed Foundation
- Windy Gap Firming Project: Emerging from the Muck, What do project permitting and pteronarcys californica have in common? - Jeff Drager, Deputy Manager, Engineering Division, Northern Water
- Chatfield Reallocation - Alexandra Davis, Principal, GBSM

12:15 Luncheon

12:45 **Closing Keynote - Growing Out**
Population Growth Impacts - Elizabeth Garner, State Demographer Office, births, relocations

1:45 **DARCA (Ditch and Reservoir Company Alliance) Workshop**

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: 10
MEETING DATE: 8/14/2013
SUBMITTED BY: Jim Lees, Utility Accounting Manager

TITLE: Financial Report Update

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

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

	Jul				Jul 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	$1,383,517	$1,372,882	$10,636	0.8%	$5,060,238	$5,032,605	$27,633	0.5%
Operating Expenses	$686,924	$506,509	$180,415	35.6%	$4,300,664	$3,643,448	$657,215	18.0%
Capital (Unrestricted)	$371,533	$205,037	$166,496	81.2%	$1,936,035	$977,546	$958,489	98.1%
WASTEWATER								
Sales	$682,345	$635,931	$46,414	7.3%	$4,281,691	$3,969,669	$312,022	7.9%
Operating Expenses	$583,937	$395,926	$188,011	47.5%	$3,634,847	$3,230,622	$404,225	12.5%
Capital (Unrestricted)	$138,851	$121,985	$16,865	13.8%	$468,513	$1,285,416	($816,903)	-63.6%
POWER								
Sales	$5,136,897	$5,097,454	$39,443	0.8%	$29,312,084	$28,225,085	$1,086,999	3.9%
Operating Expenses	$5,249,208	$4,948,186	$301,022	6.1%	$28,092,972	$26,207,687	$1,885,285	7.2%
Capital (Unrestricted)	$727,744	$709,788	$17,956	2.5%	$4,578,569	$3,042,023	$1,536,546	50.5%

RECOMMENDATION:
Staff report only. No action required.

REVIEWED BY DIRECTOR: MS for SA

LIST OF ATTACHMENTS:
- City of Loveland Financial Statement-Raw Water
- City of Loveland Financial Statement-Water
- City of Loveland Financial Statement-Wastewater
- City of Loveland Financial Statement-Power

City of Loveland
Financial Statement-Raw Water
For Period Ending 07/31/2013

		TOTAL BUDGET FYE 12/31/2013	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1	**REVENUES & SOURCES**					
2	Hi-Use Surcharge	41,800	12,892	24,380	(11,488)	-47.1%
3	Raw Water Development Fees/Cap Rec Surcharge	248,870	245,856	145,180	100,676	69.3%
4	Cash-In-Lieu of Water Rights	45,000	1,070,652	26,250	1,044,402	3978.7%
5	Native Raw Water Storage Fees	5,000	0	2,920	(2,920)	-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	374,083	323,770	50,313	15.5%
8	Interest on Investments	457,200	82,595	266,700	(184,105)	-69.0%
9	**TOTAL REVENUES & SOURCES**	**1,991,930**	**2,211,424**	**1,274,200**	**937,224**	**73.6%**
10	**OPERATING EXPENSES**					
11	Windy Gap Payments	834,030	833,961	831,060	2,901	0.3%
12	**TOTAL OPERATING EXPENSES**	**834,030**	**833,961**	**831,060**	**2,901**	**0.3%**
13	NET OPERATING REVENUE/(LOSS) (excl depr)	1,157,900	1,377,463	443,140	934,323	210.8%
14	RAW WATER CAPITAL EXPENDITURES	2,038,090	0	997,240	(997,240)	-100.0%
15	**ENDING CASH BALANCES**					
16	Total Available Funds		13,948,889			
17	Reserve - Windy Gap Cash		4,196,248			
18	Reserve - 1% Transfer From Rates		2,620,487			
19	Reserve - Native Raw Water Storage Interest		1,552,709			
20	**TOTAL RAW WATER CASH**		**22,318,334**			
21	MINIMUM BALANCE (15% OF OPER EXP)		125,105			
22	OVER/(UNDER) MINIMUM BALANCE		22,193,230			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 0

City of Loveland
Financial Statement-Water
For Period Ending 07/31/2013

			TOTAL BUDGET		YTD	YTD	OVER	
	*		FYE 12/31/2013	*	ACTUAL	BUDGET	<UNDER>	VARIANCE
1	****UNRESTRICTED FUNDS****	*		*				
		*		*				
2	**REVENUES & SOURCES**	*		*				
		*		*				
3	Water Sales	*	9,516,510	*	5,060,238	4,333,020	727,218	16.8%
4	Raw Water Transfer Out	*	(709,060)	*	(374,083)	(323,770)	(50,313)	15.5%
5	Wholesale Sales	*	87,560	*	43,437	30,970	12,467	40.3%
6	Meter Sales	*	28,340	*	53,969	15,520	38,449	247.7%
7	Interest on Investments	*	55,990	*	9,632	32,670	(23,038)	-70.5%
8	Other Revenue	*	16,650,520	*	164,478	8,323,030	(8,158,552)	-98.0%
9	**TOTAL REVENUES & SOURCES**	*	**25,629,860**	*	**4,957,671**	**12,411,440**	**(7,453,769)**	**-60.1%**
		*		*				
10	**OPERATING EXPENSES**	*		*				
		*		*				
11	Source of Supply	*	2,156,600	*	739,281	1,166,910	(427,629)	-36.6%
12	Treatment	*	2,472,800	*	1,128,057	1,316,090	(188,033)	-14.3%
13	Distribution Operation & Maintenance	*	2,910,980	*	1,172,849	1,283,410	(110,561)	-8.6%
14	Administration	*	659,600	*	196,023	369,280	(173,257)	-46.9%
15	Customer Relations	*	192,940	*	91,574	109,000	(17,426)	-16.0%
16	Debt Service	*	1,000,000	*	0	583,100	(583,100)	-100.0%
17	PILT	*	640,270	*	328,031	373,450	(45,419)	-12.2%
18	1% for Arts Transfer	*	44,830	*	11,419	26,180	(14,761)	-56.4%
19	Services Rendered-Other Departments	*	1,046,510	*	633,430	633,430	0	0.0%
20	**TOTAL OPERATING EXPENSES**	*	**11,124,530**	*	**4,300,664**	**5,860,850**	**(1,560,186)**	**-26.6%**
		*		*				
21	NET OPERATING REVENUE/(LOSS)(excl depr)	*	14,505,330	*	657,007	6,550,590	(825,729)	-90.0%
		*		*				
22	CAPITAL EXPENDITURES	*	6,391,130	*	1,936,035	4,015,050	(2,079,015)	-51.8%
		*		*				
23	**ENDING CASH BALANCE**	*		*	**1,683,969**			
		*		*				
24	MINIMUM BALANCE (15% OF OPER EXP)	*		*	1,668,680			
		*		*				
25	OVER/(UNDER) MINIMUM BALANCE	*		*	15,289			
		*		*				
26	****RESTRICTED FUNDS****	*		*				
		*		*				
27	**REVENUES & SOURCES**	*		*				
		*		*				
28	SIF Collections	*	1,251,500	*	1,202,731	642,690	560,041	87.1%
29	SIF Interest Income	*	137,110	*	33,488	86,180	(52,692)	-61.1%
30	**TOTAL SIF REVENUES & SOURCES**	*	**1,388,610**	*	**1,236,219**	**728,870**	**507,349**	**69.6%**
		*		*				
31	SIF Capital Expenditures	*	1,677,110	*	959,519	722,520	236,999	32.8%
		*		*				
32	**SIF ENDING CASH BALANCE**	*		*	**8,876,848**			
		*		*				
33	**TOTAL ENDING CASH BALANCE**	*		*	**10,560,817**			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 2,613,047

City of Loveland
Financial Statement-Waste
For Period Ending 07/31/2013

		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	4,281,691	4,568,470	(286,779)	-6.3%
4	High Strength Surcharge	245,370	179,297	125,650	53,647	42.7%
5	Interest on Investments	121,770	30,194	71,030	(40,837)	-57.5%
6	Other Revenue	226,330	3,067	130,370	(127,303)	-97.6%
7	**TOTAL REVENUES & SOURCES**	**8,593,970**	**4,494,248**	**4,895,520**	**(401,272)**	**-8.2%**
8	**OPERATING EXPENSES**					
9	Treatment	3,655,580	1,330,565	2,065,320	(734,755)	-35.6%
10	Collection System Maintenance	2,400,230	1,106,525	1,191,200	(84,675)	-7.1%
11	Administration	380,650	113,506	214,400	(100,894)	-47.1%
12	Customer Relations	13,370	13,431	7,070	6,361	90.0%
13	PILT	552,830	311,663	322,490	(10,827)	-3.4%
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	15,750	(15,629)	-99.2%
16	Services Rendered-Other Departments	576,570	333,690	333,690	0	0.0%
17	**TOTAL OPERATING EXPENSES**	**8,091,200**	**3,634,847**	**4,634,920**	**(1,000,073)**	**-21.6%**
18	NET OPERATING REVENUE/(LOSS)(excl depr)	502,770	859,400	260,600	598,800	229.8%
19	CAPITAL EXPENDITURES	3,890,900	468,513	1,602,300	(1,133,787)	-70.8%
20	**ENDING CASH BALANCE**		**7,606,887**			
21	MINIMUM BALANCE (15% OF OPER EXP)		1,213,680			
22	OVER/(UNDER) MINIMUM BALANCE		6,393,207			
23	****RESTRICTED FUNDS****					
24	**REVENUES & SOURCES**					
25	SIF Collections	810,000	769,328	433,560	335,768	77.4%
26	SIF Interest Income	73,690	21,097	42,980	(21,883)	-50.9%
27	**TOTAL SIF REVENUES & SOURCES**	**883,690**	**790,426**	**476,540**	**313,886**	**65.9%**
28	SIF Capital Expenditures	1,545,130	170,730	508,440	(337,710)	-66.4%
29	**SIF ENDING CASH BALANCE**		**5,755,023**			
30	**TOTAL ENDING CASH BALANCE**		13,361,910			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING 1,894,584

City of Loveland
Financial Statement-Power
For Period Ending 7/31/2013

		*	TOTAL BUDGET	*	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
	****UNRESTRICTED FUNDS****	*		*				
		*		*				
1	REVENUES & SOURCES:	*		*				
2	Electric revenues	*	$52,078,940	*	$29,312,084	$29,642,930	($330,846)	-1.1%
3	Wheeling charges	*	$210,000	*	$151,732	$122,500	$29,232	23.9%
4	Interest on investments	*	$281,360	*	$68,920	$164,127	($95,207)	-58.0%
5	Aid-to-construction deposits	*	$646,890	*	$273,622	$377,353	($103,730)	-27.5%
6	Customer deposit-services	*	$124,050	*	$117,140	$72,363	$44,777	61.9%
7	Doorhanger fees	*	$390,000	*	$236,736	$227,500	$9,236	4.1%
8	Connect Fees	*	$125,000	*	$98,572	$72,917	$25,655	35.2%
9	Services rendered to other depts.	*	$30,000	*	$1,412	$17,500	($16,088)	-91.9%
10	Other revenues	*	$223,120	*	$205,896	$130,153	$75,743	58.2%
11	Year-end cash adjustments	*	$0	*	$0	$0	$0	0.0%
12	**TOTAL REVENUES & SOURCES**	*	**$54,109,360**	*	**$30,466,114**	**$30,827,342**	**($361,228)**	**-1.2%**
		*		*				
13	OPERATING EXPENSES:	*		*				
14	Hydro oper. & maint.	*	$87,990	*	$5,020	$50,763	($45,744)	-90.1%
15	Purchased power	*	$38,917,480	*	$22,377,572	$22,593,098	($215,526)	-1.0%
16	Distribution oper. & maint.	*	$3,267,900	*	$1,748,517	$1,885,327	($136,810)	-7.3%
17	Customer Relations	*	$975,330	*	$364,223	$562,690	($198,468)	-35.3%
18	Administration	*	$871,950	*	$308,119	$503,048	($194,929)	-38.7%
19	Payment in-lieu-of taxes	*	$3,651,680	*	$2,027,852	$2,081,458	($53,606)	-2.6%
20	1% for Arts Transfer	*	$39,170	*	$19,329	$22,327	($2,997)	-13.4%
21	Services rendered-other depts.	*	$2,130,030	*	$1,242,340	$1,242,518	($178)	0.0%
22	**TOTAL OPERATING EXPENSES (excl depn)**	*	**$49,941,530**	*	**$28,092,972**	**$28,941,229**	**($848,257)**	**-2.9%**
		*		*				
23	NET OPERATING REVENUE/(LOSS) (excl depn)	*	$4,167,830	*	$2,373,142	$1,886,113	$487,029	25.8%
		*		*				
24	CAPITAL EXPENDITURES:	*		*				
25	General Plant/Other Generation & Distribution	*	$5,858,070	*	$4,119,602	$3,385,278	$734,324	21.7%
26	Aid-to-construction	*	$646,890	*	$314,286	$373,206	($58,920)	-15.8%
27	Service installations	*	$124,050	*	$144,681	$71,567	$73,114	102.2%
28	**TOTAL CAPITAL EXPENDITURES**	*	**$6,629,010**	*	**$4,578,569**	**$3,830,051**	**$748,518**	**19.5%**
		*		*				
29	**ENDING CASH BALANCE**	*		*	**$17,748,913**			
		*		*				
30	MINIMUM BAL. (15% of OPER EXP excl depn)	*		*	$7,491,230			
31	OVER/(UNDER) MINIMUM BALANCE	*		*	$10,257,683			
		*		*				
32	****RESTRICTED FUNDS****	*		*				
		*		*				
33	PIF Collections	*	$1,661,920	*	$1,306,139	$969,453	$336,685	34.7%
34	PIF Interest Income	*	$137,580	*	$34,195	$80,255	($46,060)	-57.4%
35	**TOTAL REVENUES**	*	**$1,799,500**	*	**$1,340,334**	**$1,049,708**	**$290,626**	**27.7%**
		*		*				
36	PIF Feeders	*	$75,000	*	$0	$43,269	($43,269)	-100.0%
37	PIF Substations	*	$1,912,900	*	$60,170	$1,115,858	($1,055,688)	-94.6%
38	**TOTAL EXPENDITURES**	*	**$1,987,900**	*	**$60,170**	**$1,159,128**	**($1,098,957)**	**-94.8%**
		*		*				
39	**ENDING PIF CASH BALANCE**	*		*	**$9,489,868**			
		*		*				
40	**TOTAL ENDING CASH BALANCE**	*		*	**$27,238,781**			

NOTE: YTD ACTUAL does NOT include encumbrances totalling $1,704,246