



**LOVELAND UTILITIES COMMISSION
REGULAR MEETING
October 16, 2013 - 4:00 p.m.
Service Center Board Room
200 North Wilson Avenue**



AGENDA

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

4:05 pm - **APPROVAL OF MINUTES - 9/18/2013**

CITIZENS REPORTS

4:10 pm - **CONSENT AGENDA**

1. 2013 3rd Quarter Goals and Milestones Report – Steve Adams
2. 2014 Annual Substructure Contract – Kathleen Porter
3. 2014 Annual Directional Bore Contract – Kathleen Porter

4:20 pm - **REGULAR AGENDA**

4. Idylwilde Hydroelectric Project Status – Greg Dewey

5:20 pm - **STAFF REPORT**

5. Quarterly Financial Report Update – Jim Lees
6. Status of Colorado Governor's Energy Office Grant for Electric Charging Stations – Briana Reed-Harmel
7. 2013 Flood Update for the Water & Power Department – Steve Adams

5:40 pm - **8. COMMISSION / COUNCIL REPORTS**

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

INFORMATION ITEMS

10. Nutrient Grant Contract with the State of Colorado – Michael McCrary
11. C-BT Market Price Consideration – Scott Dickmeyer

ADJOURN

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

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

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

Commission Members Present:

David Schneider (Chair), Gary Hausman, Gene Packer (Vice Chair), Larry Roos, John Matis (by phone), John Rust Jr., Randy Williams

Alternate Commission Members Present: Daniel Greenidge

Council Liaison: Daryl Klassen

City Staff Members:

Bob Miller, Briana Reed-Harmel, Chris Matkins, Darcy Hodge, Garth Silvernale, Greg Dewey, Gretchen Stanford, Jim Lees, Larry Howard, Melissa Morin, Michelle Stalker, Sharon Citino, Alan Krcmarik, Steve Adams, Kim O'Field

Guest Attendance: Kim Perry, Cole Evans, Troy McWhinney all of McWhinney Construction

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 August 14, 2013 meeting.

Motion: John Rust, Jr. made the motion to approve the minutes of the August 14, 2013 meeting.

Second: Gary Hausman seconded the motion. The minutes were approved unanimously.

Comments: Randy Thank you to staff for the notification to help me get out in time from the flood.

CITIZEN REPORTS: none

REGULAR AGENDA

Item numbers 1, 5, and 6 were moved to the Regular Agenda, and due to the impacts of the flood, item #7 was postponed until next month.

Item #1: Process Recommendation for Residential Water & Wastewater Service Inspections – Melissa Morin The water and wastewater (W/WW) service lines have always been considered by the City to be privately owned by the homeowner. The W/WW Division currently provides contractors a courtesy "inspection" of their wastewater services. When a contractor calls Water & Power dispatch for a service inspection a W/WW Locator visits the site and makes a sketch of the wastewater service (if they can see it) with any dimensions provided by the contractor. There is no sketch made for the water service. The sketch is retained in the Water & Power dispatch office. The W/WW Locator signs off on the Building Permit sheet (there is no true sign off spot so they usually sign on the bottom of the page.) The W/WW Division intends to end this unwritten courtesy process. However, because the W/WW Division believes that these utility sketches may be beneficial to the homeowner in the future, we would like to propose a change to having the contractor be responsible for these sketches.

Recommendation: LUC adopts the proposed changes to the Residential Water & Wastewater Service Inspection Process.

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.

Comments: John Rust Jr. pulled this item from consent agenda. Staff clarified the advantages of this process change. Providing these service sketches is not mandated and this area is not inspected, but should be built according to code. These sketches are kept as a service to Loveland's customers. Instead of City locators creating the utility sketches of the private portion of services, this item proposes that the contractors who install the services would be required to create the sketches and submit them to the City. The contractors are in a better position to create the sketch, because they install the services and are aware of details such as materials used, locations and any unique information regarding the service. This change will also provide a substantial cost savings for staff time; instead of

taking on average 90 minutes with drive time to complete a sketch, staff would take a few minutes to review each contractor-provided sketch and sign-off when satisfactorily completed.

Item #2: 2014 Water & Power Schedule of Rates, Charges and Fees – Jim Lees The purpose of this item is to ask the Loveland Utilities Commission to adopt a motion recommending that City Council approve the proposed changes in the Water and Power Schedule of Rates, Charges and Fees for 2014.

Recommendation: Adopt a motion recommending that City Council approve the proposed changes in the Water and Power Schedule of Rates, Charges and Fees for 2014 as presented.

Motion: Gary Hausman made the motion.

Second: Randy Williams seconded the motion. The motion was approved unanimously.

Comments: Discussion ensued surrounding the coincident peak rates including the approximate megawatt savings and the desire to see a report next year on the actual savings verses anticipated savings. Board discussed whether the individual coincident peak rate contract information would be public or private information. Staff responded that the rates would be private information so as to not disclose individual customer load and use characteristics, and staff assured the board of internal checks and balances to ensure cost fairness. Discussion also ensued over how Loveland's proposed coincident peak rate design will be a combination of the existing rate designs of Fort Collins and Longmont by incorporating a peak signal to customers similar to Fort Collins while also incorporating customized rate contracts with participants which is similar to Longmont.

Item #3: Refund of a Water Bank Credit from Aspen Knolls 1st and 2nd Subdivisions – Larry Howard Staff requests an LUC recommendation to City Council to recommend a refund of Water Bank credit, contingent upon vacation of public rights-of-way, re-platting and rezoning to DR-Developing Resource of Aspen Knolls 1st and 2nd Subdivisions. The specific refund amount is 316.94 acre-feet and would be placed in a new water bank account as paid credits under the name of the current property owner of the Subdivisions.

Recommendation: Adopt a motion recommending that City Council authorize removal of the raw water previously dedicated to Aspen Knolls First and Second Subdivisions and the issuance of a credit in the City's water bank to McWhinney Enterprises, as the current owner of Aspen Knolls First and Second Subdivisions, in the amount of 316.94 acre-feet, contingent upon the replatting and rezoning of Aspen Knolls First and Second Subdivisions to DR-Developing Resource.

Motion: Gary Hausman made the motion.

Second: John Rust Jr. seconded the motion. The motion was approved unanimously.

Comments: Discussion ensued over how this item does not incorporate any cash, and how the City is not negatively affected by approving this type of transaction. The property in question would change back to DR Zoning which essentially is a blank piece of land that would need to acquire water rights in order to be developed. Board inquired on the motivation behind this item and representatives from McWhinney responded that the plans for this property were from back in 2002. The plan layout does not fit with the current market of homebuyers; however, there are other places in the community that do fit the current market of homebuyers. McWhinney may in the future come back to develop this property and at that time they will need to obtain water rights for its development.

Item #4: CBT Market Price Consideration – Scott Dickmeyer The City's cash-in-lieu fee is based primarily on the market price of one Colorado-Big Thompson Project (C-BT) unit as recognized by resolution of the Loveland Utilities Commission (LUC). On 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 August 14, 2013, the LUC adopted Resolution R-4-2013U, changing the City's recognized price for CBT water to \$17,500 per unit and establishing a Cash-In-Lieu fee of \$18,375. Staff was also directed to closely monitor the situation and keep the LUC members updated monthly.

Recommendation: Make no change to the current recognized market price of \$17,500.

Motion: Gary Hausman made the motion.

Second: Gene Packer seconded the motion. The motion was approved unanimously.

Comments: Discussion ensued that the transactions during the last month were small. Board requested that at this time, they would like to continue to be updated monthly on the CBT market price; however, if staff recommends no change to the price, then this item could be moved to a staff report item or information item.

Item #5: Changes to Municipal Code and Water and Wastewater Development Standards concerning Water and Wastewater Reimbursement for Main Extensions, Major Structures and Oversizing – Melissa Morin This item covers changes to the Municipal Code for Water and Wastewater Development Standards concerning reimbursements for water and wastewater line extensions, major structures and oversizing of lines.

Recommendation: Adopt a motion recommending that the City Council adopt an Ordinance amending the Loveland Municipal Code at Chapters 13.04 and 13.08 concerning water and wastewater reimbursements and oversizing as presented.

Motion: Gary Hausman made the motion.

Second: Gene Packer seconded the motion. The motion was approved unanimously.

Recommendation: Adopt a motion recommending that the City Council adopt a Resolution amending Section 1.10 of the City of Loveland Water and Wastewater Development Standards concerning reimbursements for water and wastewater main extensions, major structures, and oversizing.

Motion: Gary Hausman made the motion.

Second: Gene Packer seconded the motion. The motion was approved unanimously.

Comments: Discussion ensued on the difference of oversizing reimbursements and third party reimbursements. In oversizing, the City pays the developer the difference between what is needed for development requirements and what is in our master plan. In third party reimbursements, the City requires a developer to build a line to the site and along the frontage. If it passes through other undeveloped properties along the way, to get from point A to point B, the developer ends up building infrastructure for those other properties along the way, which at some future time may benefit from and tie into the existing infrastructure. The developer has the right to write an agreement and tag that property so that in the future when that property is developed, the new developer owes the original developer known as the third party for the infrastructure that was already installed on their property. The City is the purveyor of the agreement and lets developers know the amount due to the third party for the infrastructure already in place on their properties. The City takes the money from the developer and then turns around and writes a check to the third party. There still need a written document to be recorded against the property so that when the property title is pulled, it will show the encumbrance recorded on that property for the amount owed to the third party. The City's role is a convenience to the first-in-time developer to allow them to get reimbursed for some of their development costs that benefit future developments.

The changes this item makes, helps make the policy more visible in the code, so now some of the areas that were only covered in the agreement are now included in the code. These situations do not occur frequently, but it helps to clarify and make them more enforceable.

Board inquired about situations in which a developer, develops a property, but does not tie into the previously installed infrastructure; perhaps they choose to connect to a different utility supplier where it makes more sense. In those cases, the developer does not owe the third party for the infrastructure, because they did not tie into it. It was the first developer's risk to install the infrastructure through other

undeveloped properties, which may or may not be developed and may or may not be tied into in the future.

Item #6: Line Extension Policy for Power Division – Briana Reed-Harmel This item covers changes to the Municipal Code for Power concerning the line extension policy.

Recommendation: Adopt a motion recommending that the City Council adopt an Ordinance amending the Loveland Municipal Code at Chapter 13.12 regarding electricity.

Motion: Gary Hausman made the motion.

Second: John Rust Jr. seconded the motion. The motion was approved unanimously.

Comments: Clarification was made that the term “line extensions” refers to 200 amp feeders at 15 kilovolts. Discussion ensued over how this change would require extensions to the edge of development properties, which usually involves just the conduit. By making these extensions, it more easily allows for loop feeds, which benefits the development, and it is less disruptive to landscaping to have this done at the time of development rather than at a future time. Staff noted that the City would pay for any oversizing of the lines.

STAFF REPORTS

Item #7: Idylwilde Hydroelectric Project Relicensing & Permitting Issues – Greg Dewey 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.

Staff Report only. No action required.

Comments: The studies and documents that the City currently had are no longer valid due to the flood damage. This item was not presented due to the change in circumstances caused by the flood. At this time, these facilities and assets have not been assessed. Aerial footage does show that the cat walk was washed out at the dam and that sections of the penstock were damaged or washed away. Staff will present this item next month with updated information as can be obtained.

COMMISSION/COUNCIL REPORTS

Item #8: Commission/Council Reports

- City Council Study Session on Power Cost of Service Study - August 27, 2013

John Rust Jr: Lots of water

Randy Williams: Thanked staff for the warning that helped him to get out in time. Commented that he has a lot of the dirt from the canyon in his yard.

Gene Packer: He was designated as a point person for the LDS church in Loveland. He worked with 270 volunteers from the LDS community to clean out six homes damaged by the flood in a two-day period. He served for two days in the Disaster Assistance Center and shared a couple of stories of evacuees and their concerns as well as their gratitude for the donated clothing and supplies

Steve Adams – Commented that Distribution Assistance Center (DAC) is open and operational and has already processed over 250 people. It is a single stop to meet with FEMA and the Red Cross, and to obtain food, internet, clothing, and phones and to swap messages. There are two parts, one is bringing all the volunteers together to help staff the center, and the other part is the economic assistance and recovery for the commercial side of the city to help get small businesses back in-line and help with loans. Related compliments to this center on its efficiency as well as treating others humanely. They are coordinating housing for those with no place to stay. We will be moving from

restoration and repairing infrastructure to the more social side, to getting people recovered from their losses. It will take some time to get through the work of damaged infrastructure.

Chris Matkins – Commented that the Wastewater Treatment Plant had increased hydraulic flows during the flood and there were some damages to the grounds and outfall dam, but overall the plant itself is in good shape. Commented that although the new River's Crossing Park and Fairgrounds Park were almost all underwater, yet the Milner-Schwartz House, Loveland's oldest remaining home was high and dry and has endured through both the 1976 and 2013 floods.

Steve Adams – Commented that the remaining facilities on the Schwartz farm will not be kept on the historic preservation list. All those structures are filled with water.

John Rust Jr. – Commented that he believes that the flooding in that area was worsened due to the City shrinking the drainage area of the river. He said that there used to be two river channels, equally split, at the southern part of Loveland where the Big Thompson River crosses Highway 287. There were two bridges to get over it. A lot of the problems have been emphasized by the restriction of the flow of the river and it started where the City mined gravel in the area of the Fire Training Center.

Steve Adams – The Fairgrounds Park now has three river channels going through it. Commented that he had never seen so much restoration work as that being done by the railroad company to get their railroad line through Loveland restored. The Region 4 Director for C-Dot has been saying on the news that their canyon service restoration priorities are Highway 7 and Highway 36 with no immediate plans for Highway 34, although they have not officially said that Highway 34 is not being looked at as a priority to restore. There are a lot of people organizing and political pressure to inquire whether that is a wise idea to not have access up Highway 34 for a long time, possibly a year or so to reconstruct the road. It will be much more challenging to build a road up the Highway 34 canyon now due to so much of the material being washed away.

Larry Howard - The Dille Tunnel is out of service and damaged and is currently inaccessible, but water can still get from Lake Estes to Pinewood. There appears to be some stone damage and more assessments will need to be made once the water levels go down.

Greg Dewey – We are getting 25 cfs into the reservoir daily and the reservoir is close to 90% full even though we are not taking any water from the river.

Gary Hausman: He had a couple of structures below Drake that are gone. One structure is dangling over a cliff that used to be 40 feet back from the river and 25 feet above the river and now the river channel is flowing beneath it.

Daniel Greenidge: none

Larry Roos: none

Dave Schneider: Passed out a copy of an email from Mark Udall. Expressed that he would like to know how much it would cost to create the proposed bill to create 136,000 and that he would like to know who is wasting 80% of the electricity in this country. He would like to know where this study came from. He tries to make it look like we could outsmart all of these losses and that all the losses are strictly electrical losses when in fact it comes from various types of losses in fuels, conversions, etc.

Steve Adams – Commented that the actual losses are 92%. Steve will send out some information on this item. There has been a continual running debate in the electrical industry about this particular issue because there are energy losses in lines, in production, in converting water to steam, in transmission, in substations, and in homes. PRPA is tracking these bills and we can get this information out to you through PRPA's governmental relations officer at Barb Ateshzar.

Brieana Reed-Harmel – Although she does not believe that the energy losses are quite this high, she did say there is a lot of energy lost on transmission lines and then when converting through transformers. There are things that can be done to increase efficiencies such as buying more efficient transformers and correctly sizing cables. Although Loveland has installed efficient transformers, there are other utilities that have bought the least expensive transformers which were very inefficient.

Council Report: Daryle Klassen

7/23/2013 – Study Session – Canceled

8/6/2013 – Regular Meeting - A motion to approve a new Wheeling Agreement among the City, Public Service Company of Colorado, and Platte River Power Authority was approved on first reading.

8/13/2013 – Study Session - N/A

Comments: Alan Krcmarik gave a recap on the Water Utility Financing stating that they completed a \$10 million external loan at 3.19% through Wells Fargo. The loan only requires paying interest when funds are drawn down. Wells Fargo is fine with these funds being used for flood repairs and they would be willing to lend more if needed. The Water Utility is receiving an internal loan from the Power Fund of \$6 million to be repaid over 8 years.

Daryl Klassen discussed the daily 3:30 pm City Council briefings on the flood. The Fire Chief, Randy Mirowski is the Incident Commander for the flood. Daryl Klassen complemented all that the department directors and staff in all that they are doing in response to the flood. Shared how some other communities are much worse off, not even being able to flush their toilets.

Cumberland & Western executed a free one year lease with building D for the flood recovery operations. It is unbelievable all has been donated in food, clothing, water and the number of volunteers present. Flood victims are invited to come to the center to get what they need.

DIRECTOR'S REPORT

Item #9: Director's Report – Steve Adams

Comments:

Steve Adams briefly talked about how we are working to stabilize infrastructure. Complemented staff on the work done to move a river in the middle of its flood stage, which is almost unheard of. Discussed the benefits and foresight to be able to turn off the flow from the river at the Water Treatment Plant during an event such as this and switch over to drawing solely from Green Ridge Glade Reservoir which can provide about 6 month's worth of water to the City at this time of year. Discussed the benefits of dam's upstream that helped to regulate the flows of the water down stream. It was a 400 year event up in Estes Park. Related how last night City Council gave a standing ovation to the City staff for their amazing work in response to the flood.

Chris Matkins – Covered the flood damage done to the 20" and 36" water transmission lines and the work done to protect the remaining 48" water transmission line between the Water Treatment Plant and Highway 34. Although the flood level did not get to the 100-year stage, the volume of precipitation that fell over the course of multiple days was over the 400-year level. The flood levels were not as high as they would have been during a sharper flash flood, but there was on-going pounding high-water volume flows.

Briana Reed-Harmel – Discussed that power has been restored all the way up to the Dam Store, but power is out in the canyon. In town, there is still a small area out of power on South Lincoln that is still under evacuation and is inaccessible due to flood levels. Overall there were very few power outages, and we were able to keep power on to our customers in town. The power infrastructure for the most part is in good shape. Power staff will try to go in with horseback, taking alternate paths and helicopters to evaluate the infrastructure up the canyon.

Gretchen Stanford - Reviewed the challenges during the flood event of a tremendous amount of miscommunication from other entities that accidentally added Loveland to lists and boil orders and that was disseminated wide spread on news channels, Twitter, and social media. The Customer Relations

Staff were outstanding as they helped direct people to the most accurate and up to date information posted on our website. We received comments thanking Loveland for keeping posted such great social media content. We have a 1000 gallon water tank available for the few customers on the far west side of town without water.

Jim Lees – Reviewed the paperwork required during this type 2 flood event. On Monday, we had to report on the first 72 hours' worth of activity related to the flood. It was quite challenge with 114 employees and people working at two different plants and crews everywhere. We are hopeful that we will be able to get reimbursed for a lot of these expenses. We had one employee that worked almost 23 hours on Friday. Gary Graham, our Water Operations Supervisor, who was out on vacation, flew back on Tuesday so that he could be part of this response. This is an amazingly dedicated group of people.

The LUC board members gave staff a standing ovation to the Water & Power staff for their hard work in response to this event.

INFORMATION ITEMS

Item #10: Financial Report Update – Jim Lees This item summarizes the monthly and year-to-date financials for August 2013.

Staff Report only. No action required.

ADJOURN The meeting was adjourned at 7:10 pm. The next LUC Meeting will be October 16, 2013 at 4:00 pm.

Respectfully submitted,

Michelle Stalker
Recording Secretary
Loveland Utilities Commission



AGENDA ITEM: 1
MEETING DATE: 10/16/2013
SUBMITTED BY: Steve Adams, Director *MS for SA*

TITLE: 2013 3rd Quarter Goals and Milestones Report

DESCRIPTION:

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

SUMMARY:

Review 2013 utility goals and milestones report and the 3rd Quarter updates.

RECOMMENDATION:

Discuss the presented information and approve the 3rd Quarter 2013 LUC status report.

REVIEWED BY DIRECTOR: *MS for SA*

Loveland Utilities Commission 2013 Goals with 3rd Qtr. Updates

FINANCE

Review rates and extension policies:

1. **Goal: Prepare Capital Improvement Plans for water and wastewater** supported by a 2012 cost of service study and a 2012 rate study that provides adequate capital funding while taking into account depreciation. (11B.1.IP3 and 11D.1.IP1)
Q3 2013 Update: There have been no changes to the CIPs for Water and Wastewater since their submittal to the Budget Officer. Wastewater has been awarded nearly \$1.1 million of grant funding from the State to be used for the Nutrient Removal projects at the Wastewater Treatment Plant. This will be a significant help to the Unrestricted and SIF fund balances, but both funds are still projected to go negative in 2017. Staff is continuing to gather damage estimates from the September flood, and will monitor the impact on the fund balances for both Water and Wastewater.
2. **Goal: Prepare Capital Improvement Plans for power** supported by a 2013 cost of service study and a 2013 rate study that provides adequate capital funding while taking into account depreciation and determine if we should design an electric rate that would encourage customers to lower their demand during system peaks.
Q3 2013 Update: There has been no change to the CIP for Power since it was submitted to the Budget Officer. With annual rate increases ranging from 0.8% to 4.15% per year over the next ten years, the fund balance for both Unrestricted and Plant Investment Fees (PIF) stays positive and grows over that period. This works out well, as we don't currently have an estimate from PRPA on the cost of extending a transmission line to I-25 and State Highway 402. Staff is continuing to gather damage estimates from the September flood, and will monitor the impact on the fund balance for Power.
3. **Goal: Continue to formulate an electric line extension policy.**
Q3 2013 Update: This was taken to LUC in September. The LUC recommended that the change to policy be brought before City Council. The Power Division is working with the Water Division on a date that will work for both groups to present to City Council for adoption. Tentatively we are planning on presenting to City Council on November 5, 2013.
4. **Goal: Continue to update the water line and sewer line extension policy.**
Q3 2013 Update: Policy went to LUC on August 18, 2013 and was recommended to Council with no changes. Policy will go to City Council on November 5, 2013.

POWER

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

5. **Goal: Continue to monitor Smart Grid and other technologies** implemented by other utilities to determine if they are applicable to Loveland and recommend to LUC and then to Loveland City Council.
Q3 2013 Update: The Department has finished the initial investigation into the types of equipment that should be used on the Key Account meters. The City is currently out for bid to provide this functionality to Key Account customers that will be under the new Coincident Peak rate as a pilot project.

**Loveland Utilities Commission
2013 Goals with 3rd Qtr. Updates**

6. **Goal:** Expand the use of the **Supervisory Control and Data Acquisition (SCADA)** system to apply to the power distribution system.
Q3 2013 Update: Staff continues to investigate possible technologies for recording the data and monitoring the system and how to tie this information into the OMS system.
7. **Goal:** Continue to implement the Outage Management System (OMS).
Q3 2013 Update: Staff continues to evaluate the use of an Interactive Voice Response (IVR) system. Staff has explored the possibilities of having the system hosted by a third party vendor or owning the system out right. Staff is still evaluating the pros and cons of both options.
8. **Goal:** Continue to study the impact **electric vehicles** will have on utilities service, budget and infrastructure.
Q3 2013 Update: The five charging stations have been installed and the final reporting information to the Colorado Energy office has been submitted to finalize the grant funding.
9. **Goal:** Implement an **LED streetlight policy**.
Q3 2013 Update: Staff continues to work on the LED streetlight specification and is in the process of testing various models for applicability and aesthetics.

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

10. **Goal:** **Emergency Response/Preparedness Protocol**, to ensure physical security and timely response to outages, including site security by December 2013.
Q3 2013 Update: Staff continues the investigations into security upgrades at the substations and emergency response. Staff has been in contact with both PRPA and the other cities (Fort Collins, Longmont, and Estes Park) to investigate best practices.
11. **Goal:** Review, upon request, **Platte River Power Authority (PRPA) policies for providing reliable generation and transmission** for the City of Loveland and recommend changes to Loveland City Council.
Q1 2013 Update: Water and Power will participate with PRPA in the development of a strategic plan. This will include staff participation in at least two subcommittees and general stakeholder meetings. The first scheduled meeting is set for May 8, 2013.
Q2 2013 Update: Work is continuing on the development of the strategic plan, and PRPA is collecting ideas and information through stakeholder meetings.
Q3 2013 Update: Water and Power staff are awaiting release of the draft Strategic Plan.
12. **Goal:** Update the **Requirements for Electric Service** book.
Q3 2013 Update: Staff had to delay completion date due to time constraints during the flood response. There has also been feedback from the Building Department and Utility Billing that we are attempting to reconcile in the new edition. This is expected to be ready before the end of the year.

**Loveland Utilities Commission
2013 Goals with 3rd Qtr. Updates**

WATER

13. Support the City's goals in developing a master plan for development along the Highway 402 corridor, including wastewater service.

Q3 2013 Update: The Consultant contract was cancelled due to a change in personnel and a change in our approach to the project. Once the flood response and repair efforts are under control, Tanner Randall will review the work completed to date refine the route and cost estimates. At that time, we will determine whether or not an outside consultant is needed to complete a detailed study.

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

14. Goal: Continue to support the monitoring and assessment efforts through participation in the **Big Thompson Watershed Forum.**

Q3 2013 Update: No additional W&P staff activity has been required during this period.

15. Goal: Support City wide effort regarding **hydraulic fracturing.**

Q3 2013 Update: No additional W&P staff activity has been required during this period.

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

16. Goal: **Second Use Water Program Development Report**, to maximize reusable water sources and which will consider economics and current development, by December 2013.

Q3 2013 Update: No additional W&P staff activity has been required during this period.

17. Goal: Complete an update to the **Drought Response Plan** by December 2013.

Q3 2013 Update: No additional W&P staff activity has been required during this period.

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

18. Goal: To assure the availability of Windy Gap water, continue participation in planning / design of Windy Gap Firing Project

Q3 2013 Update: No additional W&P staff activity has been required during this period.

19. Goal: Pursue acquisition of additional Colorado-Big Thompson Project (CBT) units.

Q3 2013 Update: No additional W&P staff activity has been required during this period. There have been few transactions and all prices have been around \$18,500 per AF.

Update the following studies:

20. Goal: **Emergency Response /Preparedness Protocol** - to ensure physical security and timely response to service interruptions, including site security by December 2013.

Q3 2013 Update: Staff demonstrated excellent emergency response protocol and coordination in the Flood 2013 event. This item is complete.

21. Goal: Explore regional opportunities to participate in studies that look at raw and treated water provisions on a regional basis by December 2013.

Q3 2013 Update: Staff is awaiting final study results and will share with LUC when available.

**Loveland Utilities Commission
2013 Goals with 3rd Qtr. Updates**

WASTEWATER

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

22. Goal: Level of Service Study - to evaluate adequacy, reliability and safety of wastewater service and whether federal, state and local requirements continue to be satisfied by December 2013.

Q3 2013 Update: Staff is evaluating options for expanding the treatment capacity of the wastewater plant and meeting expected regulatory increases in treatment levels in order to continue providing adequate levels of service to our customers. This work is likely to continue into 2014.

23. Goal: Emergency Response /Preparedness Protocol - to ensure physical security and timely response to service interruptions, including site security by December 2013.

Q3 2013 Update: Staff demonstrated excellent emergency response protocol and coordination in the Flood 2013 event. This item is complete.

CUSTOMER RELATIONS

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

24. Goal: Implement Loveland City Council approved energy conservation programs by December 2013.

Q3 2013 Update: Staff is continuing to administer programs including fielding calls, scheduling participants, processing rebates, etc. As an ongoing task, staff continues to review program results, making changes or adjustments where necessary.

25. Goal: Develop a plan that helps the Department evaluate, consider, and guide future renewable energy participation opportunities.

Q3 2013 Update: The renewables committee with the four cities and PRPA continues to meet on a quarterly basis. Since the recent flood and decisions that need to be made on the hydro plant as well as the purchase of PRPA has recently purchase 32.5 MW of wind, see attachment, staff will be recalculating renewables we could allocate towards an renewable portfolio standard if we were mandated by the State. This analysis will help us make decisions on future renewable energy purchases. Key account customers continue to ask if the City provides rebates as well as complete their own analysis if renewable energy is an option for their own facilities. (See attachment A.)

26. Goal: Formulate and implement commercial customer Demand Side Management, by December 2013.

Q3 2013 Update: Staff presented the coincident peak rate to City Council in early October where it was approved on first reading. The rate will go for second reading on October 15. If approved, the coincident peak rate will be included in our 2014 rates, charges and fees.

27. Goal: Encourage water use efficiency which includes implementing the conservation and peak reduction measures adopted by City Council in July 2010

Q3 2013 Update: Following City Council direction from the June 4, 2013 meeting, on the Drought Management Plan, the *Shave the Peak Program* was in effect with the voluntary even/odd watering schedule from July 17 - August 31st. The *Garden-In-A-Box* and the *Slow the Flow* programs in partnership with the Center for ReSource Conservation have both wrapped up for the season with 94 gardens sold, 107 residential irrigation audits completed and 4 HOA irrigation audits completed.

**Loveland Utilities Commission
2013 Goals with 3rd Qtr. Updates**

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

28. Goal: Prepare an updated Water Conservation Plan, in compliance with Colorado Water Conservation Board direction and the Water Conservation Act of 2004 while coordinating with the Northern Colorado Water Conservancy Districts requirements by July 2013.

Q3 2013 Update: The *Water Conservation Plan* has been submitted to the Colorado Water Conservation Board and we are awaiting final approval.

29. Goal: Support city wide development of a **Sustainability Plan** which will address water, power and wastewater infrastructure by December 2012.

Q3 2013 Update: The Sustainability Plan has been delayed because of the City Council elections in November. There is no date schedule at this time.

30. Goal: Participate in EPA Region 8 water and wastewater infrastructure, energy management pilot to develop an Energy Management Plan by December 2012.

Q3 2013 Update: Applications for the Bureau of Rec Water Smart Grant will be available this month and are due by the middle of December. The City is working with a consultant to apply for the grant. The WTP Hydroturbine feasibility study will be submitted with the grant application (required as a condition of the grant application). In addition, the City will evaluate low interest loans available through the Colorado Water Resources and Power Authority (CWRPA) that are specific to small hydro plants. These loans can be used as matching funds for the grant and are set at 2% interest rate and a 20 year term. Davis-Bacon does not apply.

31. Goal: Evaluate and plan downtown infrastructure for revitalization

Q3 2013 Update: For the past three months, the Loveland Downtown Team meetings have been cancelled because of staff conflicts and emergency related events. It has been cancelled once again for the month of October. No update at this time.

32. Goal: Expand communications, public outreach and marketing for the utilities programs, challenges, infrastructure concerns, rates and supply.

Q3 2013 Update: Customer Relations played two integral roles in flood operations at Water & Power. Customer Relations served as the public information office dispatching press releases, updating the website, working in dispatch, coordinating and hosting public meetings with EOC staff for those displaced in the canyon, updating the City of Loveland Public Information Office, sending messages to social media and answering customer calls related to business and residential emergent needs. Customer relations handled all communication to those customers who lost their water service, making 73 phone calls each time the situation was updated. Customer Relations stayed in close contact with the Key Accounts during the emergency, as well. Aside from the flood, Customer Relations hosted several events in the third quarter including Garden in a Box, Loveland Youth Gardeners Tour, Loveland Cherry Pie Celebration, Drive Electric Colorado Ride & Drive, two days of the Loveland Corn Roast Festival and Bixpo. This month, we will distribute the application for the Energy Efficiency Assistance Program, a program that promotes energy efficiency and water conservation for school kids. This year, we will award two \$5,000 grants.

Attachment A



FOR IMMEDIATE RELEASE

For more information, contact:

- Jon Little, Platte River Power Authority, 970-229-5352, littlej@prpa.org
- Alissa Krinsky, Invenergy, 312-582-1554, akrinsky@invenergyllc.com

Platte River Power Authority to Purchase Wind Energy

FORT COLLINS, Colorado and CHICAGO, Illinois (September 18, 2013) – As part of its ongoing plan to acquire new renewable energy, Platte River Power Authority (“Platte River”) has contracted with an affiliate of Invenergy Wind LLC (“Invenergy”), to purchase output from a new wind power generation facility to be constructed in Colorado.

The Spring Canyon II Energy Center (“Spring Canyon II”) will feature nineteen wind turbines, with the capacity to generate up to 32.5 MW of power. Energy produced will be purchased by Platte River through a 25-year agreement. Construction of Spring Canyon II is expected to begin in the fourth quarter of this year, with commercial operations commencing as early as the fourth quarter of 2014.

The new wind farm will be located in Logan County, approximately 130 miles northeast of Fort Collins. It will be sited near Invenergy’s existing Spring Canyon Energy facility, a 60 MW project in operation since 2006.

Platte River estimates that the electricity produced annually at Spring Canyon II will provide approximately 3.5% of the power consumed in its four owner municipalities. In 2012, 23% of the electricity Platte River delivered to the municipalities was generated by hydropower and wind resources.

“The purchase of additional wind energy provides a number of benefits, including a step toward a more diverse generation portfolio and lower potential future costs associated with fossil fuel emissions, combined with fixed pricing from this resource,” said Jackie Sargent, Platte River’s General Manager.

“We are delighted to work with Platte River in developing a new source of clean, homegrown energy in Colorado, a state leading the way when it comes to renewable power generation,” said James Shield, Chief Development Officer at Invenergy. “With the cost of wind energy at record lows and competitive with other generation sources, this is an excellent time for utilities such as Platte River to be diversifying their power portfolios.”

About Platte River Power Authority

Platte River Power Authority is a not-for-profit wholesale electricity generation and transmission provider that delivers safe, reliable, environmentally responsible and competitively priced energy and services to its owner communities of Estes Park, Fort Collins, Longmont and Loveland, Colorado for delivery to their utility customers. More information about Platte River can be found at www.prpa.org.

About Invenergy

Invenergy and its affiliated companies develop, own and operate large-scale renewable and other clean energy generation facilities. North America's largest independent wind power generation company, Invenergy is committed to clean power alternatives and continued innovation in electricity generation. The company's home office is located in Chicago and it has regional development offices throughout the United States and in Canada and Europe.

Invenergy has developed more than 7,100 MW of clean energy projects that are in operation, in construction, or under contract, including 58 wind, solar, and natural gas power facilities. For more information, please visit www.invenergyllc.com

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AGENDA ITEM: 2
MEETING DATE: 10/16/2013
SUBMITTED BY: Kathleen Porter, Field Engineer Supervisor 

TITLE: 2014 Annual Substructure Contract

DESCRIPTION:

The Department of Water & Power reviewed the annual substructure contract. The substructure contract allows contractor augmentation of City crew efforts to install underground conduit systems, streetlight wires, streetlights and vaults. After consideration of the excellent work being done by our current contractor during 2013 and in prior years, the decision was made to recommend renewing this contract for a second term for calendar year 2014. The work was bid, and the original contract term began January 1, 2013 and will end December 31, 2013. This is the first renewal of the contract.

SUMMARY:

Each year there are many opportunities to use the substructure contract for extension projects and underground installations that occur as a result of development, capital construction, emergencies, and maintenance. In 2014 we anticipate expenditures of approximately \$1,000,000 for small capital projects, 600-amp development-driven extensions, overhead to underground conversions, and development growth. The \$1,000,000 total is approximately what we experienced in 2013. The contractor was informed of the City's intent to make this contract for up to \$1,000,000, but the City does not guarantee that there will be that much work available. The \$1,000,000 contract amount is budgeted within several capital projects, maintenance and development-driven projects. The LUC has authority to award procurement contracts for which funds have been budgeted and appropriated in the Water & Power budget pursuant to City Code Section 3.12.060.

RECOMMENDATION:

Adopt a motion awarding the 2014 Annual Substructure Contract to G.E. Construction in an amount not to exceed \$1,000,000 and authorizing the City Manager to sign the contract on behalf of the City.

REVIEWED BY DIRECTOR: 



AGENDA ITEM: 3
MEETING DATE: 10/16/2013
SUBMITTED BY: Kathleen Porter, Field Engineer Supervisor 

TITLE: 2014 Annual Directional Bore Contract

DESCRIPTION:

The Department of Water & Power reviewed the Annual Power Directional Bore Contract. We use a Directional Bore Contractor to bore underneath canals, railroad tracks, and streets that cannot be open cut and in other inaccessible areas where we are extending underground electrical power lines. After consideration of the excellent work being done by our current contractor during 2013, the decision was made to recommend renewing this contract for calendar year 2014. The work was bid, and the original contract term began January 1, 2013 and will end December 31, 2013. This is the first renewal of this contract.

SUMMARY:

Each year there are many opportunities to use the directional bore contract for extension projects and underground installations that occur as a result of development, capital construction, emergencies, and maintenance. This year we anticipate expenditures of approximately \$2,000,000 for small capital projects, 600-amp development-driven extensions, overhead to underground conversions, and development growth. The \$2,000,000 total is approximately what we experienced in 2013. The contractor was informed of the City's intent to make this contract for up to \$2,000,000, but the City does not guarantee that there will be that much work available. The \$2,000,000 contract amount is budgeted within several capital projects, maintenance, and development-driven projects. The LUC has authority to award procurement contracts for which funds have been budgeted and appropriated in the Water & Power budget pursuant to City Code Section 3.12.060.

RECOMMENDATION:

Adopt a motion awarding the 2014 Annual Directional Bore Contract to Colorado Boring, Inc. in an amount not to exceed \$2,000,000 and authorizing the City Manager to sign the contract on behalf of the City.

REVIEWED BY DIRECTOR: *MS for SA*



AGENDA ITEM: 4
MEETING DATE: 10/16/2013
SUBMITTED BY: Greg Dewey, Civil Engineer – Water Resources *Greg Dewey*

TITLE: Idylwilde Hydroelectric Project Status

DESCRIPTION:

The purpose of this item is to provide LUC with information regarding the status of the Idylwilde Hydroelectric Project. Comments and suggestions from the LUC are requested at this meeting.

SUMMARY:

The Idylwilde Hydroelectric Project consists of a dam, reservoir, penstock, turbines and powerhouse. These facilities were compromised during the September 2013 flooding in the Big Thompson Canyon. In addition, a large amount of earthen material including silt, sand, cobbles, and boulders have accumulated behind Idylwilde Dam. On October 8, 2013 during a special meeting of the Loveland City Council, the Council unanimously adopted a motion authorizing the removal of the earthen material, as well as Idylwilde Dam itself. The exact wording of the motion is reproduced below:

“Adopt a motion authorizing the City Manager or his designee to enter into negotiations with Kiewit Corporation, the contractor selected by the Colorado Department of Transportation (“CDOT”) to reconstruct U.S. Highway 34 between Loveland and Estes Park, to demolish and dispose of the City’s Idylwilde Dam and to remove the silt, sand, cobbles, and boulders that have accumulated behind Idylwilde Dam so that the materials can be provided to CDOT’s contractor to be used in the U.S. Highway 34 reconstruction project, and to execute, on behalf of the City and in consultation with the City Attorney, any agreements and other documentation necessary to complete the demolition, disposal, and removal work.”

Damage Assessment -- Nonworking Project

Prior to the flood, the Idylwilde Dam facility was determined to have structural stability concerns under certain conditions prior to the flood. Since the flood, the concerns did not resolve on their own. Water and Power staff have accessed the facilities by helicopter and by ground, where possible, and discovered the following from these field inspections on September 13, 2013 and September 20, 2013:

- Sections of the structure have shifted, further adding to the safety concerns of the dam.

- The penstock along the river below the Idylwilde Dam facility has been completely destroyed in multiple locations, totaling approximately 2,000 feet.
- The power house at Viestenz Smith Park has partially filled with water, sand and sediment and is no longer functional.

Photos illustrating damage to the dam, reservoir, pipeline, and power house are in *Attachment A: Slides from presentation to City Council, October 8, 2013.*

Need for Road Construction Material

The Governor of Colorado joined Colorado Department of Transportation in announcing estimated opening dates for many highways affected by the floods. The Press Release, dated September 26, 2013 is *Attachment B* and states December 1, 2013 as the goal for opening U.S. Highway 34 between Larimer County Road 27 and Estes Park. Due to the necessary speed at which the work must take place and the need for road construction material, the CDOT contractors, Kiewit Corporation (Kiewit) and RockSol Consulting Group (RockSol) contacted the City of Loveland about material at Idylwilde Dam.

Verbal Permission Licensing by the Federal Energy Regulatory Commission.

Water and Power Staff initiated conversations of the proposed work at the Idylwilde Dam facility with federal regulatory agencies and other interested parties. As a result of the damage to Idylwilde dam and the downstream penstock, the City received verbal permission from the U.S. Forest Service (USFS), Army Corps of Engineers (COE), and Federal Energy Regulatory Commission (FERC) to use the earthen material including silt, sand, cobbles, and boulders now behind the dam and the deconstructed dam itself as fill for a temporary road to be constructed in the Big Thompson Canyon. Upon receiving verbal permission from these federal agencies, City staff prepared a memorandum addressed to the City Manager seeking guidance from City Council (*See Attachment C: Memo to Bill Cahill from Steve Adams, October 7, 2013*). *Attachment D: Appreciation letter from Stephen C. Adams, October 4, 2013* was sent to the federal agencies and copied to local representatives from the federal agencies, CDOT, Kiewit and RockSol.

Loveland Water and Power Staff are committed to following through with all proper procedures and necessary paperwork and filings required as a result of the verbal approval. Staff will continue to work with the United States Forest Service to remove any remaining facilities and to provide the necessary mitigation and landscaping to return the area to natural river environment with easy access for fishing.

Relicensing by the Federal Energy Regulatory Commission.

The City of Loveland through its consultant, Water Consult, has stopped all work on the activities associated with relicensing. Following the dismantling of the dam, the city will file a report with FERC regarding disposition of facilities. Most likely the city will engage in a license

surrender process, since most of the facilities would require a complete rebuild. It is probable that this process would not be initiated until after January 1, 2014.

Background on the Facilities

The Idylwilde Hydroelectric Project (Project) is located on the Big Thompson River along U.S. Highway. 34 and west of the City of Loveland. Planning for the Project began in 1912, leading to completion of the dam on U.S. Forest Service property in 1917. The hydroelectric plant was then completed on municipally owned property, allowing generation and distribution of energy from the project to begin on February 11, 1925. The original dam and hydroelectric plant were destroyed in the Big Thompson River Flood on July 31, 1976. The facilities were replaced and became fully operational in 1981.

The project is limited by license and rating to produce no more than 900 kilowatts of power.

More information is included in *Attachment E: Fact Sheet Idylwilde Project*.

Other Background Topics:

Staff is currently evaluating the following additional topics:

- Palisade area water taps made directly into the 36" diameter penstock supplying water from Idylwilde Dam to the city's hydropower station located at Viestenz-Smith Mountain Park. Prior to 1925, these 20 or so water taps were apparently provided in exchange for permission to cross the private land with this penstock.
- Hydropower using other City of Loveland facilities. Water and Power Staff are evaluating an option to produce hydropower at the City's water treatment plant using an in-line turbine.
- Environment considerations: It is expected that there will be requirements on USFS lands for remaining vestiges of the project to be disposed through a consultative environmental permitting process. Pieces of the pipe are scattered downstream. The power house at Viestenz Smith Park is no longer functional. Loveland Parks and Recreation Staff will be consulted as to what they might want for the building itself.

Staff will continue to work with USFS and outreach to the other stakeholders during this process.

RECOMMENDATION:

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

REVIEWED BY DIRECTOR: *MS for SA*

ATTACHMENTS:

Attachment A: Slides from presentation to City Council, October 8, 2013

Attachment B: Press Release, opening dates for highways, September 26, 2013

Attachment C: Memo to Bill Cahill from Steve Adams, October 7, 2013

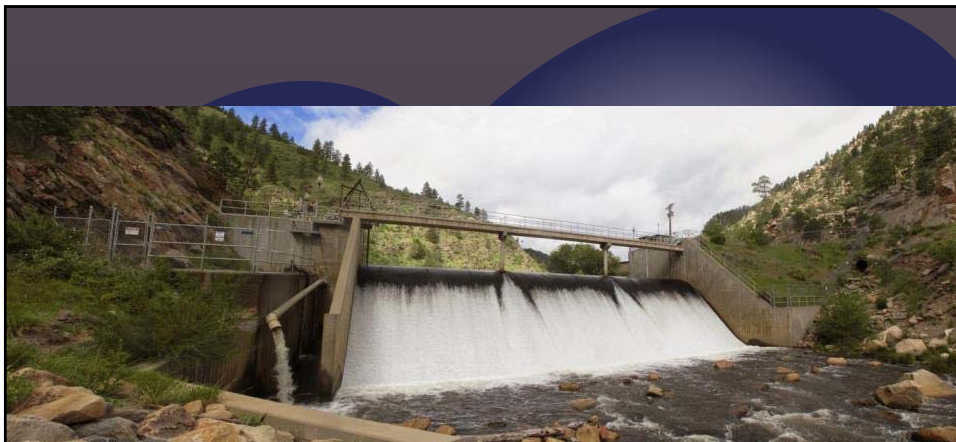
Attachment D: Appreciation letter from Stephen C. Adams, October 4, 2013

Attachment E: Fact Sheet Idylwilde Project

Idylwilde Dam, Pipeline and Hydro Station

{ 2013 Flood Assessment Images

City Council Presentation
By Water and Power Department
October 8, 2013



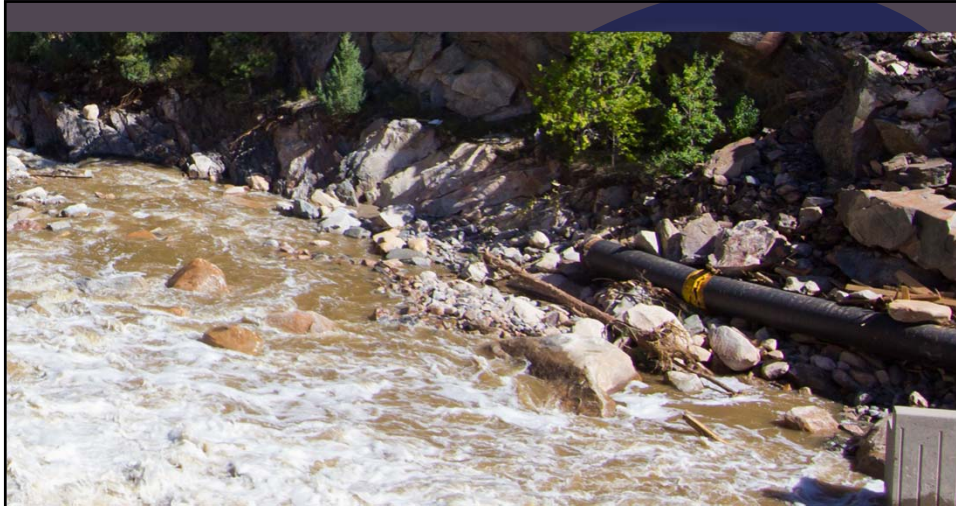
Idylwilde Dam prior to 2013 Flood
Circa June 2013



Idylwilde Dam post 2013 Flood
Concern about dam stability, reservoir
filled with silt, sand, cobble and boulders



Idylwilde Dam post 2013 Flood
Disconnected pipe and concrete separation



Pipeline post 2013 Flood
Downstream from Idylwilde Dam,
Exposed pipe with portion missing



Pipeline post 2013 Flood
Downstream from Idylwilde Dam,
Exposed pipe with portion missing



Power Plant post 2013 Flood
Erosion around foundation



Power Plant post 2013 Flood
Inside is filled with muck



Power Plant post 2013 Flood
Inside is filled with muck



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Gov. Hickenlooper makes \$65.5 million more available for flood recovery, CDOT announces opening dates for highways

DENVER — Thursday, Sept. 26, 2013 — Gov. John Hickenlooper signed an Executive Order today that makes \$65.5 million more available for flood response and recovery. This brings the total state funds available to \$91.5 million.

"There is great urgency to get flood recovery efforts underway as quickly as possible," Hickenlooper said. "This money will help local communities rebuild now instead of waiting for other recovery dollars to arrive."

The governor today also joined the Colorado Department of Transportation to announce estimated opening dates for many highways. The ultimate goal is to complete temporary or permanent repairs to restore mobility on these state highway routes by Dec. 1, 2013.

The total cost of permanent repairs on Colorado's highways is now estimated at \$475 million.

The governor's Executive Order signed today transfers \$15.5 million from the Controlled Maintenance Trust Fund and \$50 million from the Medical Services Premiums appropriation in the Department of Health Care Policy and Financing to the Disaster Emergency Fund. Current projections indicate there will be money available above the enacted budget to accommodate this change.

"The Director of the Office of Emergency Management is hereby authorized and directed to allocate the funding to the appropriate government agencies and non-profit organizations and execute awards, purchase orders or other mechanisms to effect the allocation of the funds," the order says.

The order also authorizes the Director of the Office of Emergency Management to allocate up to \$20 million for short-term, no interest loans to provide any political subdivision of the state with short-term capital needed for flood response and recovery.

CDOT has updated its list of closed highways and estimated reopening dates. All estimated openings are weather dependent and could change based on the conditions of the highway once crews begin the extensive repairs. In addition, some of the corridors will reopen in a temporary state meaning a gravel road or a one-lane configuration. Here is the current roadway schedule:

- US 34 between CR 27 and Estes Park:** The contractor began the damage assessment this week. More information to come soon, but the goal is to reopen US 34 in a temporary state by December 1, 2013.
- US 34 between CR 27 and the Dam Store:** This two-mile stretch of US 34 is scheduled to reopen by the end of September or early October 2013.
- US 34 between Greeley and Kersey:** This section of US 34 will reopen to traffic in late September or early October 2013 as a temporary road. Paving will occur after the highway opens to traffic.
- US 34 between 37th Street and CR 49 in Greeley:** This section of US 34 Business will reopen to traffic in early to mid-October 2013.
- US 36 between Lyons and Estes Park:** The National Guard is working with CDOT to make temporary repairs. The highway is scheduled to reopening by December 1, 2013.
- US 36 south of SH 66:** The location on US 36 has been closed due to a damaged bridge. The repairs are nearly complete and is scheduled to open to one-lane alternating traffic by tomorrow. This will allow motorists to travel from Boulder to SH 66.
- State Highway (SH) 7 between Lyons and Estes Park:** The contractor began the damage assessment this week. More information to come soon, but the goal is to reopen SH 7 in a temporary state by December 1, 2013.
- SH 39 between Goodrich and I-76 and SH 144 between US 34 and Weldona:** The contractor is just now able to mobilize now that the water has receded. More information to come soon.
- SH 71 near Snyder:** The contractor is just now able to mobilize now that the water has receded. More information to come soon.
- SH 72 between SH 93 and SH 119:** Repairs are underway and should be completed by the end of November 2013.
- SH 119 between Boulder and Nederland:** SH 119 is scheduled to reopen in mid to late October 2013.
- SH 144 between US 34 and Weldona:** The contractor is just now able to mobilize now that the water has receded. More

information to come soon.

- **SH 257 between SH 60 in Milliken to US 34:** This section of SH 257 is scheduled to reopen by the end of September 2013.

CDOT will continue to work with local law enforcement and contractors to facilitate resident and property owner access to the roadways during construction, where possible. This will likely include setting established times for access to ensure that construction and repairs can be expedited.

“Over the last several weeks, our maintenance crews, contractors and the National Guard have been working extremely hard to reopening highways and reconnect communities,” said Johnny Olson, Infrastructure Recovery Force Incident Commander. “We are excited that we can now provide timelines for many of the highways, but it is important for motorists and the communities to remember these are tentative dates and factors such as weather and construction challenges can shift the opening dates.”

To view an updated list of highway closures related to the flood or for a list of frequently asked questions, visit <http://www.coloradodot.info/travel/floodinfoupdates>. Highway updates are also available at cotrip.org or by calling the CDOT Flood Information line at 720-263-1589 or 511 from anywhere in the state. Updates are also available via Twitter @coloradodot and be sure to “Like” our Facebook page at facebook.com/coloradodot.

Other updates related to flood recovery:

- Jerre Stead, the state’s Chief Recovery Officer, spent his first three days in his new role with key teams from CDOT, the Colorado Office of Emergency Management and the Colorado National Guard that are on the ground making a difference for local communities. He has formed a team that is working on organizing and coordinating efforts across the state to ensure swift attention to top issues and needs.
- The official count day for 2013 Student October is Tuesday, Oct. 1, 2013. Rules allow schools to request an alternative count date. The deadline for requesting alternative count dates was Sept. 16. However, given the extenuating circumstances surrounding the recent floods in Colorado, the Colorado Department of Education has extended the deadline to Sept. 30 for those districts impacted by the floods. School districts impacted by the floods may request an alternative count date between Aug. 15 and Oct. 10. For more information contact Janelle Asmus at Asmus_J@cde.state.co.us.
- The Federal Emergency Management Agency has approved temporary rental assistance for at least two months. The rental vacancy rate in the Northern Front Range market was 3.5 percent or less before the flood. It is difficult now to find a vacant unit. The state is working with private landlords and property management firms to include all available rental units at www.ColoradoHousingSearch.com. This is a web-based system that is updated daily and lists vacant rental units statewide and in the impacted areas. Those disaster victims looking for short-term rentals should be prepared to look outside their immediate areas.
- The state’s housing disaster strategy will focus on finding the resources to meet the needs not covered by the federal disaster assistance programs. Fundraising efforts include both public and private resources. Earlier this week, the Colorado Congressional delegation sent a request to the HUD Secretary for a Community Development Block Grant Disaster Recovery grant. In the recent Sandy disaster these funds were used to help defray cost not covered by FEMA and flood insurance. These funds were used for residential and commercial property repairs, infrastructure reconstruction, and economic development incentives.
- The Colorado Water Conservation Board (CWCB) has prioritized work on a number of stream gages impacted by flooding. The agency expects to have preliminary public infrastructure assessment numbers on structures impacted and possible costs by Monday, Sept. 30. Earlier this week, CWCB approved \$1.65 million in grants to the South Platte area for water infrastructure.

The latest information related to flood response and recovery can be found at www.coemergency.com.

###

Attachment C



Department of Water and Power

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

www.cityofloveland.org

TO: Bill Cahill, City Manager
DATE: October 7, 2013
FROM: Steve Adams, Water and Power Director
RE: Removal of the Idylwilde Dam and sediment for use as construction material to rebuild U.S. Highway 34

The Water and Power Department seeks permission from the Loveland City Council for the removal of Idylwilde Dam and the sediment including silt, sand, cobbles and boulders that have accumulated behind the structure. This material will be used by the contractor selected by the Colorado Department of Transportation, Kiewit Corporation, for use in rebuilding U.S. Highway 34 between Loveland and Estes Park.

The Idylwilde Dam facility was determined to have structural stability concerns under certain conditions prior to the flood. Since the flood, staff believes sections of the structure have shifted, further adding to the safety concerns of the dam. The penstock along the river below the Idylwilde Dam facility has been completely destroyed in multiple locations, totaling approximately 2,000 feet. Also, the power house at Viestenz Smith Park has partially filled with water, sand and sediment and is no longer functional. Photos illustrating damage to the dam, reservoir, pipeline, and power house are attached.

Governor Hickenlooper has targeted December 1, 2013 as a goal for restoring access to the general public along U.S. Highway 34. Due to the necessary speed at which the work must take place, staff initiated conversations of the proposed work at the Idylwilde Dam facility with regulatory agencies and other interested parties. Since the beginning of October, the following work has been accomplished:

- October 2, 2013, staff worked with the United States Army Corps of Engineers (COE), and received verbal approval to remove the silt, sand, cobbles, boulders and the dam from Colonel Joel Cross, Commander of the Omaha District, and Martha Chieply, Regulatory Chief of the Omaha District. This followed an emergency consultation initiated by the COE with a comprehensive list of federal and state agencies to incorporate their input. Staff understands from the Denver Regulatory Office of the COE that all the agencies that were contacted are in support of moving forward.
- Staff worked with the Federal Energy Regulatory Commission (FERC) seeking the same permission to perform the proposed work at the Idylwilde Dam facility. During a telephone conference on October 3, 2013 with seven FERC staff members from compliance, licensing and inspections, including Ed Morins, Director of Compliance and Heather Campbell, Deputy Director of Compliance, staff received verbal approval to remove the silt, sand, cobbles, boulders and the dam.
- October 3, 2013, staff received verbal approval to remove the silt, sand, cobbles, boulders and the dam from Mr. Kevin Atchley, District Ranger of Arapaho/Roosevelt National Forest, following his consultation with the Forest Supervisor. Mr. Atchley is to be commended for remaining available during the federal government shutdown.

Loveland Water and Power is committed to following through with all proper procedures and necessary paperwork and filings required by this action. Staff will continue to work with the United States Forest Service to remove any remaining facilities and to provide the necessary mitigation and landscaping to return the area to natural river environment with easy access for fishing.

A task being addressed is the Palisade area water taps made directly into the 36" diameter penstock suppling water from Idylwilde Dam to the city's hydropower station located at Viestenz-Smith Mountain Park. Prior to 1925, these 20 or so water taps were apparently provided in exchange for permission to cross the private land with this penstock.

Staff is seeking immediate approval by City Council to proceed with the negotiations with Kiewit Corporation to demolish the Idylwilde Dam and remove the sediment including sand, gravel and rock behind the dam for use in the U.S. Highway 34 reconstruction.

Attachments

Attachment D



Department of Water and Power
Service Center • 200 N. Wilson Avenue • Loveland, CO 80537
(970) 962-3000 • (970) 962-3400 Fax • (970) 962-2620 TDD
www.cityofloveland.org

October 4, 2013

Colonel Joel Cross, Commander and District Engineer
Omaha District US Army Corps of Engineers
215 North 17th Street
Omaha, NE 68102-4978
Joel.R.Cross@usace.army.mil

Edward Abrams, Director, Hydropower Administration & Compliance
888 First Street, NE
Washington, DC 20426
edward.abrams@ferc.gov

Kevin Atchley, District Ranger, Canyon Lakes Ranger District
Arapaho & Roosevelt National Forest
2150 Centre Avenue, Building E
Fort Collins, CO 80526
katchley@fs.fed.us

RE: Removal of the Idylwilde Dam and sediment for use as construction material
to rebuild U.S. Highway 34

Dear Sirs:

The City of Loveland Water and Power department wishes to sincerely thank the agencies involved in providing confirmation that the City of Loveland has permission to remove the Idylwilde Dam facility and the sediment including silt, sand, cobbles and boulders that have accumulated behind the structure. The intended use of this material will be used in rebuilding U.S. Highway 34 between Loveland and Estes Park.

Loveland staff has been in contact with the Federal Energy Regulatory Commission (FERC), the United States Army Corps of Engineers (COE), and the United States Forest Service (USFS) concerning removal of the dam and sediment due to heavy damages sustained during the major flood in September 2013. All three agencies have provided us with verbal confirmation that we have the authority to remove the Idylwilde Dam facility and the sediment behind the structure to allow this material to be used in the reconstruction of U.S. Highway 34. This permission has already been conveyed to Kiewitt Construction, the contractor selected by the Colorado Department of Transportation to restore U.S. Highway 34.

Additionally, the City of Loveland is committed to moving forward with all proper procedures and will follow-up with all necessary paperwork and filings required by this action. The City of Loveland will continue to work with the United States Forest Service to remove any remaining facilities and to provide the necessary mitigation and landscaping to return the area to a natural

river environment with easy access for fishing. This includes removing all other structures associated with the Idylwilde Dam facility to the satisfaction of all parties interested.

Thank you to all who participated throughout the decision making process and we apologize if anyone was missed in this communication. We appreciate the spirit of cooperation and the sense of urgency shared by all agencies for restoring a vital transportation link from the City of Loveland to the Town of Estes Park and reestablishing access for residents and businesses throughout the Big Thompson canyon.

Sincerely,



Stephen C. Adams, Director
Loveland Water & Power Department

Sent via email

Copied:

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Attachment E

Fact Sheet

Loveland Utilities Commission Meeting October 16, 2013
Re: Idylwilde Hydroelectric Project

1. Idylwilde Project by the numbers:

- The project dates back to 1915.
- In 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 was the same at 900kw.
- On June 30, 1978, FERC issued an order granting the license.
- The City received \$3.5 Million to reconstruct the dam, pipeline and powerhouse.
- The project was reconstructed as follows:
 - (1) a concrete gravity type diversion dam, 238 feet long and 42.5 feet high;
 - (2) a reservoir 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.
- Reservoir Surface Area = 3.89 acres (less than 4 acres)
- Current sediment debris volume = 72,000 to 100,000 cubic yards
- Dam contains about 3,500 cubic yards of concrete
- Depth of bury estimated at 10 feet

2. Recent history of energy produced from Idylwilde Project:

How much energy was produced by the power station?

2008 –

Energy Produced = 2,343,942 kWh

Energy Savings = No Data

2009 –

Energy Produced = 2,745,768 kWh

Energy Savings = No Data

2010 –

Energy Produced = 2,674,136 kWh

Energy Savings = No Data

2011 –

Energy Produced = 1,999,699.5 kWh

Energy Savings = \$31,373

2012 –

Energy Produced = 77,849 kWh

Energy Savings = \$0.00



AGENDA ITEM: 5
MEETING DATE: 10/16/2013
SUBMITTED BY: Jim Lees, Utility Accounting Manager *MS for JL*

TITLE: Financial Report Update

DESCRIPTION:

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

SUMMARY:

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

	Sep				Sep Year-To-Date			
	2013	2012	\$ Ovr/(Und) vs. 2012	% Ovr/(Und) vs. 2012	2013	2012	\$ Ovr/(Und) vs. 2012	% Ovr/(Und) vs. 2012
WATER								
Sales	\$1,267,212	\$1,289,863	(\$22,651)	-1.8%	\$7,617,975	\$7,650,422	(\$32,446)	-0.4%
Operating Expenses	\$638,942	\$785,627	(\$146,685)	-18.7%	\$5,571,201	\$5,060,317	\$510,883	10.1%
Capital (Unrestricted)	\$92,946	\$360,987	(\$268,042)	-74.3%	\$2,101,175	\$1,398,257	\$702,918	50.3%
WASTEWATER								
Sales	\$701,454	\$626,371	\$75,083	12.0%	\$5,671,696	\$5,235,647	\$436,050	8.3%
Operating Expenses	\$469,602	\$438,900	\$30,702	7.0%	\$4,629,837	\$4,156,251	\$473,586	11.4%
Capital (Unrestricted)	\$39,858	\$56,209	(\$16,351)	-29.1%	\$578,094	\$1,374,904	(\$796,809)	-58.0%
POWER								
Sales	\$5,361,084	\$4,648,686	\$712,398	15.3%	\$40,009,765	\$38,098,873	\$1,910,892	5.0%
Operating Expenses	\$4,186,919	\$3,591,529	\$595,390	16.6%	\$37,513,707	\$34,489,136	\$3,024,571	8.8%
Capital (Unrestricted)	\$851,319	\$383,461	\$467,858	122.0%	\$5,841,417	\$3,853,661	\$1,987,756	51.6%

RECOMMENDATION:

Staff report only. No action required.

REVIEWED BY DIRECTOR: *MS for SA*

LIST OF ATTACHMENTS:

- Presentation Slides
- 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



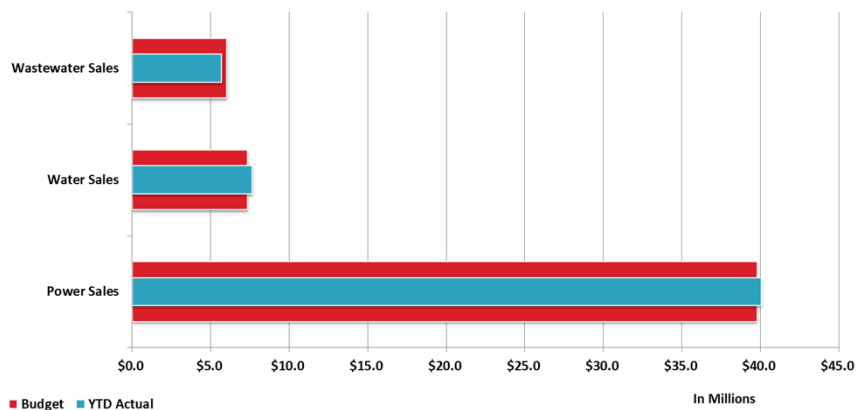
Water & Power Quarterly Financial Report

Loveland Utilities Commission
October 16, 2013

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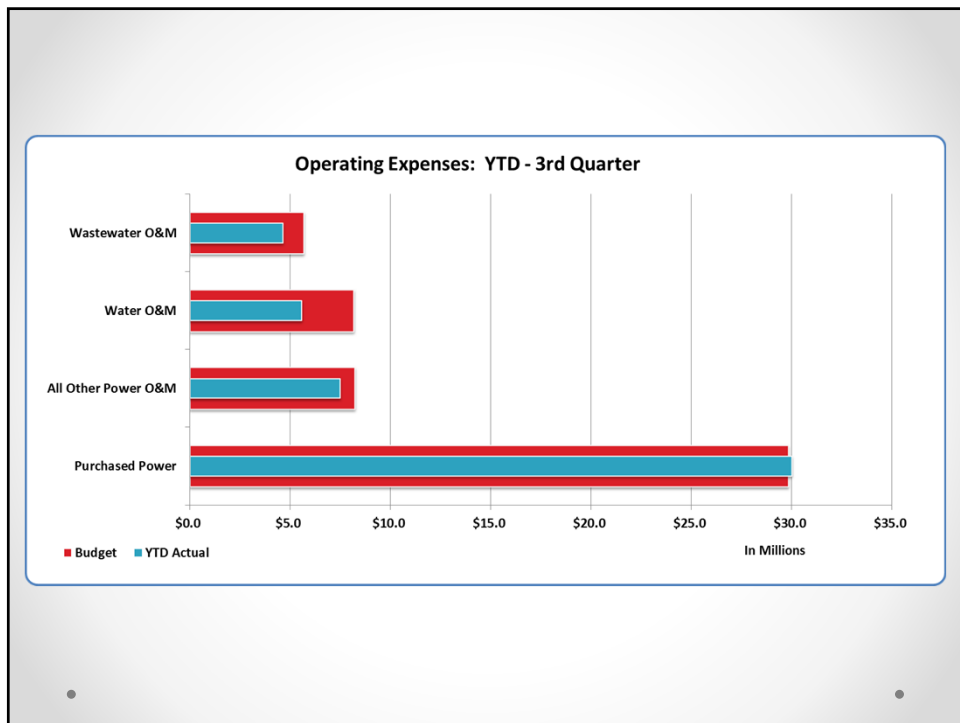
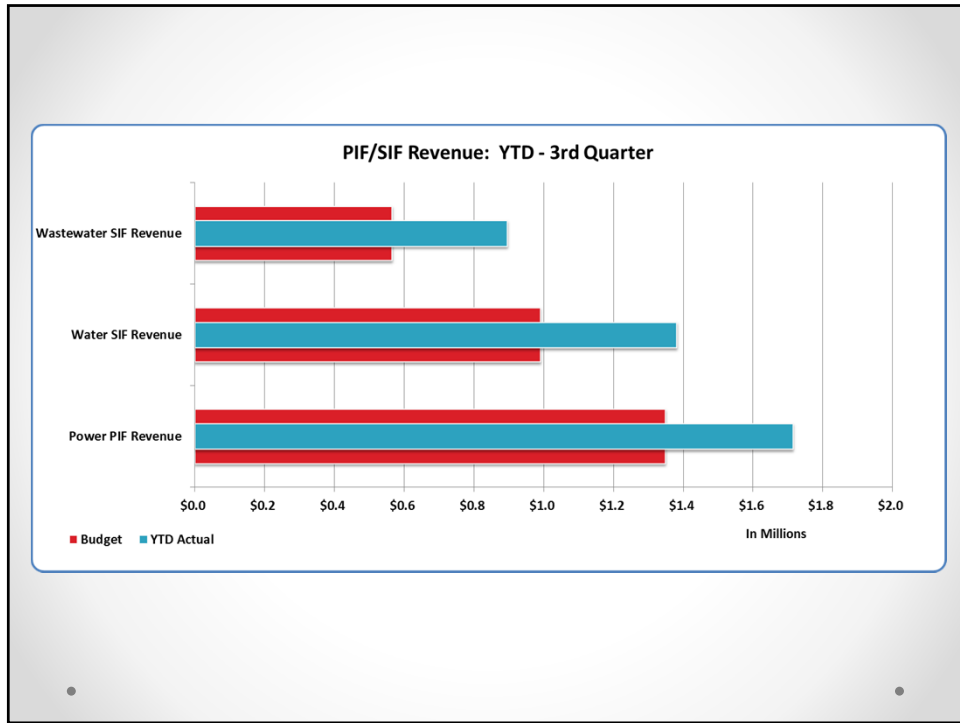
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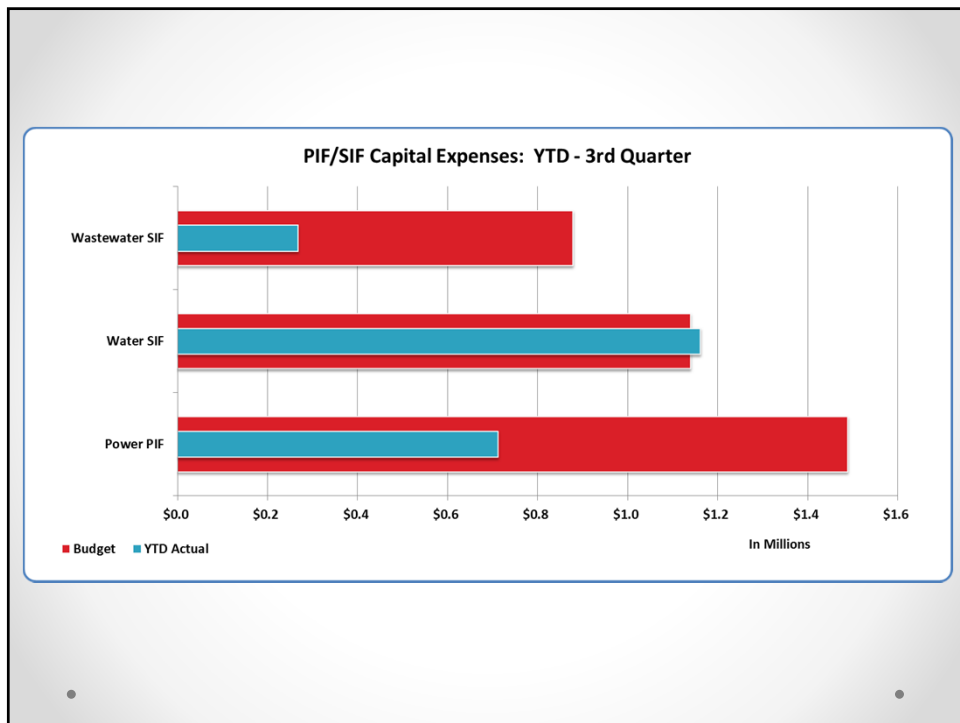
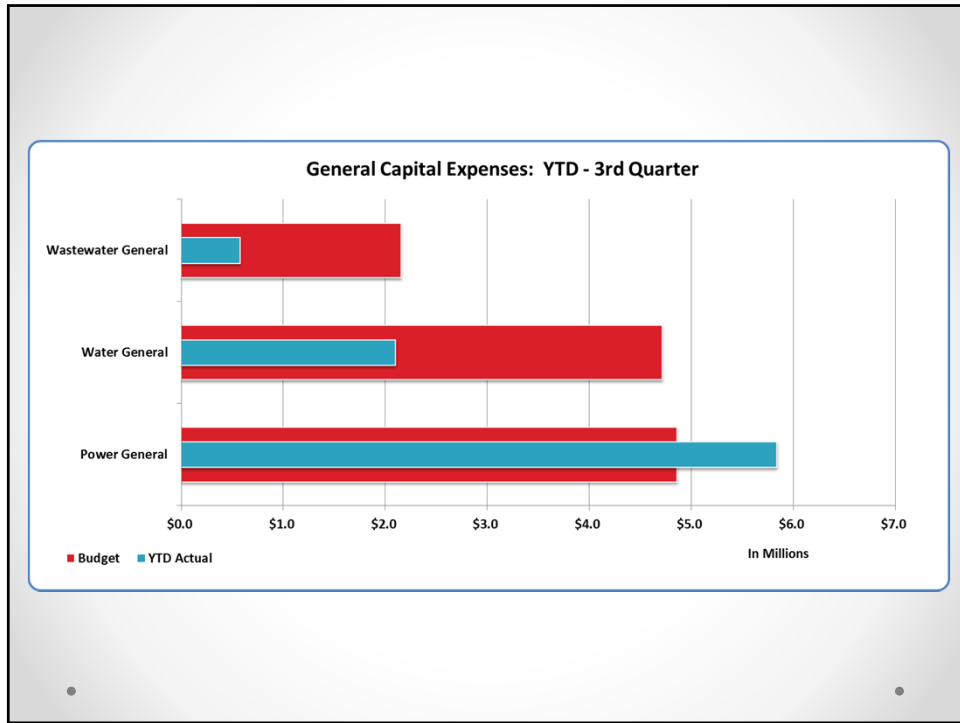
Sales: YTD - 3rd Quarter



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City of Loveland
Financial Statement-Raw Water
For Period Ending 09/30/2013

	* TOTAL BUDGET FYE 12/31/2013 *	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1 REVENUES & SOURCES	*	*			
2 Hi-Use Surcharge	* 41,800 *	30,473	31,350	(877)	-2.8%
3 Raw Water Development Fees/Cap Rec Surcharg	* 248,870 *	280,490	186,660	93,830	50.3%
4 Cash-In-Lieu of Water Rights	* 45,000 *	1,070,652	33,750	1,036,902	3072.3%
5 Native Raw Water Storage Fee:	* 5,000 *	47,539	3,750	43,789	1167.7%
6 Loan Payback from Wastewater	* 485,000 *	425,346	485,000	(59,654)	-12.3%
7 Raw Water 1% Transfer In	* 709,060 *	563,755	545,920	17,835	3.3%
8 Interest on Investments	* 457,200 *	90,786	342,900	(252,114)	-73.5%
9 TOTAL REVENUES & SOURCES	* 1,991,930 *	2,509,041	1,629,330	879,711	54.0%
10 OPERATING EXPENSES	*	*			
11 Windy Gap Payments	* 834,030 *	833,961	832,240	1,721	0.2%
12 TOTAL OPERATING EXPENSES	* 834,030 *	833,961	832,240	1,721	0.2%
13 NET OPERATING REVENUE/(LOSS) (excl depr)	* 1,157,900 *	1,675,079	797,090	877,989	110.1%
14 RAW WATER CAPITAL EXPENDITURES	* 2,038,090 *	0	1,413,610	(1,413,610)	-100.0%
15 ENDING CASH BALANCES	*	*			
16 Total Available Funds	* *	14,051,643			
17 Reserve - Windy Gap Cash	* *	4,197,781			
18 Reserve - 1% Transfer From Rate:	* *	2,811,134			
19 Reserve - Native Raw Water Storage Interest	* *	1,553,276			
20 TOTAL RAW WATER CASH	* *	22,613,834			
21 MINIMUM BALANCE (15% OF OPER EXP)	* *	125,105			
22 OVER/(UNDER) MINIMUM BALANCE	* *	22,488,730			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: \$ -

City of Loveland
Financial Statement-Water
For Period Ending 09/30/2013

		TOTAL BUDGET		YTD	YTD	OVER	
		FYE 12/31/2013		ACTUAL	BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*		*				
	*		*				
2 REVENUES & SOURCES	*		*				
	*		*				
3 Water Sales	*	9,516,510	*	7,617,975	7,319,590	298,385	4.1%
4 Raw Water Transfer Out	*	(709,060)	*	(563,755)	(545,920)	(17,835)	3.3%
5 Wholesale Sales	*	87,560	*	87,606	71,320	16,286	22.8%
6 Meter Sales	*	28,340	*	60,234	21,880	38,354	175.3%
7 Interest on Investments	*	55,990	*	10,328	42,000	(31,672)	-75.4%
8 Other Revenue	*	16,650,520	*	240,454	8,422,370	(8,181,916)	-97.1%
9 TOTAL REVENUES & SOURCES	*	25,629,860	*	7,452,842	15,331,240	(7,878,398)	-51.4%
	*		*				
10 OPERATING EXPENSES	*		*				
	*		*				
11 Source of Supply	*	2,156,600	*	808,601	1,542,140	(733,539)	-47.6%
12 Treatment	*	2,472,800	*	1,539,998	1,776,490	(236,492)	-13.3%
13 Distribution Operation & Maintenance	*	2,910,980	*	1,543,892	2,186,970	(643,078)	-29.4%
14 Administration	*	659,600	*	247,248	464,680	(217,432)	-46.8%
15 Customer Relations	*	192,940	*	124,267	140,920	(16,653)	-11.8%
16 Debt Service	*	1,000,000	*	0	749,800	(749,800)	-100.0%
17 PILT	*	640,270	*	493,795	480,150	13,645	2.8%
18 1% for Arts Transfer	*	44,830	*	14,829	33,660	(18,831)	-55.9%
19 Services Rendered-Other Departments	*	1,046,510	*	798,570	798,570	0	0.0%
20 TOTAL OPERATING EXPENSES	*	11,124,530	*	5,571,201	8,173,380	(2,602,179)	-31.8%
	*		*				
21 NET OPERATING REVENUE/(LOSS)(excl depr	*	14,505,330	*	1,881,641	7,157,860	(193,912)	-73.7%
	*		*				
22 CAPITAL EXPENDITURES	*	6,391,130	*	2,101,175	4,716,840	(2,615,665)	-55.5%
	*		*				
23 ENDING CASH BALANCE	*		*	2,815,374			
	*		*				
24 MINIMUM BALANCE (15% OF OPER EXP)	*		*	1,668,680			
	*		*				
25 OVER/(UNDER) MINIMUM BALANCE	*		*	1,146,695			
	*		*				
26 **RESTRICTED FUNDS**	*		*				
	*		*				
27 REVENUES & SOURCES	*		*				
	*		*				
28 SIF Collections	*	1,251,500	*	1,345,750	880,470	465,280	52.8%
29 SIF Interest Income	*	137,110	*	36,682	110,820	(74,138)	-66.9%
30 TOTAL SIF REVENUES & SOURCES	*	1,388,610	*	1,382,432	991,290	391,142	39.5%
	*		*				
31 SIF Capital Expenditures	*	1,677,110	*	1,162,310	1,140,240	22,070	1.9%
	*		*				
32 SIF ENDING CASH BALANCE	*		*	8,853,522			
	*		*				
33 TOTAL ENDING CASH BALANCE	*		*	11,668,896			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 2,458,887

City of Loveland
Financial Statement-Waste
For Period Ending 09/30/2013

	* TOTAL BUDGET *		YTD	YTD	OVER	
	FYE 12/31/2013		ACTUAL	BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*	*				
	*	*				
2 REVENUES & SOURCES	*	*				
	*	*				
3 Sanitary Sewer Charges	*	8,000,500	*	5,671,696	6,013,570	(341,874) -5.7%
4 High Strength Surcharge	*	245,370	*	259,685	183,340	76,345 41.6%
5 Interest on Investments	*	121,770	*	32,956	91,330	(58,374) -63.9%
6 Other Revenue	*	226,330	*	6,955	166,520	(159,565) -95.8%
7 TOTAL REVENUES & SOURCES	*	8,593,970	*	5,971,292	6,454,760	(483,468) -7.5%
	*	*				
8 OPERATING EXPENSES	*	*				
	*	*				
9 Treatment	*	3,695,580	*	1,808,925	2,496,740	(687,815) -27.5%
10 Collection System Maintenance	*	2,360,230	*	1,386,258	1,545,230	(158,972) -10.3%
11 Administration	*	380,650	*	144,482	273,770	(129,288) -47.2%
12 Customer Relations	*	13,370	*	19,313	9,200	10,113 109.9%
13 PILT	*	552,830	*	414,505	414,630	(125) 0.0%
14 Interfund Loan Payback to Raw Water	*	485,000	*	425,346	485,000	(59,654) -12.3%
15 1% for Arts Transfer	*	26,970	*	2,379	20,250	(17,871) -88.2%
16 Services Rendered-Other Departments	*	576,570	*	428,630	428,630	0 0.0%
17 TOTAL OPERATING EXPENSES	*	8,091,200	*	4,629,837	5,673,450	(1,043,613) -18.4%
	*	*				
18 NET OPERATING REVENUE/(LOSS)(excl depr	*	502,770	*	1,341,455	781,310	560,145 71.7%
	*	*				
19 CAPITAL EXPENDITURES	*	3,890,900	*	578,094	2,154,680	(1,576,586) -73.2%
	*	*				
20 ENDING CASH BALANCE	*	*		7,994,025		
	*	*				
21 MINIMUM BALANCE (15% OF OPER EXP)	*	*		1,213,680		
	*	*				
22 OVER/(UNDER) MINIMUM BALANCE	*	*		6,780,345		
	*	*				
23 **RESTRICTED FUNDS**	*	*				
	*	*				
24 REVENUES & SOURCES	*	*				
	*	*				
25 SIF Collections	*	810,000	*	873,075	510,490	362,585 71.0%
26 SIF Interest Income	*	73,690	*	23,198	55,260	(32,062) -58.0%
27 TOTAL SIF REVENUES & SOURCES	*	883,690	*	896,273	565,750	330,523 58.4%
	*	*				
28 SIF Capital Expenditures	*	1,545,130	*	268,020	879,040	(611,020) -69.5%
	*	*				
29 SIF ENDING CASH BALANCE	*	*		5,816,774		
	*	*				
30 TOTAL ENDING CASH BALANCE	*	*		13,810,799		

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING

City of Loveland
Financial Statement-Power
For Period Ending 9/30/2013

	*	TOTAL BUDGET	*	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
UNRESTRICTED FUNDS	*		*				
1 REVENUES & SOURCES:	*		*				
2 Electric revenues	*	\$52,078,940	*	\$40,009,765	\$39,748,890	\$260,875	0.7%
3 Wheeling charges	*	\$210,000	*	\$229,500	\$157,500	\$72,000	45.7%
4 Interest on investments	*	\$281,360	*	\$74,168	\$211,020	(\$136,852)	-64.9%
5 Aid-to-construction deposits	*	\$646,890	*	\$151,234	\$485,168	(\$333,934)	-68.8%
6 Customer deposit-services	*	\$124,050	*	\$117,681	\$93,038	\$24,643	26.5%
7 Doorhanger fees	*	\$390,000	*	\$308,020	\$292,500	\$15,520	5.3%
8 Connect Fees	*	\$125,000	*	\$134,221	\$93,750	\$40,471	43.2%
9 Services rendered to other depts.	*	\$30,000	*	\$2,307	\$22,500	(\$20,193)	-89.7%
10 Other revenues	*	\$223,120	*	\$250,121	\$167,340	\$82,781	49.5%
11 Year-end cash adjustments	*	\$0	*	\$0	\$0	\$0	0.0%
12 TOTAL REVENUES & SOURCES	*	\$54,109,360	*	\$41,277,016	\$41,271,705	\$5,311	0.0%
13 OPERATING EXPENSES:	*		*				
14 Hydro oper. & maint.	*	\$87,990	*	\$8,118	\$64,300	(\$56,182)	-87.4%
15 Purchased power	*	\$38,917,480	*	\$30,025,800	\$29,851,870	\$173,930	0.6%
16 Distribution oper. & maint.	*	\$3,267,900	*	\$2,229,026	\$2,388,081	(\$159,055)	-6.7%
17 Customer Relations	*	\$975,330	*	\$457,862	\$712,741	(\$254,879)	-35.8%
18 Administration	*	\$902,350	*	\$408,199	\$659,410	(\$251,211)	-38.1%
19 Payment in-lieu-of taxes	*	\$3,651,680	*	\$2,768,083	\$2,771,625	(\$3,542)	-0.1%
20 1% for Arts Transfer	*	\$39,170	*	\$19,329	\$29,730	(\$10,401)	-35.0%
21 Services rendered-other depts.	*	\$2,130,030	*	\$1,597,290	\$1,597,523	(\$233)	0.0%
22 TOTAL OPERATING EXPENSES (excl depn)	*	\$49,971,930	*	\$37,513,707	\$38,075,280	(\$561,573)	-1.5%
23 NET OPERATING REVENUE/(LOSS) (excl depn)	*	\$4,137,430	*	\$3,763,309	\$3,196,425	\$566,883	17.7%
24 CAPITAL EXPENDITURES:	*		*				
25 General Plant/Other Generation & Distribution	*	\$5,858,070	*	\$5,152,277	\$4,297,763	\$854,515	19.9%
26 Aid-to-construction	*	\$646,890	*	\$494,778	\$472,727	\$22,051	4.7%
27 Service installations	*	\$124,050	*	\$194,362	\$90,652	\$103,710	114.4%
28 TOTAL CAPITAL EXPENDITURES	*	\$6,629,010	*	\$5,841,417	\$4,861,142	\$980,275	20.2%
29 ENDING CASH BALANCE	*		*	\$16,791,700			
30 MINIMUM BAL. (15% of OPER EXP excl depn)	*		*	\$7,495,790			
31 OVER/(UNDER) MINIMUM BALANCE	*		*	\$9,295,911			
32 **RESTRICTED FUNDS**	*		*				
33 PIF Collections	*	\$1,661,920	*	\$1,677,965	\$1,246,440	\$431,525	34.6%
34 PIF Interest Income	*	\$137,580	*	\$37,808	\$103,185	(\$65,377)	-63.4%
35 TOTAL REVENUES	*	\$1,799,500	*	\$1,715,773	\$1,349,625	\$366,148	27.1%
36 PIF Feeders	*	\$75,000	*	\$0	\$54,808	(\$54,808)	-100.0%
37 PIF Substations	*	\$1,912,900	*	\$712,699	\$1,434,675	(\$721,976)	-50.3%
38 TOTAL EXPENDITURES	*	\$1,987,900	*	\$712,699	\$1,489,483	(\$776,784)	-52.2%
39 ENDING PIF CASH BALANCE	*		*	\$9,204,752			
40 TOTAL ENDING CASH BALANCE	*		*	\$25,996,452			

NOTE: YTD ACTUAL does NOT include encumbrances totalling \$1,083,972



AGENDA ITEM: 6
MEETING DATE: 10/16/2013
SUBMITTED BY: Briana Reed-Harmel – Senior Electrical Engineer **BRH**

TITLE: Status of Colorado Governor's Energy Office Grant for Electric Charging Stations

DESCRIPTION:

This item summarizes the status of the grant from the Colorado Energy office for installation of the Electric Vehicle Charging Stations.

SUMMARY:

The City of Loveland was awarded a grant in February of 2013 for the installation of electric vehicle charging stations at four publically accessible locations around Loveland and an additional location at the Service Center for internal use only. The Service Center and the Civic Center were upgrades to dual head units from single head units.

The grant was originally due on June 30, 2013; however, the City was granted an extension until September 30, 2013 to allow time for a competitive bid processes and to account for delays in material delivery.

The Water and Power Department completed the obligations of the grant and submitted the final paperwork to the Colorado Energy Office by the September 30, 2013 deadline. The electric vehicle charging stations have been installed, and the final touches on installation and landscaping are in process.

The final cost breakdown by location is as follows:

Location	McKee Medical Center	Library	Service Center (fleet)	Service Center (public)	Civic Center
Payroll Expense	\$2,341.77	\$1,173.91	\$1,541.95		
Fleet Expense	\$313.00	\$137.80	\$66.90		
Warehouse Material Expense	\$421.96	\$1,365.87	\$155.49		
EVSE Expense	\$3,804.00	\$3,804.00	\$3,260.00	\$3,804.00	\$3,804.00
Electrician Expense	\$3,279.00	\$3,265.00	\$4,886.00	\$4,886.00	\$5,756.00
Total Expense by Location	\$10,159.73	\$9,746.58	\$9,910.34	\$8,690.00	\$9,560.00
Grant Funding	\$6,260.00	\$6,260.00	\$6,260.00	\$3,600.00	\$6,260.00
City Funding	\$3,899.73	\$3,486.58	\$3,650.34	\$5,090.00	\$3,300.00
City % Match	38%	36%	37%	59%	35%

RECOMMENDATION:

Staff report only. No action required.

REVIEWED BY DIRECTOR: *MS for STA*



AGENDA ITEM: 7
MEETING DATE: 10/16/2013
SUBMITTED BY: Steve Adams, Director *MS for SA*

TITLE: 2013 Flood Update for the Water & Power Department

DESCRIPTION:

This is a review of the damage and work performed related to the September 2013 flood.

SUMMARY:

At the October 16, 2013 LUC meeting, staff will provide an overview of the impact of the September 2013 flood upon the infrastructure to Loveland's Power, Water & Wastewater Utilities. Staff will also provide an overview of some of the flood related work performed by either staff or by subcontractors and material providers.

RECOMMENDATION:

Staff report only. No action required.

REVIEWED BY DIRECTOR: *MS for SA*



AGENDA ITEM: 8
MEETING DATE: 10/16/2013
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*



AGENDA ITEM: 9
MEETING DATE: 10/16/2013
SUBMITTED BY: Steve Adams, Director *MS for SA*

TITLE: Director's Report

SUMMARY:

- **November Customer Relations Calendar** – Please see attachment A for the November 2013 Customer Relations schedule of events. – Gretchen Stanford
- **Net Zero Cities** – The second annual Net Zero Cities Conference is approaching.
 - Place:* Lincoln Center
417 W. Magnolia St.
Fort Collins, Colorado
 - Dates:* October 23-24, 2013
 - LUC Attendees:* 1. Dave Schneider – October 23rd & 24th
2. Gene Packer – October 23rd
3. Larry Roos – October 23rd & 24th
4. John Matis – October 24th
- **24th Annual South Platte Forum – The 2013 South Platte Forum is approaching.**
 - Place:* The Conference Center at the Best Western Plus Plaza Hotel
1900 Ken Pratt Blvd.
Longmont, Colorado
 - Dates:* October 23-24, 2013
 - LUC Attendees:* 1. Gene Packer – October 24th
2. John Matis – October 23rd
- **National Plug-in Day** - Loveland Water and Power participated in celebrating National Plug in Day with Drive Electric Northern Colorado (DENC) on September 30th 2013. The event took place at the Fort Collins Museum of Discovery and was a showcase of Northern Colorado electric vehicles and owners to show the popularity of electric cars in Northern Colorado. Attendance included more than 30 EVs including, Nissan Leafs, Chevy Volts, Prius, Tesla, and the Morning Fresh Dairy electric milk truck. Pictures of the vehicles and their owners were taken from the roof of the museum. - Gretchen Stanford



- **Colorado Clean Energy Cluster Update** - Gretchen Stanford, the Customer Relations Manager for Loveland's Water and Power Department, will be serving on the board of the Colorado Clean Energy Cluster (CCEC) in place of a member from the Economic Development group due to functions more closely aligning with Water & Power's plans and objectives. CCEC is a nonprofit organization that focuses on creating clean energy jobs within Colorado by attracting, incubating and growing clean energy enterprises through formal partnerships between clean energy companies, the public sector, and higher education institutions. – Gretchen Stanford

RECOMMENDATION:

Director's report only.

REVIEWED BY DIRECTOR: *MS for SA*

ATTACHMENTS:

Attachment A – Customer Relations Calendar

Customer Relations - November

Attachment A

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
					1	2
3	4	5	6	7	8	9
10	11 Veteran's Day City Closed	12	13	14	15	16 Ride and Drive at Verboten & Grimm Brothers
17	18	19	20 Business Innovation Fair at Embassy Suites	21	22	23
24	25	26	27	28 Thanksgiving Holiday City Closed	29	30

2013



AGENDA ITEM: 10
MEETING DATE: 10/16/2013
SUBMITTED BY: Michael McCrary, Wastewater Treatment Plant Manager *MM*

TITLE: Nutrient Grant Contract with the State of Colorado

DESCRIPTION:

City Council is scheduled to consider a contract on October 15, 2013 that combined two grants awarded to the City of Loveland Water and Power Department by the Colorado Department of Public Health and Environment from an appropriation proposed by Colorado Governor John Hickenlooper and enacted by the Colorado General Assembly to ease the financial impact of the new Nutrient Removal Regulations on Rate Payers in affected jurisdictions. One grant is for \$80,000 for modeling and selection of appropriate Nutrient Removal Technology for the Wastewater Treatment Facility. This part of the grant includes matching funds of \$20,000 from the City. These matching funds are currently available in our operating budget and will not require a supplemental budget request. This project must be completed by March 31, 2014. The second grant is for \$1,000,000 and does not include any matching funds requirement. These funds must be expended only for design and construction of the selected Nutrient Removal Technology. All funds must be expended by May 31, 2016. Current planning shows the entire Nutrient Removal Project totaling approximately over six million dollars and lasting into 2017.

SUMMARY:

In 2012, the Colorado Water Quality Control Commission established Regulation #85. Nutrients Management Control, requiring larger public domestic wastewater treatment facilities to meet Phase I of the effluent limits for nutrients beginning with Nitrogen and Phosphates. The limits were based on levels attainment with technology and process schemes called Biological Nutrient Removal (BNR). Many of the forty-four largest wastewater treatment facilities, including Loveland, will have these new limits being established in their next permit cycle. The current permit at the Loveland Wastewater Treatment Plant expires October 31, 2015.

In order to meet these new limits, construction and installation of new technology and construction of new altered process will need to be performed. There is a very large cost statewide in order for all these facilities to build the capability to meet these new limits. In 2013, the Colorado General Assembly created a Nutrients Grants program that amended the Water Quality Improvement Fund (WQIF). The purpose of the fund is to assist Phase I Domestic Wastewater Treatment Facilities with the costs associated with planning, design, construction and/or improvements to comply with Regulation #85.

The total amount of this fund was \$15,700,000. Of the available funds, \$2,700,000 was appropriated for planning projects with no one project receiving more than \$80,000. The rest of the available funds, \$12,000,000, were appropriated for design and construction of BNR

capability with no one project receiving more than \$1,000,000. The Loveland Water Division applied for the maximum grant level for both appropriations and was awarded the maximum levels for each. These funds can only be used for projects or parts of projects dealing with BNR. Any other planning, design, and construction components dealing with repair, rehabilitation, or capacity increase as examples are not eligible for these funds.

A specific Work Plan with specific milestones is included in this contract (*See Attachment A*). The modeling and technology selection grant (\$80,000 plus \$20,000 matching fund) has a deadline of March 31, 2014. Our current CIP shows over \$6 Million budgeted for plant improvement only to meet the new Regulation #85 limits beginning in 2015 and extending into 2017. This grant will create a need to move planning into later this year and into 2014. This is an acceleration of our CIP project, but the funds will be available from this grant. Future budgets and plans will include these funds. Construction, however, is still expected to be completed in 2017.

After the City Manager signs the contract it is to be sent back to the State for their signature. It could take the State two weeks to return the signed contract. No work can begin on this project until the contract is signed and the grant funds are officially appropriated. City staff determined that an exception to protocol by bringing this item to City Council prior to presentation to the Loveland Utilities Commission was warranted since approximately a month cost reimbursement for data transfer, modeling and technology review work would be lost by following the normal procedure.

RECOMMENDATION:

Information item only, no action required

REVIEWED BY DIRECTOR: *MS for SA*

ATTACHMENTS:

Attachment A – Contract with the State of Colorado

Attachment A

DEPARTMENT OF PUBLIC HEALTH
AND ENVIRONMENT

ROUTING NO. 14 FAA 61481

INTERGOVERNMENT CONTRACT

STATE:

State of Colorado for the use & benefit of the
Department of Public Health and Environment
Water Quality Control Division
4300 Cherry Creek Drive South
Denver, CO 80246

CONTRACT MADE DATE:

09/10/2013

PO/SC ENCUMBRANCE NUMBER:

PO FAA WQC1461481

TERM:

This contract shall be effective upon approval
by the State Controller, or designee, or on
09/15/2013, whichever is later. The contract
shall end on 05/31/2016.

PROCUREMENT METHOD:

Exempt

BID/RFP/LIST PRICE AGREEMENT NUMBER:

RFA

LAW SPECIFIED VENDOR STATUTE:

Not Applicable

STATE REPRESENTATIVE:

Michael S. Beck, Grants & Loans Unit
Water Quality Control Division
4300 Cherry Creek Drive South
Denver, CO 80246

SCOPE OF WORK:

Improve water quality for the customers of the City of Loveland through compliance with
WQCD Regulation #85, Nutrients Management Control Regulation.

CONTRACTOR:

City of Loveland
200 North Wilson Avenue
Loveland, CO 80537

CONTRACTOR ENTITY TYPE:

Colorado Political Subdivision

BILLING STATEMENTS RECEIVED:

Monthly

STATUTORY AUTHORITY:

House Bill 13-1191

CONTRACT PRICE NOT TO EXCEED:

\$1,080,000

FEDERAL FUNDING DOLLARS: \$0.00

STATE FUNDING DOLLARS: \$1,080,000

MAXIMUM AMOUNT AVAILABLE PER FISCAL YEAR:

FY 14-FY 16: \$1,080,000

PRICE STRUCTURE:

Cost Reimbursement

CONTRACTOR REPRESENTATIVE:

Michael McCrary
City of Loveland
200 North Wilson Avenue
Loveland, CO 80537

EXHIBITS:

The following exhibits are hereby incorporated:

- Exhibit A - Additional Provisions (and any of its Attachments; e.g., A-1, A-2, etc.)
- Exhibit B - Statement of Work (and any of its Attachments; e.g., B-1, B-2, etc.)
- Exhibit C - Budget (and any of its Attachments; e.g., C-1, C-2, etc.)

COORDINATION:

The State warrants that required approval, clearance and coordination has been accomplished from and with appropriate agencies. Section 29-1-203, C.R.S., as amended, encourages governments to make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with each other to the fullest extent possible to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting entities.

APPROVAL:

In no event shall this contract be deemed valid until it shall have been approved by the State Controller or his/her designee.

PROCUREMENT:

All State of Colorado contracts with its political subdivisions and other governmental entities are exempt from the State of Colorado's personnel rules and procurement code.

PRICE PROVISIONS:

Payments pursuant to this contract shall be made as earned, in whole or in part, from available funds, encumbered for the purchase of the described services and/or deliverables. The liability of the State at any time for such payments shall be limited to the encumbered amount remaining of such funds.

Authority exists in the laws and funds have been budgeted, appropriated and otherwise made available, and a sufficient unencumbered balance thereof remains available for payment.

Financial obligations of the State of Colorado payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available.

GENERAL PROVISIONS

The following clauses apply to this contract. In some instances, these general clauses have been expanded upon in other sections/exhibits of/to this contract. To the extent that other provisions of the contract provide more specificity than these general clauses, the more specific provision shall control.

1. Governmental Immunity. Notwithstanding any other provision to the contrary, no term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection or other provisions of the Colorado Governmental Immunity Act, Section 24-10-101 et.seq., CRS, as now or hereafter amended. The parties understand and agree that liability for claims for injuries to persons or property arising out of negligence of the State of Colorado, its departments, institutions, agencies, boards, officials and employees is controlled and limited by the provisions of Section 24-10-101 et.seq., CRS and the risk management statutes, Section 24-30-1501, et.seq., CRS as now or hereafter amended.
2. Available Funds Contingency
 - a. Available Funds. The State is prohibited by law from making commitments beyond the term of the State's current fiscal year; therefore, Contractor's compensation beyond the State's current Fiscal Year is contingent upon the continuing availability of State appropriations as provided in the Colorado Special Provisions. Payments pursuant to this Contract shall be made only from available funds encumbered for this Contract and the State's liability for such payments shall be limited to the available amount remaining of such encumbered funds. In the event that state funds become unavailable for this Contract, as determined by the State, the State may immediately terminate this Contract or amend it accordingly.
 - b. Federal Funds Contingency. Payment pursuant to this contract, if in federal funds, whether in whole or in part, is subject to and contingent upon the continuing availability of federal funds for the purposes hereof. In the event that said funds, or any part thereof, become unavailable, as determined by the State, the State may immediately terminate this contract or amend it accordingly without liability including liability for termination costs.
3. Billing Procedures. The State shall establish billing procedures and requirements for payment due the Contractor in providing performance pursuant to this contract. The Contractor shall comply with the established billing procedures and requirements for submission of billing statements. The State shall comply with CRS 24-30-202(24) when paying vendors upon receipt of a correct notice of the amount due for goods or services provided hereunder.
4. Exhibits - Interpretation. Unless otherwise stated, all referenced exhibits are incorporated herein and made a part of this contract. Unless otherwise stated, the terms of this contract shall control over any conflicting terms in any of its exhibits. In the event of conflicts or inconsistencies between this contract and its exhibits or attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: 1) the Special Provisions of this Contract; 2) the Additional Provisions **Exhibit A** and its attachments if included; 3) the Contract (other than the Special Provisions); 4) the RFP if applicable and attached; 5) the Scope/Statement of Work **Exhibit B** and its attachments if included; 6) the Contractor's proposal if applicable and attached; 7) other exhibits/attachments in their order of appearance.

The conditions, provisions, and terms of any RFP attached hereto, if applicable, establish the minimum standards of performance that the Contractor must meet under this Contract. If the Contractor's Proposal, if attached hereto, or any attachments or exhibits thereto, or the Scope/Statement of Work Exhibit B, establish or create standards of performance greater than those set forth in the RFP, then the Contractor shall also meet those standards of performance under this Contract.

5. Notice and Representatives. For the purposes of this contract, the representative for each party is as designated herein. Any notice required or permitted may be delivered in person or sent by registered or certified mail, return receipt requested, to the party at the address provided, and if sent by mail it is effective when posted in a

U.S. Mail Depository with sufficient postage attached thereto. Notice of change of address or change or representative shall be treated as any other notice.

6. Contractor Representations - Qualifications/Licenses/Approvals/Insurance. The Contractor certifies that, at the time of entering into this contract, it and its agents have currently in effect all necessary licenses, certifications, approvals, insurance, etc. required to properly provide the services and/or supplies covered by this contract in the state of Colorado. Proof of such licenses, certifications, approvals, insurance, etc. shall be provided upon the State's request. Any revocation, withdrawal or non-renewal of necessary license, certification, approval, insurance, etc. required for the Contractor to properly perform this contract, shall be grounds for termination of this contract by the State.

Contractor certifies that it is qualified to perform such services or provide such deliverables as delineated in this contract.

7. Legal Authority. The Contractor warrants that it possesses the legal authority to enter into this contract and that it has taken all actions required by its procedures, by-laws, and/or applicable law to exercise that authority, and to lawfully authorize its undersigned signatory to execute this contract and bind the Contractor to its terms. The person(s) executing this contract on behalf of the Contractor warrant(s) that such person(s) have full authorization to execute this contract.
8. Insurance – Contractor. The Contractor is a “public entity” within the meaning of the Colorado Governmental Immunity Act (CGIA), section 24-10-101, *et seq.*, C.R.S., as amended. Therefore, at all times during the initial term of this Contract, and any renewals or extensions hereof, the Contractor shall maintain such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the CGIA. If requested by the State, the Contractor shall provide the State with written proof of such insurance coverage.
9. Rights in Data, Documents and Computer Software or Other Intellectual Property. All intellectual property including without limitation, databases, software, documents, research, programs and codes, as well as all, reports, studies, data, photographs, negatives or other documents, drawings or materials prepared by the Contractor in the performance of its obligations under this contract shall be the exclusive property of the State. Unless otherwise stated, all such material shall be delivered to the State by the Contractor upon completion, termination, or cancellation of this contract. Contractor shall not use, willingly allow, or cause to have such materials used for any purpose other than the performance of the Contractor’s obligations under this contract without the prior written consent of the State. All documentation, accompanying the intellectual property or otherwise, shall comply with the State requirements which include but is not limited to all documentation being in a paper, human readable format which is useable by one who is reasonably proficient in the given subject area. Software documentation shall be delivered by Contractor to the State that clearly identifies the programming language and version used, and when different programming languages are incorporated, identifies the interfaces between code programmed in different programming languages. The documentation shall contain source code which describes the program logic, relationship between any internal functions, and identifies the disk files which contain the various parts of the code. Files containing the source code shall be delivered and their significance to the program described in the documentation. The documentation shall describe error messages and the location in the source code, by page, line number, or other suitable identifier, where the error message is generated. The Contractor warrants that the delivered software will be sufficiently descriptive to enable maintenance and modification of the software. The State’s ownership rights described herein shall include, but not be limited to, the right to copy, publish, display, transfer, prepare derivative works, or otherwise use the works.

If any material is produced under this Contract and the parties hereto mutually agreed that said material could be copyrighted by Contractor or a third party, then the State, and any applicable federal funding entity, shall, without additional cost, have a paid in full, irrevocable, royalty free, and non-exclusive license to reproduce, publish, or otherwise use, and authorize others to use, the copyrightable material for any purpose authorized by the Copyright Law of the United States as now or hereafter enacted. Upon the written request of the State, the Contractor shall provide the State with three (3) copies of all such copyrightable material.

10. Confidential or Proprietary Information. Subject to the Public (Open) Records Act, section 24-72-101, *et seq.*, C.R.S., as amended, if the Contractor obtains access to any records, files, or other information of the State in connection with, or during the performance of, this Contract, then the Contractor shall keep all such records, files, or other information confidential and shall comply with all laws and regulations concerning the confidentiality of all such records, files, or information to the same extent as such laws and regulations apply to the State. Any breach of confidentiality by the Contractor, or third party agents of the Contractor, shall constitute good cause for the State to cancel this Contract, without liability to the State. Any State waiver of an alleged breach of confidentiality by the Contractor, or third party agents of the Contractor, does not constitute a waiver of any subsequent breach by the Contractor, or third party agents of the Contractor. Contractor shall protect the confidentiality of all information used, held, created or received in connection with this Contract and shall insure that any subcontractors or agents of Contractor protect the confidentiality of all information under this Contract. Contractor shall use and disclose confidential information only for purposes of this Contract and for the operation and administration of the Contractor. Contractor shall implement appropriate safeguards as are necessary to prevent the use of disclosure of confidential information and shall maintain a comprehensive written information privacy and security program that includes administrative, technical and physical safeguards for the electronic transmission of confidential information which are appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities. Contractor shall promptly notify the State if Contractor breaches the confidentiality of any information covered by this Contract.

The Contractor must identify to the State the information that it considers confidential or proprietary. This is a continuing obligation. Confidential or proprietary information for the purpose of this paragraph is information relating to Contractor's research, development, trade secrets, business affairs, internal operations and management procedures and those of its customers, clients or affiliates, but does not include information lawfully obtained by third parties, information which is in the public domain, or information which is or could have been acquired/developed independently by the State or a third party. Notwithstanding the foregoing, the State shall not be in violation of its obligations under this section should it disclose confidential information if such disclosure is, in the sole opinion of the State's legal counsel, required by applicable law and/or legal process (including, but not limited to, disclosures required pursuant to the Colorado (Open) Public Records Act, sections 24-72-201, *et. seq.*, C.R.S., as now or hereafter amended). The State shall endeavor to provide notice to the Contractor, as promptly as practicable under the circumstances, of any demand, request, subpoena, court order or other action requiring such disclosure, in order to afford Contractor the opportunity to take such lawful action as it deems appropriate to oppose, prevent or limit the disclosure, solely at its own instance and expense; but nothing herein shall be construed to require the State to refuse or delay compliance with any such law, order or demand.

11. Records Maintenance, Performance Monitoring & Audits. The Contractor shall maintain a complete file of all records, documents, communications, and other materials that pertain to the operation of the program/project or the delivery of services under this contract. Such files shall be sufficient to properly reflect all direct and indirect costs of labor, materials, equipment, supplies and services, and other costs of whatever nature for which a contract payment was made. These records shall be maintained according to generally accepted accounting principles and shall be easily separable from other Contractor records.

The Contractor shall protect the confidentiality of all records and other materials containing personally identifying information that are maintained in accordance with this contract. Except as provided by law, no information in possession of the Contractor about any individual constituent shall be disclosed in a form including identifying information without the prior written consent of the person in interest, a minor's parent, guardian, or the State. The Contractor shall have written policies governing access to, duplication and dissemination of, all such information and advise its agents, if any, that they are subject to these confidentiality requirements. The Contractor shall provide its agents, if any, with a copy or written explanation of these confidentiality requirements before access to confidential data is permitted.

The Contractor authorizes the State, the federal government or their designee, to perform audits and/or inspections of its records, at any reasonable time during the term of this contract and for a period of six (6) years following the termination of this contract, to assure compliance with the state or federal government's terms and/or to evaluate the Contractor's performance. Any amounts the State paid improperly shall be immediately returned to the State or may be recovered in accordance with other remedies.

All such records, documents, communications, and other materials shall be the property of the State unless otherwise specified herein and shall be maintained by the Contractor in a central location as custodian for the State on behalf of the State, for a period of six (6) years from the date of final payment or submission of the final federal expenditure report under this contract, unless the State requests that the records be retained for a longer period, or until an audit has been completed with the following qualification. If an audit by or on behalf of the federal and/or state government has begun but is not completed at the end of the six (6) year period, or if audit findings have not been resolved after a six (6) year period, the materials shall be retained until the resolution of the audit findings.

The Contractor shall permit the State, any other governmental agency authorized by law, or an authorized designee thereof, in its sole discretion, to monitor all activities conducted by the Contractor pursuant to the terms of this contract. Monitoring may consist of internal evaluation procedures, reexamination of program data, special analyses, on-site verification, formal audit examinations, or any other procedures as deemed reasonable and relevant. All such monitoring shall be performed in a manner that will not unduly interfere with contract work.

12. Taxes. The State, as purchaser, is exempt from all federal excise taxes under Chapter 32 of the Internal Revenue Code [No. 84-730123K] and from all state and local government use taxes [C.R.S. 39- 26-114(a) and 203, as amended]. The Contractor is hereby notified that when materials are purchased for the benefit of the State, such exemptions apply except that in certain political subdivisions the vendor may be required to pay sales or use taxes even though the ultimate product or service is provided to the State. These sales or use taxes will not be reimbursed by the State.
13. Conflict of Interest. During the term of this contract, the Contractor shall not engage in any business or personal activities or practices or maintain any relationships which conflict in any way with the Contractor fully performing his/her obligations under this contract.

Additionally, the Contractor acknowledges that, in governmental contracting, even the appearance of a conflict of interest is harmful to the interests of the State. Thus, the Contractor agrees to refrain from any practices, activities or relationships which could reasonably be considered to be in conflict with the Contractor's fully performing his/her obligations to the State under the terms of this contract, without the prior written approval of the State.

In the event that the Contractor is uncertain whether the appearance of a conflict of interest may reasonably exist, the Contractor shall submit to the State a full disclosure statement setting forth the relevant details for the State's consideration and direction. Failure to promptly submit a disclosure statement or to follow the State's direction in regard to the apparent conflict shall be grounds for termination of the contract.

Further, the Contractor, and its subcontractors or subgrantees, shall maintain a written code of standards governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent of the Contractor, subcontractor, or subgrantee shall participate in the selection, or in the award or administration of a contract or subcontract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- a. The employee, officer or agent;
- b. Any member of the employee's immediate family;
- c. The employee's partner; or
- d. An organization which employs, or is about to employ, any of the above,

has a financial or other interest in the firm selected for award. The Contractor's, subcontractor's, or subgrantee's officers, employees, or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from Contractor's potential contractors, or parties to subagreements.

14. Inspection and Acceptance (Services) and Contractor Warranty. The State reserves the right to inspect services provided under this contract at all reasonable times and places during the term of the contract. "Services" as used in this clause includes services performed or tangible material produced or delivered in the performance of services. If any of the services do not conform to contract requirements, the State may require the contractor to perform the services again in conformity with contract requirements, with no

additional payment. When defects in the quality or quantity of service cannot be corrected by re-performance, the State may (1) require the contractor to take necessary action to ensure that the future performance conforms to contract requirements and (2) equitably reduce the payment due the contractor to reflect the reduced value of the services performed. These remedies in no way limit the remedies available to the State in the termination provisions of this contract, or remedies otherwise available at law.

Contractor warrants that all supplies furnished under this contract shall be free from defects in materials or workmanship, are installed properly and in accordance with manufacturer recommendations or other industry standards, and will function in a failure-free manner for a period of one (1) year from the date of delivery or installation. Contractor shall, at its option, repair or replace any supplies that fail to satisfy this warranty during the warranty period. Additionally, Contractor agrees to assign to the State all written manufacturer warranties relating to the supplies and to deliver such written warranties to the State.

15. Adjustments in Price. Adjustments to contract prices are allowable only so long as they are mutually agreeable by the parties and so long as they are included within a contract amendment made prior to the effective date of the price adjustments and made pursuant to the State of Colorado Fiscal Rules, signed by the parties, and approved by the State Controller or designee. The Contractor shall provide cost or pricing data for any price adjustment subject to the provisions of the Cost or Pricing Data Section of the Colorado State Procurement Rules. Any adjustment in contract price pursuant to the application of a clause in this contract shall be made in one or more of the following ways:
 - a. By agreement on a fixed-price adjustment;
 - b. By unit prices specified in the contract;
 - c. In such other manner as the parties may mutually agree; or
 - d. In the absence of agreement between the parties, by a unilateral determination by the procurement officer of the costs attributable to the event or situation covered by the clause, plus appropriate profit or fee.
16. Contract Modifications. This contract is subject to such modifications as may be required by changes in Federal or State law, or their implementing regulations. Any such required modification shall automatically be incorporated into and be part of this contract on the effective date of such change as if fully set forth herein. If either the State or the Contractor desires to modify the terms and conditions of this Contract, then the parties shall execute a standard written amendment to this Contract initiated by the State. The standard written amendment must be executed and approved in accordance with all applicable laws and rules by all necessary parties including the State Controller or delegate.
17. Litigation. The Contractor shall within five (5) calendar days after being served with a summons, complaint, or other pleading which has been filed in any federal or state court or administrative agency notify the State that it is a party defendant in a case which involves services provided under this contract. The Contractor shall deliver copies of such document(s) to the State's Executive Director. The term "litigation" includes an assignment for the benefit of creditors, and filings in bankruptcy, reorganization and/or foreclosure.
18. Notice of Breach and Dispute Resolution: If the State or the Contractor believes in good faith that the other party has failed to timely complete a deliverable, or has otherwise committed a material breach of this Contract, then the non-breaching party shall notify the breaching party in writing of the alleged breach within ten (10) business days of: 1) the date of the alleged breach if the non-breaching party is aware of the breach at the time it occurs; or 2) the date that the non-breaching party becomes aware of the breach.

Upon receipt of written notice of an alleged breach of the Contract, the breaching party shall have ten (10) business days, or such additional time as may be agreed to in writing between the parties, within which to cure the alleged breach or to notify the non-breaching party in writing of the breaching party's belief that a material breach of this Contract has not occurred. Failure of the breaching party to cure or respond in writing within the above time period shall result in the non-breaching party being entitled to pursue any and all remedies available at law or in equity.

Except as herein specifically provided otherwise, disputes concerning the performance of this contract which cannot be resolved by the designated contract representatives shall be referred in writing to a senior

departmental management staff designated by the department and a senior manager designated by the Contractor. Failing resolution at that level, disputes shall be presented in writing to the Executive Director and the Contractor's chief executive officer for resolution. This process is not intended to supersede any other process for the resolution of controversies provided by law.

The Contractor and its sureties shall be liable for any damage to the State resulting from the Contractor's breach, whether or not the Contractor's right to proceed with the work is terminated. The State reserves the right, in its sole discretion, to determine whether or not to accept substituted performance tendered by the Contractor or the Contractor's sureties and acceptance is dependent upon completion of all applicable inspection procedures.

19. Remedies: In addition to any other remedies provided for in this contract, and without limiting its remedies otherwise available at law, the State may exercise the following remedial actions if the Contractor substantially fails to satisfy or perform the duties and obligations in this contract. Substantial failure to satisfy the duties and obligations shall be defined to mean significant insufficient, incorrect or improper performance, activities, or inaction by the Contractor. Without limitation, these remedial actions include:
- a. withhold payment to Contractor until the necessary services or corrections in performance are satisfactorily completed; and/or
 - b. require the vendor to take necessary action to ensure that the future performance conforms to contract requirements; and/or
 - c. request the removal from work on the contract of employees or agents of Contractor whom the State justifies as being incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable, or whose continued employment on the contract the State deems to be contrary to the public interest or not in the best interest of the State; and/or
 - d. deny payment for those services or obligations which have not been performed and which due to circumstances caused by Contractor cannot be performed, or if performed would be of no value to the State; denial of the amount of payment must be reasonably related to the value of work or performance lost to the State; and/or
 - e. suspend Contractor's performance pending necessary corrective action as specified by the State without Contractor's entitlement to adjustment in price/cost or schedule; and/or
 - f. modify or recover payments (from payments under this contract or other contracts between the State and the vendor as a debt due to the State) to correct an error due to omission, error, fraud and/or defalcation; and/or
 - g. terminate the contract.

These remedies in no way limit the remedies available to the State in the termination provisions of this contract, or remedies otherwise available at law.

20. Termination.

- a. Termination for Default. The State may terminate the contract for cause. In the event this contract is terminated for cause, the State will only reimburse the Contractor for accepted work or deliverables received up to the date of termination. In the event this contract is terminated for cause, final payment to the Contractor may be withheld at the discretion of the State until completion of final audit. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for any damages sustained by the State by virtue of any breach of the contract by the Contractor, and the State may withhold any payment to the Contractor for the purposes of mitigating its damages until such time as the exact amount of damages due to the State from the Contractor is determined. If it is determined that the Contractor was not in default then such termination shall be treated as a termination for convenience as described herein. In the event of termination, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by the contractor under this contract shall, at the option of the State, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any services and supplies delivered and accepted. The Contractor shall be obligated to return any payment advanced under the provisions of this contract.

- b. Termination for Convenience. The State shall have the right to terminate this contract at any time the State determines necessary by giving the Contractor at least twenty (20) calendar days prior written notice. If notice is so given, this contract shall terminate on the expiration of the specified time period, and the liability of the parties hereunder for further performance of the terms of this contract shall thereupon cease, but the parties shall not be released from the duty to perform their obligations up to the date of termination. In the event of termination, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by the contractor under this contract shall, at the option of the State, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory services and supplies delivered.

In the event that the State terminates this contract under the Termination for Convenience provisions, the Contractor is entitled to submit a termination claim within ten (10) days of the effective date of termination. The termination claim shall address and the State shall consider paying the following costs:

- I. the contract price for performance of work, which is accepted by the State, up to the effective date of the termination;
- II. reasonable and necessary costs incurred in preparing to perform the terminated portion of the contract;
- III. reasonable profit on the completed but undelivered work up to the date of termination;
- IV. the costs of settling claims arising out of the termination of subcontracts or orders, not to exceed 30 days pay for each subcontractor;
- V. reasonable accounting, legal, clerical, and other costs arising out of the termination settlement.

In no event shall reimbursement under this clause exceed the contract amount reduced by amounts previously paid by the State to the Contractor.

- c. Immediate Termination. This contract is subject to immediate termination, in whole or in part, by the State without further liability in all of the following circumstances:
- I. In the event that the State determines that the health, safety, or welfare of persons receiving services may be in jeopardy;
 - II. Upon verifying that the Contractor has engaged in or is about to participate in fraudulent or other illegal acts; or
 - III. If State or federal funds are not appropriated, or otherwise become unavailable to fund this Contract.

21. Stop Work Order. Upon written approval by the State Procurement Officer or delegee, the State may, by written order to the Contractor, at any time, and without notice to any surety, require the Contractor to stop all or any part of the work called for by this contract. This order shall be for a specified period after the order is delivered to the Contractor. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, the Contractor shall forthwith comply with its terms and take all reasonable steps to minimize the incurring of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, as legally extended, the State Procurement Officer or delegee shall either:

- a. Cancel the stop work order; or
- b. Terminate the work covered by such order; or
- c. Terminate the contract.

If a stop work order issued under this clause is properly canceled, the Contractor shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the contract shall be modified accordingly in writing pursuant to the terms of this contract dealing with contract modifications, if:

- a. The stop work order results in increased time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and
- b. The Contractor asserts claim for such an adjustment within thirty (30) days after the end of the period of work stoppage.

If the work covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed by adjustment or otherwise and such adjustment shall be in accordance with the Price Adjustment Clause of this contract.

22. Venue. The parties agree that exclusive venue for any action related to performance of this contract shall be in the City and County of Denver, Colorado.

23. Understanding of the Parties.

- a. Complete Integration. This contract is intended as the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent novation, renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written contract executed and approved pursuant to the State Fiscal Rules.
- b. Severability. To the extent that this contract may be executed and performance of the obligations of the parties may be accomplished within the intent of the contract, the terms of this contract are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof.
- c. Binding Agreement. Except as herein specifically provided otherwise, it is expressly understood and agreed that this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. All rights of action relating to enforcement of the terms and conditions shall be strictly reserved to the State and the named Contractor. Nothing contained in this agreement shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the State and the Contractor that any such person or entity, other than the State or the Contractor, receiving services or benefits under this agreement shall be deemed an incidental beneficiary only.
- d. Waiver. The waiver of any breach of a term hereof shall not be construed as a waiver of any other term, or the same term upon subsequent breach.
- e. Continuing Obligations. The State and the Contractor's obligations under this contract shall survive following termination or expiration to the extent necessary to give effect to the intent and understanding of the parties.
- f. Assignment and Change In Ownership, Address, Financial Status. Except as herein specifically provided otherwise, the rights, duties and obligations of the Contractor arising hereunder cannot be assigned, delegated, subgranted or subcontracted except with the express prior written consent of the State, which consent shall not be unreasonably withheld. In the case of assignment or delegation, Contractor and the State shall execute the standard State novation agreement prior to the assignment or delegation being effective against the State. The subgrants and subcontracts permitted by the State shall be subject to the requirements of this contract. The Contractor is responsible for all subcontracting arrangements, delivery of services, and performance of any subgrantor or subcontractor. The Contractor warrants and agrees that any subgrant or subcontract, resulting from its performance under the terms and conditions of this contract, shall include a provision that the said subgrantor or subcontractor shall abide by the terms and conditions hereof. Also, the Contractor warrants and agrees that all subgrants or subcontracts shall include a provision that the subgrantor or subcontractor shall indemnify and hold harmless the State. The subgrants or subcontractors must be certified to work on any equipment for which their services are obtained.

This provision shall not be construed to prohibit assignments of the right to payment to the extent permitted by section 4-9-318, CRS, provided that written notice of assignment adequate to identify the rights assigned is received by the controller for the agency, department, or institution executing this contract. Such assignment shall not be deemed valid until receipt by such controller – as distinguished from the State Controller – and the Contractor assumes the risk that such written notice of assignment is received by the controller for the agency, department, or institution involved.

The Contractor is required to formally notify the State prior to, or if circumstances do not allow prior notification then immediately following, any of the following:

- I. change in ownership;
- II. change of address;
- III. the filing of bankruptcy.

- g. Force Majeure. Neither the Contractor nor the State shall be liable to the other for any delay in, or failure of performance of, any covenant or promise contained in this contract, nor shall any delay or failure constitute default or give rise to any liability for damages if, and only to the extent that, such delay or failure is caused by “force majeure.” As used in this contract “force majeure” means acts of God; acts of the public enemy; acts of the State and any governmental entity in its sovereign or contractual capacity; fires; floods, epidemics; quarantine restrictions, strikes or other labor disputes; freight embargoes; or unusually severe weather.
- h. Changes In Law. This contract is subject to such modifications as may be required by changes in applicable federal or State law, or their implementing rules, regulations, or procedures. Any such required modification shall automatically be incorporated into and be part of this contract on the effective date of such change as if fully set forth herein. Except as provided above, no modification of this contract shall be effective unless agreed to in writing by both parties in the form of a written amendment to this Contract that has been previously executed and approved in accordance with applicable law.
- i. Media or Public Announcements. Unless otherwise provided for in this Contract, the Contractor shall not make any news release, publicity statement, or other public announcement, either in written or oral form that concerns the work provided under this Contract, without the prior written approval of the State. The Contractor shall submit a written request for approval to the State no less than ten (10) business days before the proposed date of publication. The State shall not unreasonably withhold approval of the Contractor’s written request to publish. Approval or denial of the Contractor’s request by the State, shall be delivered to the Contractor in writing within six (6) business days from the date of the State’s receipt of Contractor’s request for approval.

If required by the terms and conditions of a federal or state grant, the Contractor shall obtain the prior approval of the State and all necessary third parties prior to publishing any materials produced under this Contract. If required by the terms and conditions of a federal or state grant, the Contractor shall also credit the State and all necessary third parties with assisting in the publication of any materials produced under this Contract. It shall be the obligation of the Contractor to inquire of the State as to whether these requirements exist and obtain written notification from the State as Contractor deems appropriate.

- 24. Intellectual Indemnity. Contractor shall defend, at its sole expense, any claim(s) or suit(s) brought against the State alleging that the use by the State of any product(s), or any part thereof, supplied by Contractor under this agreement constitutes infringement of any patent, copyright, trademark, or other proprietary rights, provided that the State gives Contractor written notice within twenty (20) days of receipt by the State of such notice of such claim or suit, provides assistance and cooperation to Contractor in connection with such action, and Contractor has sole authority to defend or settle the claim. Contractor shall consult the State regarding such defense and the State may, at its discretion and expense, participate in any defense. Should the State not choose to participate, Contractor shall keep the State advised of any settlement or defense.

Contractor shall have liability for all such claims or suits, except as expressly provided herein, and shall indemnify the State for all liability incurred by the State as a result of such infringement. Contractor shall pay all reasonable out-of-pocket costs and expenses, and damages finally awarded by a court of competent jurisdiction, awarded or agreed to by Contractor regarding such claims or suits.

If the product(s), or any part thereof, become the subject of any claim, suit or proceeding for infringement of any patent, trademark or copyright, or in the event of any adjudication that the product(s), or any part thereof, infringes any patent, trademark or copyright, or if the sub-license or use of the product(s), or any part thereof, is enjoined, Contractor, after consultation with the State, shall do one of the following at Contractor's expense:

- a. produce for the State the right under such patent, trademark or copyright to use or sub-license, as appropriate, the product or such part thereof; or
- b. replace the product(s), or part thereof, with other suitable products or parts conforming to the original license and State specifications; or
- c. suitably modify the products, or part thereof.

Except as otherwise expressly provided herein, Contractor shall not be liable for any costs or expenses incurred without its prior written authorization.

Contractor shall have no obligation to defend against or to pay any costs, damages or attorney's fees with respect to any claim based upon:

- a. the use of an altered release if Contractor had not consented to the alteration; or
- b. the combination, operation or use of the product(s) with programs or data which were not furnished by Contractor, if such infringement would have been avoided if the programs or data furnished by persons or entities other than Contractor had not been combined, operated or used with the product(s); or
- c. the use of product(s) on or in connection with equipment or software not permitted under this contract if such infringement would have been avoided by not using the product(s) on or in connection with such other equipment or software.

25. Conformance with Law. If this Contract involves federal funds or compliance is otherwise federally mandated, the Contractor and its agent(s) shall at all times during the term of this contract strictly adhere to all applicable federal laws, state laws, Executive Orders and implementing regulations as they currently exist and may hereafter be amended. Without limitation, these federal laws and regulations include:

- a. Office of Management and Budget Circulars A-21, A-87, A-102, A-110, A-122, A-133, and The Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, as applicable;
- b. the "Hatch Act" (5 U.S.C. 1501-1508) and Public Law 95-454, Section 4728. These federal statutes declare that federal funds cannot be used for partisan political purposes of any kind by any person or organization involved in the administration of federally-assisted programs;
- c. the "Davis-Bacon Act" (40 U.S.C. 276A-276A-5). This federal Act requires that all laborers and mechanics employed by contractors or subcontractors to work on construction projects financed by federal assistance must be paid wages not less than those established for the locality of the project by the Secretary of Labor;
- d. 42 U.S.C. 6101 *et seq.*, 42 U.S.C. 2000d, 29 U.S.C. 794. These federal Acts mandate that no person shall, on the grounds of race, color, national origin, age, or disability, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or in part, by federal funds;
- e. the "Americans with Disabilities Act" (Public Law 101-336; 42 U.S.C. 12101, 12102, 12111 - 12117, 12131 - 12134, 12141 - 12150, 12161 - 12165, 12181 - 12189, 12201 - 12213 and 47 U.S.C. 225 and 47 U.S.C. 611);
- f. if the Contractor is acquiring an interest in real property and displacing households or businesses in the performance of this Contract, then the Contractor is in compliance with the "Uniform

- Relocation Assistance and Real Property Acquisition Policies Act”, as amended, (Public Law 91-646, as amended, and Public Law 100-17, 101 Stat. 246 - 256);
- g. when applicable, the Contractor shall comply with the provisions of the “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments” (Common Rule);
 - h. Section 2101 of the Federal Acquisition Streamlining Act of 1994, Public Law 103-355, which prohibits the use of federal money to lobby the legislative body of a political subdivision of a State; and
 - i. If the Contractor is a covered entity under the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. 1320d – 1320d-8, the Contractor shall comply with applicable HIPAA requirements. **If Contractor is a business associate under HIPAA, Contractor hereby agrees to, and has an affirmative duty to, execute the State’s current HIPAA Business Associate Agreement. In this case, Contractor must contact the State’s representative and request a copy of the Business Associate Agreement, complete the agreement, have it signed by an authorized representative of the Contractor, and deliver it to the State.**
 - j. The Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), as amended by §6062 of Public Law 110-252, including without limitation all data reporting requirements required thereunder. This Act is also referred to as FFATA.
6. Contractor Affirmation. If this Contract involves federal funds or compliance is otherwise federally mandated, then by signing and submitting this Contract the Contractor affirmatively avers that:
- a. the Contractor is in compliance with the requirements of the “Drug-Free Workplace Act” (Public Law 100-690 Title V, Subtitle D, 41 U.S.C. 701 et seq.);
 - b. the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency; the Contractor shall comply with all applicable regulations pursuant to Executive Order 12549, including, Debarment and Suspension and Participants’ Responsibilities, 29 C.F.R. 98.510 (1990); and,
 - c. the Contractor shall comply with all applicable regulations pursuant to Section 319 of Public Law 101-121, Guidance for New Restrictions on Lobbying, including, Certification and Disclosure, 29 C.F.R. 93.110(1990).
27. Annual Audits. If the Contractor expends federal funds from all sources (direct or from pass-through entities) in an amount of \$500,000 or more during its fiscal year, then the Contractor shall have an audit of that fiscal year in accordance with Office of Management and Budget (OMB) Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations). If the Contractor expends federal funds received from the State in an amount of \$500,000 or more during its fiscal year, then the Contractor shall furnish one (1) copy of the audit report(s) to the State’s Internal Audit Office within thirty (30) calendar days after the Contractor’s receipt of its auditor’s report or nine (9) months after the end of the Contractor’s audit period, whichever is earlier. If (an) instance(s) of noncompliance with federal laws and regulations occurs, then the Contractor shall take all appropriate corrective action(s) within six (6) months of the issuance of (a) report(s).
- If the Contractor submits an annual indirect cost proposal to the State for review and approval, then the Contractor’s auditor shall audit the proposal in accordance with the requirements of OMB Circulars A-21 (Cost Principles for Educational Institutions), A-87 (Cost Principles for State, Local, and Tribal Governments), or A-122 (Cost Principles for Non-Profit Organizations), whichever is applicable.
28. Holdover. In the event that the State desires to continue the services provided for in this Contract and a replacement contract has not been fully executed by the expiration date of the Contract, this Contract may be extended unilaterally by the State for a period of up to two (2) months upon written notice to the Contractor under the same terms and conditions of the original Contract including, but not limited to, prices, rates, and service delivery requirements. However, this extension terminates when the replacement contract becomes effective when signed by the State Controller or an authorized delegate.

29. Survival of Certain Contract Terms. Notwithstanding anything in this contract to the contrary, the parties understand and agree that all terms and conditions of this contract which may require continued performance, compliance, or effect beyond the termination date of the contract and shall survive such termination date and shall be enforceable by the State as provided herein in the event of failure to perform or comply by the Contractor.

30. **STATEWIDE CONTRACT MANAGEMENT SYSTEM** *[This section shall apply when the Effective Date is on or after July 1, 2009 and the maximum amount payable to Contractor hereunder is \$100,000 or higher]*

By entering into this Contract, Contractor agrees to be governed, and to abide, by the provisions of CRS §24-102-205, §24-102-206, §24-103-601, §24-103.5-101 and §24-105-102 concerning the monitoring of vendor performance on state contracts and inclusion of contract performance information in a statewide contract management system.

Contractor's performance shall be evaluated in accordance with the terms and conditions of this Contract, State law, including CRS §24-103.5-101, and State Fiscal Rules, Policies and Guidance. Evaluation of Contractor's performance shall be part of the normal contract administration process and Contractor's performance will be systematically recorded in the statewide Contract Management System. Areas of review shall include, but shall not be limited to quality, cost and timeliness. Collection of information relevant to the performance of Contractor's obligations under this Contract shall be determined by the specific requirements of such obligations and shall include factors tailored to match the requirements of the Statement of Project of this Contract. Such performance information shall be entered into the statewide Contract Management System at intervals established in the Statement of Project and a final review and rating shall be rendered within 30 days of the end of the Contract term. Contractor shall be notified following each performance and shall address or correct any identified problem in a timely manner and maintain work progress.

Should the final performance evaluation determine that Contractor demonstrated a gross failure to meet the performance measures established under the Statement of Project, the Executive Director of the Colorado Department of Personnel and Administration (Executive Director), upon request by the Colorado Department of Public Health and Environment and showing of good cause, may debar Contractor and prohibit Contractor from bidding on future contracts. Contractor may contest the final evaluation and result by: (i) filing rebuttal statements, which may result in either removal or correction of the evaluation (CRS §24-105-102(6)), or (ii) under CRS §24-105-102(6), exercising the debarment protest and appeal rights provided in CRS §§24-109-106, 107, 201 or 202, which may result in the reversal of the debarment and reinstatement of Contractor, by the Executive Director, upon showing of good cause.

SPECIAL PROVISIONS

These Special Provisions apply to all contracts except where noted in *italics*.

1. **CONTROLLER'S APPROVAL. CRS §24-30-202(1).** This contract shall not be valid until it has been approved by the Colorado State Controller or designee.
2. **FUND AVAILABILITY. CRS §24-30-202(5.5).** Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.
3. **GOVERNMENTAL IMMUNITY.** No term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.
4. **INDEPENDENT CONTRACTOR.** Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this contract. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall (a) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.
5. **COMPLIANCE WITH LAW.** Contractor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.
6. **CHOICE OF LAW.** Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this contract, to the extent capable of execution.
7. **BINDING ARBITRATION PROHIBITED.** The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this contract or incorporated herein by reference shall be null and void.
8. **SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00.** State or other public funds payable under this contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this contract, including, without limitation, immediate termination of this contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.
9. **EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. CRS §§24-18-201 and 24-50-507.** The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.
10. **VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4. [Not Applicable to intergovernmental agreements]**
Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept

system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.

11. PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101. *[Not Applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services]* Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this contract, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c), Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract. Contractor (a) shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed, (b) shall notify the subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this contract, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this contract for breach and, if so terminated, Contractor shall be liable for damages.

12. PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101. Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this contract.

Revised 1-1-09

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

*** Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.**

CONTRACTOR:

City of Loveland

Legal Name of Contracting Entity

Signature of Authorized Officer

Print Name of Authorized Officer

Print Title of Authorized Officer

STATE OF COLORADO:

John W. Hickenlooper, GOVERNOR

By: _____
For Executive Director

Department of Public Health and Environment

Department Program Approval:

By: _____

LEGAL REVIEW
John W. Suthers, Attorney General

By: _____

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Contract is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

STATE CONTROLLER:
Robert Jaros, CPA, MBA, JD

By: _____

Date: _____

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ADDITIONAL PROVISIONS
To Contract Dated 09/10/2013 - Contract Routing Number 14 FAA 61481

These provisions are to be read and interpreted in conjunction with the provisions of the contract specified above.

1. To receive compensation under the Contract, the Contractor shall submit a signed monthly CDPHE Reimbursement Invoice Form. This form is accessible from the CDPHE internet website <http://www.colorado.gov/cs/Satellite/CDPHE-Main/CBON/1251622941228>. CDPHE will provide technical assistance in accessing and completing the form. The CDPHE Reimbursement Invoice Form and Expenditure Details page must be submitted within **forty-five (45)** calendar days of the end of the billing period for which services were rendered. Expenditures shall be in accordance with the Statement of Work and Budget.

The Contractor shall provide the following documentation with the completed invoice; all applicable invoices to substantiate the amount being requested. This supporting documentation shall be submitted with the completed CDPHE Reimbursement Invoice Form and Expenditure Details page.

Scan the completed and signed CDPHE Reimbursement Invoice Form and supporting documentation into an electronic document. Email the scanned invoice and Expenditure Details page and supporting documentation to: Nicole Rollo, GLU Administrative Assistant, nicole.rollo@state.co.us. Also, courtesy copy your GLU project manager.

Final billings under the Contract must be received by the State within a reasonable time after the expiration or termination of the Contract; but in any event no later than **forty-five (45)** calendar days from the effective expiration or termination date of the Contract.

Unless otherwise provided for in the Contract, "Local Match," if any, shall be included on all invoices as required by funding source.

2. Time Limit for Acceptance of Deliverables.

The State shall follow the review goals and timelines outlined within existing regulations, where applicable. Examples of existing review processes include the site location application and design review processes as described within the *Site Location and Design Approval Regulations for Domestic Wastewater Treatment Works 5 CCR 1002-22* and the *State of Colorado Design Criteria for Domestic Wastewater Treatment Works WPC-DR-1*. Processing of all deliverables not identified through other existing regulatory authorities, the State and the Contractor shall adhere to the following:

- a. Initial Evaluation Period. The State shall have ninety **(90)** calendar days from the date a deliverable is delivered to the State by the Contractor to initially evaluate that deliverable, except for those deliverables that have a different time negotiated by the State and the Contractor.
- b. Notice of Defect. If the State believes in good faith that a deliverable fails to meet the design specifications for that particular deliverable, or is otherwise deficient, then the State shall notify the Contractor of the failure or deficiencies, in writing, within **thirty (30)** calendar days of the date the State becomes aware of the failure or deficiency. The above time frame shall apply to all deliverables except for those deliverables that have a

different time negotiated by the State and the Contractor in writing pursuant to the State's fiscal rules

- c. Time to Correct Defect. Upon receipt of timely written notice of an objection to a completed deliverable, the Contractor shall have a reasonable period of time, not to exceed **thirty (30)** calendar days, to correct the noted deficiencies.
3. Health Insurance Portability and Accountability Act (HIPAA) Business Associate Determination. The State and the Contractor have determined that Contractor is not a business associate under HIPAA.
4. The contractor shall request pre-approval from CDPHE Project Manager for budget activity redistribution over \$5,000.
5. The parties agree that General Provision number 24, Intellectual Indemnity is struck in its entirety.

STATEMENT OF WORK
To Contract Dated 9/10/2013 - Contract Routing Number 14 FAA 61481

These provisions are to be read and interpreted in conjunction with the provisions of the contract specified above.

I. Entity Name: City of Loveland

Term: September 15, 2013 – May 31, 2016

II. Project Description:

This project serves to improve water quality for the customers of the City of Loveland. Improvements will be achieved through compliance with WQCD Regulation #85, Nutrients Management Control Regulation. This project provides for the development of a nutrients engineering report to address biological nutrient removal (BNR) and the preparation of construction documents to reconfigure and expand existing biological treatment basins.

III. Definitions:

1. BNR – Biological Nutrient / Nitrogen Removal
2. BOD – Biochemical Oxygen Demand (as in BOD reduction)
3. CDPHE – Colorado Department of Public Health and Environment
4. COD – Chemical Oxygen Demand (as in soluble COD)
5. Contractor and/or Vendor – Any party to which a purchase order is issued.
6. ERU - Engineering Review Unit
7. GLU - Grants and Loans Unit
8. NCS – Nutrient Compliance Study
9. NER- Nutrient Engineering Report
10. NGP- Nutrients Grant Program
11. PDR- Process Design Report
12. PELs - Preliminary Effluent Limits
13. PER - Preliminary Engineering Report
14. POTW- Publicly Owned Treatment Works
15. RAS- Return Activated Sludge
16. SOW - Statement of Work
17. SRT- Solids Retention Time
18. Start up & Commissioning – Initiating and operating facility improvements
19. TIN-Total Inorganic Nitrogen
20. TP- Total Phosphorous
21. TSS- Total Suspended Solids
22. WQIF – Water Quality Improvement Fund
23. WRF – Water Reclamation Facility
24. WWTF- Wastewater Treatment Facility

IV. Performance (Work Plan and Requirements):

Goal #1: To improve water quality in Colorado by meeting requirements of Regulation #85, Nutrients Management Control Regulation.

Objective #1: No later than March 31, 2014 develop a Nutrients Engineering Report detailing a selective alternative to meet future nutrient effluent limits at the wastewater treatment facility.

		Budget
Primary Activity #1	The Contractor shall develop and evaluate alternatives for Biological Nutrient Removal (BNR) process that optimizes the use of the existing WWTF.	\$80,000
Sub-Activities:	<ol style="list-style-type: none"> 1. The contractor shall review wastewater influent characterization, process and effluent. 2. The contractor shall calibrate and validate existing process and hydraulic baseline models. 3. The contractor shall develop schematic layouts of BNR alternatives. 4. The contractor shall model up to three proposed BNR additions to existing treatment facility at design loadings and performance to meet PELs. This will include an activity of how BNR will impact existing liquid and solids treatment processes at present and future design loading and PELs. 5. The contractor shall develop lifecycle and capital costs and constructability pros/cons for each alternative. 6. The contractor shall prepare BNR treatment alternative evaluation report (cost benefit). 	
Primary Activity #2	The contractor shall develop a Nutrients Engineering Report.	
Sub-Activities:	<ol style="list-style-type: none"> 1. The contractor shall select a treatment alternative for BNR to comply with Regulation #85. 	
Standards and Requirements	<ol style="list-style-type: none"> 1. The contractor shall complete a Nutrient Engineering Report in accordance with the <i>State Revolving Fund Waste Water Preliminary Engineering Report Guidance and Review Checklist Form</i>. These documents are incorporated and made part of the SOW by reference. The documents can be accessed at http://www.colorado.gov/cs/Satellite/CDPHE-WQ/CBON/1251640440472 2. The content of the electronic documents and information contained on CDPHE websites may be updated periodically during the contract term. The Contractor shall monitor documents and website content for updates and comply with all updates. 3. The Contractor shall notify the WQIF Nutrients administrator via email if the website links are broken. 	
Measurement of Expected Results	<ol style="list-style-type: none"> 1. Data contained in the Nutrients Engineering Report that indicates a selected alternative for complying with Regulation #85 at the wastewater treatment facility. 	
		Completion Date
Deliverables	<ol style="list-style-type: none"> 1. The Contractor shall submit the Nutrient Engineering Report via email to the Project Manager. 	No later than: March 31, 2014
	<ol style="list-style-type: none"> 2. The Contractor shall submit a progress report form, as provided by CDPHE, identifying progress made on the nutrients engineering report via email to the Project Manager. 	No later than: December 1, 2013; February 1, 2014; May 1, 2014, and July 1, 2014

Goal #1: To improve water quality in Colorado by meeting requirements of Regulation #85, Nutrients Management Control Regulation.		
Objective #2: No later than May 31, 2016 complete final design and begin construction process for facility improvements that will meet future effluent limitations for nutrients.		
		Budget
Primary Activity #1	The Contractor shall complete a preliminary effluent limit (PEL) application.	\$40,000
Primary Activity #2	The Contractor shall prepare site application for the recommended facility improvements.	\$97,000
Primary Activity #3	The Contractor shall prepare a process design report for the recommended facility improvements.	\$191,900
Primary Activity #4	The Contractor shall prepare final engineering design documents for the recommended facility improvements as identified in the Nutrients Engineering Report.	\$219,350
Sub-Activities:	<ol style="list-style-type: none"> 1. The Contractor shall complete final drawings for the recommended improvements. 2. The Contractor shall complete final project technical specifications for the recommended improvements. 	
Primary Activity #5	The Contractor shall begin the construction process for the BNR improvements to the wastewater treatment facility. Final construction of full BNR process will extend into 2017 with the City of Loveland expending upwards of \$4,500,000 in addition to the grant funding.	\$451,750
Sub-Activities:	<ol style="list-style-type: none"> 1. The Contractor shall advertise project for bid submittals. 2. The Contractor shall award construction contract. 3. The Contractor shall begin construction of the BNR process including project technical submittals. 4. The Contractor shall complete a discharge permit application. 	
Expected Results of the Activity	<ol style="list-style-type: none"> 1. The wastewater treatment facility will procure all required approvals necessary for construction of facility improvements that will meet future effluent limitations for nutrients. 2. Facility improvements started to meet nutrient effluent limits. 	
Standards and Requirements	<ol style="list-style-type: none"> 1. The Contractor shall obtain PEL approval prior to submission of the site application. 2. The Contractor shall utilize a registered licensed Professional Engineer to complete and certify the process design report and construction documents. 3. The Contractor shall utilize the <i>State of Colorado Design Criteria for Waste Treatment Works</i>. This document is incorporated and made part of this SOW by reference and is available on the following website http://www.colorado.gov/cs/Satellite/CDPHE-WQ/CBON/1251629028615 4. The Contractor shall comply with the <i>Site Location and Design Approval Regulations for Domestic Wastewater Treatment Works (Regulation No. 22)</i> when upgrading facilities. This document is incorporated and made part of this SOW by reference and is available on the following website http://www.colorado.gov/cs/Satellite/CDPHE-WQ/CBON/1251629028615 5. The Contractor shall utilize the <i>Regulation 22 Application Form</i>. This document is incorporated and made part of this SOW by reference and is available on the following 	

	<p>website http://www.colorado.gov/cs/Satellite/CDPHE-WQ/CBON/1251629028615</p> <p>6. The Contractor shall utilize the <i>Process Design Report Submittal Checklist</i>. This document is incorporated and made part of this SOW by reference and is available on the following website http://www.colorado.gov/cs/Satellite/CDPHE-WQ/CBON/1251629028615</p> <p>7. The Contractor shall utilize the <i>Wastewater Design Form</i> when submitting the engineering design documents. This document is incorporated and made part of this SOW by reference and is available on the following website http://www.colorado.gov/cs/Satellite/CDPHE-WQ/CBON/1251629028615</p> <p>8. The Contractor shall include in the project technical specifications for the recommended improvements, the <i>State of Colorado Construction Bidding Requirements for State Revolving Fund (SRF) Loan Projects</i>. This document is incorporated and made part of this SOW by reference and is available on the following website http://www.colorado.gov/cs/Satellite/CDPHE-WQ/CBON/1251640440472</p> <p>9. The Contractor shall invite the project manager from CDPHE, Grants and Loans Unit to any pre-bid and pre-construction meetings related to the wastewater treatment facility's construction project.</p> <p>10. CDPHE will conduct a final inspection of the construction sites. CDPHE will provide the contractor with a copy of the final inspection report.</p> <p>11. The content of the electronic documents and information contained on CDPHE websites may be updated periodically during the contract term. The contractor shall monitor documents and website content for updates and comply with all updates.</p> <p>12. The Contractor shall notify the WQIF Nutrients administrator via email if the website links are broken.</p>	
Measurement of Expected Results	<p>1. CDPHE site location approval for the wastewater treatment facility upgrades.</p> <p>2. CDPHE Process Design Report approval for wastewater treatment facility upgrades.</p> <p>3. Design documents that incorporate the approved Nutrients Engineering Report and process design report selective alternative. Design documents are in compliance with the State of Colorado Design Criteria for Wastewater Treatment Works.</p> <p>4. Construction is in accordance with CDPHE issued design approval.</p>	
		Completion Date
Deliverables	1. The Contractor shall submit a completed site application for the facility upgrade via email to the CDPHE engineering section manager bret.icenogle@state.co.us and the Project Manager.	No later than: March 15, 2015
	2. The Contractor shall submit the Process Design Report via email to the CDPHE engineering section manager bret.icenogle@state.co.us .	No later than: May 31, 2015
	3. The Contractor shall submit final engineering design documents via email to the CDPHE engineering section manager bret.icenogle@state.co.us and the Project Manager.	No later than: October 30, 2015

	4. The Contractor shall submit all subcontractor agreements via email to the Project Manager.	No later than: 30 days after agreements are signed
	5. The Contractor shall submit a quarterly progress report form, as provided by CDPHE, identifying progress made on the design and construction via email to the Project Manager.	No later than: October 10, January 10, April 10, July 10.
	6. The Contractor shall submit a final report including photo summary, as provided by CDPHE, on completed construction via email to the Project Manager.	No later than: 30 days following final completion

V. Monitoring:

CDPHE's monitoring of this contract for compliance with performance requirements will be conducted throughout the contract period by the CDPHE Project Manager. Methods used will include a review of documentation determined by CDPHE to be reflective of performance to include progress reports and other fiscal and programmatic documentation as applicable. The Contractor's performance will be evaluated at set intervals and communicated to the contractor. A Final Contractor Performance Evaluation will be conducted at the end of the life of the contract.

VI. Resolution of Non-Compliance:

The Contractor will be notified in writing within **10** calendar days of discovery of a compliance issue. Within **30** calendar days of discovery, the Contractor and the State will collaborate, when appropriate, to determine the action(s) necessary to rectify the compliance issue and determine when the action(s) must be completed. The action(s) and time line for completion will be documented in writing and agreed to by both parties. If extenuating circumstances arise that requires an extension to the time line, the Contractor must email a request to the CDPHE Project Manager and receive approval for a new due date. The State will oversee the completion/implementation of the action(s) to ensure time lines are met and the issue(s) is resolved. If the Contractor demonstrates inaction or disregard for the agreed upon compliance resolution plan, the State may exercise its rights under the provisions of this contract.

Project Budget
To Contract Dated 9/10/2013 – Contract Routing Number 14 FAA 61481

These provisions are to be read and interpreted in conjunction with the provisions of the contract specified above.

Entity Name: City of Loveland

Planning Project Activity	Budget
1. Develop and evaluate alternatives for Biological Nutrient Removal (BNR).	\$80,000
Design and Construction Project Activity	Budget
1. Complete Preliminary Effluent Limit (PEL) application.	\$40,000
2. Prepare site application.	\$97,000
3. Prepare a process design report.	\$191,900
4. Prepare final engineering design documents for the recommended facility improvements.	\$219,350
5. Construct the BNR improvements.	\$451,750
Total Project Cost:	\$1,080,000



AGENDA ITEM: 11
MEETING DATE: 10/16/2013
SUBMITTED BY: Scott Dickmeyer, Staff Engineer *SD*

TITLE: C-BT 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 August 14, 2013, the LUC adopted Resolution R-4-2013U, changing the City's recognized price for CBT water to \$17,500 per unit and establishing a Cash-In-Lieu fee of \$18,375. 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). C-BT units have been selling at approximately \$18,500 per unit. While this is higher than the currently recognized price, the number of sales is low and the units per sale are very low. Due to the low volume of transactions, staff feels that there is not enough justification to raise Loveland's recognized CBT unit price.

Staff recommends keeping Loveland's recognized market price at \$17,500 per unit. The City's cash-in-lieu fee would then stay at \$18,375 per acre-ft.

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

RECOMMENDATION:

Make no change to the current recognized market price of \$17,500.

REVIEWED BY DIRECTOR: *MS for SA*

