



LOVELAND UTILITIES COMMISSION REGULAR MEETING

November 19, 2014 - 4:00 p.m.

Police and Courts Building

810 East 10th Street

AGENDA



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

4:05 pm - **APPROVAL OF MINUTES - 10/8/2014 and 10/15/2014**

CITIZENS REPORTS

Anyone in the audience may address the LUC on any topic relevant to the commission. If the topic is an item on the Consent Agenda, please ask for that item to be removed from the Consent Agenda. Items pulled will be heard following items listed on the Regular Agenda. Members of the public will be given an opportunity to speak to any item on the Regular Agenda during the Regular Agenda portion of the meeting before the LUC acts upon it. If the topic is an item on the Staff Report, members of the public should address the Commission during this portion of the meeting as no public comment is accepted during the Staff Report portion of the meeting.

Anyone making comment during any portion of tonight's meeting should identify himself or herself and be recognized by the LUC chairman. Please do not interrupt other speakers. Side conversations should be moved outside the Service Center Board Room. Please limit comments to no more than three minutes.

4:10 pm - **REGULAR AGENDA**

1. LUC Recommendation on the Level to Fluoridate Loveland's Drinking Water – Chris Matkins

5:40 pm - **CONSENT AGENDA**

2. River Crossings Replacement Project Contract Approval – Tanner Randall
3. Annual Approval of Sub-Structure Bid – Kathleen Porter
4. Annual Approval of Directional Bore Bid – Kathleen Porter

6:00 pm - **STAFF REPORT**

5. End of Year Water Supply Update – Larry Howard

6:45 pm - **6. COMMISSION / COUNCIL REPORTS**

- 25th Annual South Platte Forum in Longmont, CO – October 22–23, 2014
- Northern Water Fall 2014 Water Users Meeting in Fort Collins, CO - November 5, 2014
- Colorado Water Congress Workshop: History of Water Law in Denver, CO – November 19, 2014

7:00 pm - **7. DIRECTOR'S REPORT** – Separate Document

7:30 pm - **INFORMATION ITEMS**

8. Financial Report Update – Jim Lees

ADJOURN

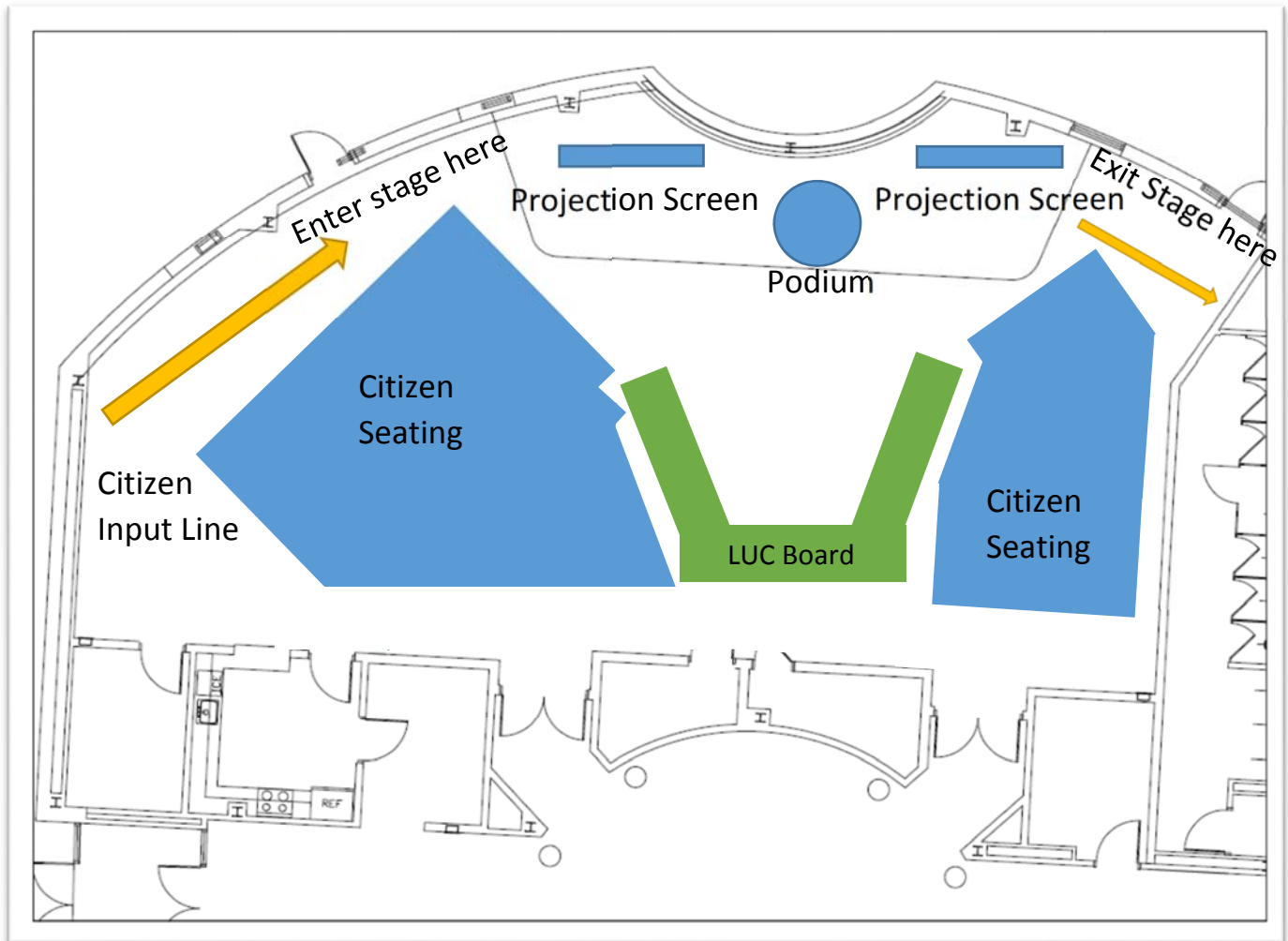
The City of Loveland is committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, age, color, national origin, religion, sexual orientation or gender.

The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act.

For more information, please contact the City's ADA Coordinator at bettie.greenberg@cityofloveland.org or 970-962-3319.

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

Overview of Police and Courts Facility



Commission Members Present: Dan Herlihey, David Schneider (Vice Chair), Gary Hausman, Gene Packer (Chair), Jennifer Gramling, John Rust Jr., Randy Williams

City Staff Members: Allison Prokop, Colleen Cameron (left at 4:56pm), Greg Dewey, Gretchen Stanford, Kim O'Field (left at 4:30pm), Larry Howard, Michelle Stalker, Roger Berg, Steve Adams, Tracey Hewson

CALL TO ORDER: Gene Packer called the meeting to order at 4:10 pm.

STAFF REPORTS

Item 1: Water Resource Training – Greg Dewey This item will provide an overview of general water rights and water rights specific to the City of Loveland.

Staff Report only. No action required.

Comments: Discussion ensued between LUC board members and staff regarding water rights history, water rights development, and other topics relating to water resources.

ADJOURN The meeting was adjourned at 5:56 pm. The next LUC Meeting will be October 15, 2014 at 4:00 pm.

Respectfully submitted,

Allison Prokop
Recording Secretary
Loveland Utilities Commission

Commission Members Present: Dan Herlihey, David Schneider (Vice Chair), Gary Hausman, Gene Packer (Vice Chair), Larry Roos, Jennifer Gramling, John Rust Jr., Randy Williams

City Staff Members: Allison Prokop, Bob Miller, Darcy Hodge, Garth Silvernale, Greg Dewey, Gretchen Stanford, Jim Lees, Kim O'Field, Kyle Doty (left after new employee introduction), Michael McCrary (left after new employee introduction), Michael Rios (left after new employee introduction), Michelle Stalker, Moses Garcia (left during item 1), Steve Adams, Scott Dickmeyer, Tom Greene, Tree Ablao (came in during item1)

Guest Attendance: Larry Sarner

CALL TO ORDER: Gene Packer called the meeting to order at 4:00 pm.

APPROVAL OF MINUTES: Gene asked for a motion to approve the minutes of the September 17, 2014 meeting.

Motion: Dave Schneider made the motion to approve the minutes of the September 17, 2014 meeting with the requested changes.

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

Comments: Dave Schneider expressed that he would like his commission and council report rephrased and reworded to reflect his promotion of the South Platte Forum and supporting topics.

APPROVAL OF MINUTES: Gene asked for a motion to approve the minutes of the September 30, 2014 special fluoride meeting.

Motion: Dave Schneider made the motion to approve the minutes of the September 30, 2014 meeting.

Second: Dan Herlihey seconded the motion. The minutes were approved unanimously.

NEW EMPLOYEE INTRODUCTION – Mike Rios and Kyle Doty

CITIZEN REPORTS: Larry Sarner thanked the board for having the September 30, 2014 meeting. Sarner distributed a revised letter to the board members amending his water fluoridation recommendation. Sarner highlighted that although Loveland Water and Power (LWP) has made procedural changes to prevent future errors in fluoride dosing, the decision about the levels of fluoride in the water is a public policy decision and a public health issue. Moving forward he would like the decision regarding the amount of fluoride added to Loveland's drinking water to be made by some who can take full responsibility and report to City Council and report to the City of Loveland's residents. Sarner expressed that he would like LWP staff and LUC to give City Council a recommendation on this issue. He also wants there to be accountability for the past actions regarding dosing levels.

CONSENT AGENDA

Item 2: Intergovernmental Agreements for Mutual Aid – Power Operations – Garth Silvernale Proposed Intergovernmental Agreement (IGA) as shown in Attachment A for mutual aid assistance between the City of Loveland, the Town of Estes Park, the City of Fort Collins, the City of Longmont and Platte River Power Authority.

Recommendation: Adopt a motion recommending that the City Council approve the Intergovernmental Agreement with the Town of Estes Park, the City of Fort Collins, the City of Longmont and Platte River Power Authority for power operations mutual aid.

Motion: Dave Schneider made the motion to accept consent agenda items as written.

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

REGULAR AGENDA

Item 1: 2014 3rd Quarter Goal Updates – Steve Adams This is a quarterly review of our progress on our 2014 utility goals.

Recommendation: Discuss the presented information and approve the 3rd Quarter 2014 Goals and Quarterly Update Report.

Comments: Dave Schneider pulled item 1 from the content agenda.

Dave Schneider asked for clarification about the Quarterly update provided for Goal 8. Schneider asked Dan Herlihey if he could provide an update for Goal 8 section D on the Comprehensive Plan Update. Herlihey stated that approximately two months ago was the last meeting, and there have been no meetings since then. They will be coming together again mid-November; however, he had no update to provide.

In regards to Goal 8 section A on the Master Plan for Development of Highway 287, Schneider wondered if there was an update on any recommendations associated with this master plan. Steve Adams stated there have been two open houses and that LWP staff members, Melissa Morin and Briana Reed-Harmel, attended but were not currently present to provide an update. Schneider stated that the last update he received was that they were getting input from staff and a consulting firm and mentioned that the process was flawed at that point. Schneider mentioned that there should be a coherent process that gets the plan where it needs to go, and he addressed his concerns with cost and available space. He mentioned he attended the first meeting at the Fairgrounds Park on September 30, 2014. Adams updated the board and stated that initially planning efforts were to be completed together for the development of Highway 287 and the development of the Highway 402 corridor. Now the plan for Highway 402 needs participation from Johnstown which has affected the timeline of project planning and completion. Currently, there have been some restraints on the land use and coordination issues that the Loveland Planning Department is working with Larimer County to work through. However, the 287 project is underway as planned. Schneider mentioned the important opportunity of partnering with CDOT.

Schneider added that he would like more information about Goal 9, and was curious about the Strategic Plan. He added that he would like to have the new Public Works Director attend one of the LUC meetings. Adams questioned what her purpose would be in attending an LUC meeting. Schneider stated that she should talk about the Sustainability Plan, when the time is right and also begin building a friendship with her.

Dan Herlihey added that the end date for Goal 8 Section D on the Comprehensive Plan Update should be changed to November 2015. Schneider mentioned they may need to be moved to an “on-going” status. Larry Roos expressed his concern on Goal 9 about a Strategic Plan. He said these materials need to be thought of about 30 years out. Adams stated that this Strategic Plan will be for the next 25 to 30 years. However, LWP is trying to get a head start and a base for the plan. John Rust added that he remembers talking about even further into the future past 30 years, we haven’t the need right now but there is discussion. Adams stated that the Raw Water Master Plan is going to be updated soon, he continued to discuss changes LWP may see in the future. He added that Part 2 of the Water Resource Training will address a few of these topic. Roos added that these topics should be addressed sooner rather than later, and he learned that bigger may not be better. Rust addressed his concern about the development of Highway 287. He stated that he appreciates that the LUC board can make a long-term plan and stated that not every council agrees. Roos added that he appreciates that the City Council listens to and takes LUC’s opinions into consideration. Board members discussed how previous

decisions have been made from Council. Schneider agreed with Roos and Rust, he added that the LUC process has integrity and the professionalism from staff.

Roos asked if Adams could describe the Sustainability Plan. Adams stated that this plan is a natural extension of Public Works. Gretchen Stanford stated that there are a variety of plans for example, they have goals to reduce emissions or goals to address needs related to the community. The current draft of the plan has no numerical goals associated with it. The draft has a few goals that we would like to put in place such as having an energy policy. Adams stated that part one includes mandates and state requirements and this makes sense for the utility, and they are required by law. Part two of the plan is the benefit to businesses. Part three is the social and public good which may include cost fluctuations. Those three items summarize what is in the draft of the Sustainability Plan. Stanford stated the new Public Works Director has experience in the evaluation and measurement of sustainability programs.

Gene Packer asked for clarification on what Innoprise software is. Adams described the software and how it works. Packer asked for clarification on Goal 4. Adams clarified the word “dending” in the goal update should be “depending”. This item will be brought back to LUC if significant changes are made.

Motion: Dave Schneider made the motion to accept the 2014 3rd Quarter Goal updates with the changes discussed.

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

Item 3: CBT Market Price Consideration – Greg Dewey This item is presented to discuss and adopt a new market price of one Colorado Big Thompson Project (C-BT) unit for use in calculating the City’s cash-in-lieu fee. Attachment A is a draft resolution for the LUC to consider. The City’s cash-in-lieu fee is based primarily on the market price of one Colorado-Big Thompson Project (C-BT) unit as recognized by resolution of the Loveland Utilities Commission (LUC). The last adjustment to the market price was on April 16, 2014, when the LUC adopted Resolution R-2-2014U, changing the City’s recognized price for C-BT water to \$22,000/unit. This established the Cash-in-Lieu fee at \$23,100/ac-ft. Staff was also directed to monitor prices and keep the LUC members updated.

Recommendation: Adopt the attached Resolution R-3-2014U increasing the City’s currently recognized price for CBT water from \$22,000/unit to \$25,000/unit.

Motion: Gary Hausman made the motion.

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

Comments: Staff discussed the cash-in-lieu calculation and recommendation. Roos asked for clarification on water rights regarding C-BT water. Staff and board discussed the purchasing of C-BT water, associated costs, water policies and projected needs. Adams stated that this information is included in the Raw Water Master Plan and that this document will be updated by staff next year and more information about this topic will be included in the water resource training on November 12, 2014.

Hausman added that he is an advocate for purchasing C-BT water and thinks the LUC should explore the option of purchasing more C-BT water. He said that he would like to maintain this line item on the budget and see if LWP can get a lower price and could consider purchasing, if we could get a quantity that would meet our needs. Adams added that on page 55 the graph depicts the rise and fall in price, he stated that he would like to discuss this further in the future. Rust added he would like more information about the regulations related to this issue; however, he agrees with Hausman and that LWP should use it within reason. Staff and board discussed possible future purchasing opportunities. Schneider added that he agreed with Hausman but mentioned that there is a tipping point where the costs become prohibitive in reaching the objective of getting an acre foot of firm yield. However, it

comes down to what you can store and deliver. Schneider mentioned several factors including costs and storage and the calculations of this process. Board and staff discussed past C-BT prices. Roos said he would like to see get more information about growth and conservation and other factors so he can get a better understanding of the calculations and price. Williams added that the price peak may open up other opportunities. Board and staff discussed water rights and water resources relating to this topic. Adams referenced information included in the Raw Water Master Plan. Rust added that we ought to keep an eye on the water running downstream and how water is pumped and suggests creating a pump that will bring the water back upstream, and that LWP should be aware of this. Staff clarified that he was talking about treated wastewater. Schneider added that Dewey's information is very useful because it gives a thorough overview of other issues. Rust referenced a previous decision regarding the purchase of C-BT water. Hausmen added that he would like to see total cost averaging and follow up in the future to help get more C-BT in our portfolio. Board discussed the potential of this opportunity. Herlihey asked how Tri-State Generation and Transmission's water would be utilized. Staff stated this water is used for cooling purposes during power generation.

STAFF REPORTS

Item 4: Financial Report Update – Jim Lees This item summarizes the monthly and year-to-date financials for September 2014.

Staff Report only. No action required.

Comments: Packer asked if going forward Jim Lees could add a percentage difference between the budget and actuals to his graphs. Schneider discussed the effect of climate change as it relates to the year-to-date financials and how it may have consequences moving forward.

Roos asked what dollar amounts are included in encumbrances. Lees responded that these are balances not spend yet from purchase orders. The purpose of encumbrances is to acknowledge that the money is already earmarked for specific purchase orders, but the money has not yet been spent. Staff and board discussed how these expenses are calculated and categorized. Roos asked for clarification on specific line items of the water financials and on the purchase power line item from the power financials. Lees clarified these line items are calculated and what information is included and why there are different from last year's data. Staff and board discussed this topic.

Item 5: Post Fluoride Meeting Update – Chris Matkins This item is to summarize the special Loveland Utilities Commission Meeting from Tuesday, September 30, 2014. Staff is requesting the Commission's feedback on the information presented from the meeting.

Staff Report only. No action required.

Comments: Scott Dickmeyer presented this information.

Rust stated that he thought the meeting went really well. He thought everyone had the opportunity to speak and was satisfied with the meeting overall. Packer added that he thought the controlled environment and comments portion went well. Schneider added that he thought the community was well aware of the meeting; he liked the layouts and the production went over well.

Packer asked what levels trigger alarms that notify staff when fluoride levels are not where they need to be. Dickmeyer added that the Water Treatment Plant (WTP) is alerted from levels between .6 to 1.0 parts per million (ppm). Staff clarified that fluoride is being measured at the entry point in the system. Adams added that in 2014 during July, August and September the fluoride levels were 0.8 ppm. Dickmeyer clarified that the August and September 2014 fluoride levels were 0.8 ppm and July may

have been slightly below 0.8 ppm. Packer asked if levels fluctuate throughout the day. Dickmeyer added that levels can fluctuate throughout the day. Roos asked if LWP ever checks what fluoride levels are on the opposite side of town and if they differ from fluoride levels at the plant. Dickmeyer stated that LWP does not test for fluoride in different parts of town because it does not decay and the amounts should be distributed evenly throughout Loveland. Packer asked how long it takes for water to get from one side of town to another. Tom Greene added that the amount of time can vary depending on a few factors, such as weather. He added that during winter, the time from plant to tap is slower than during summer months. Adams added that there are a lot of regulations LWP follows regarding sampling and test frequencies that are being followed based on State recommendations. Packer asked if LWP can see real time data. Dickmeyer added that yes the data collected is in real time and can be looked at over a period of time for comparison.

Packer inquired when the Health and Human Services Agency (HHS) will be coming out with an updated fluoride level recommendation. Dickmeyer stated that they were supposed to have a specific concentration recommendation by September 2014, but now that has been pushed back to the end of the first quarter of 2015. They will be recommending a specific level and providing operations suggestions on how to follow the recommendation and this a part of some of the delay. The State stated they will email LWP when they find out more about the time frame for the final recommendation.

Roos asked if the Water Treatment Plant (WTP) can feed a level of 0.9 ppm if recommended. Staff clarified that the WTP can feed at the 0.9 ppm level for a little additional cost in chemical materials. Roos added that he was impressed with staff's actions since the period of dosing at lower levels of fluoride and feels confident that this error will not happen again. Adams stated that even under current construction at the WTP that the level of fluoride will remain consistent.

Adams added that there are two questions regarding this topic that he would like board members to address. One being, does LWP continue to feed fluoride and second, if so, at what level? He asked for board feedback on this issue. Adams wanted to give the group the chance to discuss this issue together and discuss what the next steps of this process may be. Schneider asked for any other comments before any questions are addressed. He stated that he has not heard what health professionals and dentists have to say about the time when LWP had the lower levels of dosage. He thinks we have not been as sensitive to the community about the period of low dosage of fluoride; he added that going forward local health professionals need to be made aware if we have any other times when fluoride levels are lowered. Roos stated that he trusts LWP to make appropriate changes moving forward. Packer added that the goal is to make a communication process moving forward. Adams stated that LWP would like to add the development of a communication plan to use if this problem were to ever happen again and highlight what efforts LWP would take to communicate this to the public.

Rust agreed with Schneider and expressed concern about the presentations at the September 30, 2014 special fluoride meeting highlighting the hardening of teeth. He found it alarming that presenters could not agree if fluoride hardens other bones in the body. Schneider stated that hardening bones and making bones brittle are two different things and questioned whether fluoride could do one, both or neither. He stated that the hardest part, he said that no one refuted fluoride and said the use of fluoride is bad just that people get fluoride dosed to them in different ways. He said the majority of representatives that were pro-fluoride were health professionals.

Jennifer Gramling asked why we do not let citizens vote on this. Adams added that City Council would prefer to hear staff and LUC recommendations. Schneider added that opening the vote to citizens can cost a lot of money and that Council would like staff recommendations. Roos stated that he supports fluoridation, Hausman agrees and supports a level of 0.9 ppm. Packer agreed that LWP should continue to add fluoride to the water, he would like to follow what levels are being fed right now and follow the HHS recommendation when that information is made available. Rust agreed with wanting to

continue to fluoridate the Loveland water supply as well. Schneider added that he initially questioned whether this issue was within in LUC scope. He is of the opinion that maybe Council will make the final decision. He added that he does not have feeling either way as long as levels are between 0.7 ppm and 0.9 ppm, but agrees with fluoridation. He thinks staff can make a recommendation that will go to City Council.

Herlihey commented that he is convinced that LWP should continue to add fluoride and as to the amount he thinks LWP can continue what we are doing and is interested in hearing and considering HHS's future recommendations. Gramling stated that she would like fluoride to be added and unless more information comes out that she would like levels to stay where they are currently. Roos stated that as far as a levels he would like to continue what LWP is currently feeding and see what the HHS says in the future and possibly move to 0.9 ppm at that time. Adams asked if there is any other information that staff needs to provide board members in order to help them with the decision making process. Board discussed the benefits of fluoride that were discussed during the special meeting and thanked Sarner for his panel of experts.

Adams addressed whose authority it is to feed the fluoride. He paraphrased Chapter 2.49 from the City of Loveland Municipal Code and stated that it is the Loveland Water and Power Director's responsibility to make the final decision on feeding fluoride into the Loveland water supply. He said he would like to talk about the next steps, and he stated that he feels that he is getting the feeling like the board has got enough information. He stated that next month he would like to bring back a regular agenda item and discuss if LWP should continuing adding fluoride to the water and if so, at what level to fluoridate the water. He said that will be the decision for the LUC to make and then what staff does with that after the next steps of this process are still to be determined. Adams added that he cannot operate the feeder on a range, that he needs a specific level to dose properly. Roos asked if LWP feeds a certain amount that LWP will be operating within in a range. Dickmeyer added that preferred recommendation is allowed from the proposal from HHS, and this will produce a range which LWP has been running from the last few months. He would like to be given a specific number because this will produce a range.

Schneider added that this is the furthest the LUC board has gone into direct daily operations. He stated he appreciates the amount of work that has been put into this topic. Schneider added that he would be fine to leave the authority with the Water and Power Director to make the amount recommendation. Adams stated that the LUC represents a body of the community and the board represents years of experience and thoughts from people in the community and this is of value in helping making the decision. He stated that LWP had heard from both sides and would like some guidance and thoughts from the board; however, it is his final decision. LWP will make this item a regular agenda item and will plan to outreach to representatives from the community who may be interested in attending this meeting. Staff and board mentioned that LWP does not want to fall below 0.7 ppm, with taking into account the levels are currently measuring near 0.8 ppm.

COMMISSION/COUNCIL REPORTS

Item 6: Commission/Council Reports

- Activity board members attended since last meeting – September 17, 2014

Dan Herlihey: none

Dave Schneider: He advocated for the South Platte Forum. He highlighted his concern about the law and language of the Waters of the United States. He added that there was prior discussion of the LUC board about the Public Trust Doctrine and said the meeting was very informative, and directional. He added that the meetings are about science and about Colorado's process. He thinks this makes the committee very good at making rules. He added that Brookings Institution along with the Hamilton Project and Stanford

Woods Institute for the Environment will be hosting a forum regarding the New Directions for U.S. Water Policy on October 20, 2014 and thinks this information is worth listening and paying attention to.

Gene Packer: Appreciated training on water resources and appreciated the information and participation at the special fluoride meeting.

Gary Hausman: none

Jennifer Gramling: none

John Rust Jr: none

Larry Roos: none

Randy Williams: He stated that Gretchen Stanford and Tracey Hewson came to the City Council meeting and did a great job presenting about flood recovery efforts and LWP programs.

Council Report: Troy Krenning

Regular Meeting – October 7, 2014

- *Home Supply Spillway Agreement Amendment:* City Council approved unanimously:
 1. An Amendment to the January 15, 2014, Agreement between the City and Home Supply to complete additional flood related repairs on the Home Supply's diversion structure on the Big Thompson River, including addition of a gated spillway to provide mitigation against future flood damage.
 2. A Phase II Agreement with Home Supply for critical O&M work.

Regular Meeting – October 14, 2014

- The City Council Approved on First Reading the Resolution adopting the City Manager's 2015 Recommended Budget, which included the 2015 Recommended Capital Program approved in July of 2014
- The City Council Approved on First Reading the Resolution adopting the 2015 Schedule of Rates, charges, and Fees for Services Provided by the Water and Power Department

DIRECTOR'S REPORT

Item 7: Director's Report – Steve Adams

Comments: Staff and board discussed all upcoming events and which events they will be able to attend.

Roos asked for an update on Chimney Hollow. Adams stated that the negotiations on the carriage contract are moving forward very cooperatively. LWP hopes to give an update at the next meeting. He added that the record of decision is in draft form right now and the 404 permit is the next step. This may be done by the middle of next year and will possibly be ready for final decision on the partnership with consultants at that time.

ADJOURN The meeting was adjourned at 6:57 pm. The next LUC Meeting will be November 19, 2014 at 4:00 pm.

Respectfully submitted,

Allison Prokop
Recording Secretary
Loveland Utilities Commission



AGENDA ITEM: 1
MEETING DATE: 11/19/2014
SUBMITTED BY: Chris Matkins, Water Utilities Manager
Michelle Stalker, Technical Specialist *AP for CM*

TITLE: LUC Recommendation on the Level to Fluoridate Loveland's Drinking Water

DESCRIPTION:

This item is to summarize steps taken to receive community input on water fluoridation, review where to access fluoridation information received, review fluoride target level guidelines from the State of Colorado and request policy guidance from the LUC.

SUMMARY:

The Loveland Utilities Commission (LUC) held a special meeting to gather community feedback in regards to fluoridating Loveland's water on September 30, 2014. Board and staff discussed at the October 15, 2014 regular LUC meeting how this meeting went and their initial thoughts on fluoridation. Material received in preparation for each of the following LUC meetings can be found at on the City of Loveland's web page at the following links:

- June 25, 2014 LUC regular meeting:
<http://www.ci.loveland.co.us/index.aspx?recordid=57795&page=1023>
- September 30, 2014 special meeting regarding fluoride:
<http://www.ci.loveland.co.us/index.aspx?recordid=61239&page=1023>
- October 15, 2014 LUC regular meeting:
<http://www.ci.loveland.co.us/index.aspx?recordid=57791&page=1023>
- November 19, 2014 LUC regular meeting:
<http://www.ci.loveland.co.us/index.aspx?recordid=57790&page=1023>
- Additional fluoride reference materials are available at the Loveland Public Library. To get more information about the general references for fluoride that are available in the library please visit <http://libra.loveland.lib.co.us/> or call 970-962-2665.

Since the October 15, 2014 LUC meeting, staff has received written communication from the Colorado Department of Health and Human Services (CDPHE) (See the Attachment A for correspondence). The CDPHE provides local health and dental oversight for fluoridation. The CDPHE email states that they officially support the current recommendation by the Health & Human Services (HHS)/Center for Disease Control (CDC) which targets 0.9 mg/L fluoride for this region, based on the ambient temperatures. This is the first time that Loveland Water and Power Department has received a strong, clear and articulate direction from CDPHE.

However, CDPHE will also support local communities that have decided to adopt the proposed recommendation of 0.7 mg/L until a final recommendation is released. CDPHE reiterated that it is a local decision on whether to provide optimally fluoridated water to a community and that this decision should be based on scientific research, state recommendations, and national recommendations.

Past decisions to fluoride Loveland's water at 0.7 ppm were driven by information provided by the EPA, HHS/CDC and CDPHE. The Water Division has received citizen input regarding fluoride levels. Over the past 10 years, prior to July 2014, our department averaged around 5 phone calls per year expressing opposition to the addition of fluoride to the drinking water. During that same 10-year timeframe, we received feedback from only two community members expressing support of adding fluoride to the drinking water. In 1952 City Council directed that fluoridation levels be maintained *"to proper amounts as recommended by health and dental authorities."* The Water Division Staff have been guided by this City Council direction since that time.

Please see Attachment B for a letter from Deborah Foote, Executive Director of Oral Health Colorado in support for continuation of community water fluoridation.

Numerous increases in reliability of fluoride addition to the City's water supply have been done by staff. The following actions have already been taken or will be taken by staff:

- Change in responsible personnel at the Water Treatment Plant.
- The Water Plant Manager's daily workspace and office has been relocated from the Service Center to the Water Treatment Plant, increasing operational visibility and effectiveness. This also provides our plant operators increased technical and management support.
- The Lead Operator now personally prepares, signs, and sends the monthly fluoridation dosing report to the State. Previously, this was performed by staff that weren't certified at the highest level ("A Operators").
- The Water Treatment Plant Manager now reviews fluoride concentrations on a daily basis. The Manager also personally reviews each monthly dosing report required by the State that is prepared by the Lead Operator.
- The Water Treatment Plant Manager has scheduled additional mandatory training for all operators and some lab personnel to review expectations and commitment to fluoride dosing.
- In June 2014, a temporary Hach real-time fluoride monitoring device to measure finished water fluoride levels was installed at the Water Treatment Plant. In addition alarms have been programmed to notify operators when fluoridation goals are not met. This temporary device has worked well, and an approximately \$6,000 purchase requisition for a permanent device is being ordered.
- The current plant expansion will include a new chemical storage and dosing facility. Fluoride dosing will be automated and paced with influent water flow rates, eliminating the current manual dosing procedures. In addition, liquid fluoride will replace the current

granular fluoride, which offers increased controllability, and operator confidence in handling.

- Key components of the Fluoride storage and dosing system will be included in our Asset Management system, to ensure that regular preventative maintenance is performed on this equipment.
- Develop a Communication Plan for the future.

RECOMMENDATION:

After careful consideration of staff and public input:

- a. Provide a recommendation to the Director of Water and Power on whether or not to continue fluoridating the City of Loveland's Drinking Water in accordance with the direction provided by City Council in 1952 to set amounts in accordance with health and dental authorities.
- b. Provide input or comments relevant to the Water and Power Director's decision on fluoridation levels as recommended by local health and dental authorities, including the Colorado Department of Public Health and Environment.

REVIEWED BY DIRECTOR:

AP for SA

ATTACHMENTS

- Attachment A: Email communication from CDPHE dated 10-29-2014
- Attachment B: Letter from Deborah Foote, Executive Director, Oral Health Colorado

Attachment A

Scott Dickmeyer

From: Allen-Ziser - CDPHE, Corinne [<mailto:corinne.allen-ziser@state.co.us>]
Sent: Wednesday, October 29, 2014 6:21 AM
To: Scott Dickmeyer
Subject: Re: Loveland Fluoride

Hi Scott -

You are correct. CDPHE officially supports the current recommendation by HHS/CDC which is a range of 0.7 - 1.2 mg/L based on ambient temperature. Colorado's average temperature places it in the region within the recommended level of 0.9 mg/L. So yes, CDPHE officially recommends and supports the current recommendation of 0.9 mg/L.

The decision to provide optimally fluoridated water to the community is a local one. The level they choose to target is also local decision. This decision should be based on scientific research and state and national recommendations. CDPHE will support local communities who have decided to adopt the proposed recommendation of 0.7 mg/L until a final recommendation is released.

CDPHE anticipates we will officially adopt the final recommendation for optimal levels of fluoride in drinking water made by HHS/CDC. When this occurs, if it is not the 0.7 mg/L and is a different level, CDPHE will officially recommend that any water system which is targeting 0.7 mg/L adjust their target to meet the official recommendation released by HHS/CDC for the prevention of tooth decay. That level will be required to be considered operationally optimally fluoridated.

On a separate note for the water system specifically, in case you are asked a question:

CDPHE will also clarify operational standards for maintaining optimal levels. At this time, we anticipate the operational range to be 0.1 mg/L below to 0.2 mg/L above for adjusting systems.

This does not affect EPA regulations of an SMCL of 2 mg/L or MCLG of 4 mg/L of fluoride in drinking water (this is just to clarify that if a water system had 1.0 m/L in the water, which would be over the operational 0.2mg/L for 0.7 mg/L, there are no concerns around safety). This can be a confusing point for some folks.

Please let me know if you need any further information and please let us know the outcome of the discussions!

Thanks,

Corinne

Corinne Allen-Ziser
Adult & Community Oral Health Supervisor



P 303-692-3652 | F 303-758-3448
4300 Cherry Creek Drive South, Denver, CO 80246-1530
corinne.allen-ziser@state.co.us | [Oral Health Program](#)



Attachment B

November 11, 2014

Loveland Utilities Commission
Loveland, CO

RE: Support for continuation of community water fluoridation

To the Commission:

Oral Health Colorado (OHCO) wishes to express its support for continuing fluoridation of the City of Loveland's drinking water. OHCO represents a network of organizations throughout our State that develop and promote strategies that achieve optimal oral health for all Coloradans.

Water fluoridation began in 1945 to address startling rates of dental disease. For more than 65 years, the best available scientific evidence consistently indicates that community water fluoridation is safe and the single most effective public health measure to prevent tooth decay. The Centers for Disease Control and Prevention hail water fluoridation as one of the top ten public health achievements of the 20th Century.

Fluoridated water decreases tooth decay by nearly 25 percent in children and adults, and it saves communities money by reducing costs and lost work hours spent on repairing tooth decay. For most cities, every \$1 invested in water fluoridation saves \$38 in unnecessary dental treatment costs.

Trusted sources, such as the American Dental Association, American Academy of Pediatrics, American Medical Association and more than 125 national and international organizations recognize the public health benefits of fluoridation.

Nearly all fluorosis in the United States is a mild, cosmetic condition that leaves faint white streaks on teeth. It doesn't cause pain, and it doesn't affect the health or function of the teeth. In fact, it's so subtle that it usually takes a dentist to even notice it. Those who claim concern about severe fluorosis primarily rely on data from China, and fluoride concerns there arise not from community water fluoridation but from natural variation in the water's fluoride levels.

OHCO strongly encourages the Loveland Utilities Commission to join the citizens of Salina, KS, Healdsburg, CA, Bronson, MI, and Kalama, WA- all that voted in last week's election to retain community water fluoridation for the benefit of their citizens.

Sincerely,

Deborah Foote
Executive Director



AGENDA ITEM: 2
MEETING DATE: 11/19/2014
SUBMITTED BY: Tanner Randall, Civil Engineer II TR 11/13/14

TITLE: River Crossings Replacement Project Contract Approval

DESCRIPTION:

For the Water and Power Department when a construction bid exceeds \$500,000, by the City's Municipal Code a contract above this threshold can be approved by the LUC. The City Council can also approve construction contracts above \$500,000. When contract approval occurs by the LUC in most circumstances a recommendation is made for the City Manager to also sign the construction contract.

SUMMARY:

During the September 2013 flooding the City sustained substantial damage to its large diameter water transmission system. Included in this was damage and resultant vulnerability of four (4) crossings of the Big Thompson River.

At two river crossing locations the scour was so severe that it resulted in the 36" steel water transmission main being exposed to the bottom of the river. In these locations the pipe coating was removed, leaving vulnerable bare steel that we continue to corrode over time. When floodwaters subsided, these pipe crossings were left with minimal (~1') cover leaving them extremely vulnerable to future flooding events. Likewise, at two river crossing locations scour left minimal cover (~1') over the City's 20" cast iron water transmission main.

This project involves the lowering of the pipes at these four locations so that they will be deep enough to withstand future scour. The pipeline crossings will involve the installation of new pipe at each crossing. The pipe will be laid within a concrete encasement beneath the river and tied into the bedrock formation preventing any future movement or damage from flooding events. Associated with this construction are valve insertions and temporary water systems that will enable the construction to occur.

RECOMMENDATION:

Adopt a motion awarding the River Crossings Replacement Project (FLW07C) construction contract to Layne Heavy Civil in the amount of \$1,351,836 and allow the City Manager to sign the construction contract.

REVIEWED BY DIRECTOR:

AP for SA



CITY OF LOVELAND
WATER & POWER DEPARTMENT

200 North Wilson • Loveland, Colorado 80537
(970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

AGENDA ITEM: 3
MEETING DATE: 11/19/2014
SUBMITTED BY: Kathleen Porter, Field Engineer Supervisor

TITLE: Annual Approval of Sub-Structure Bid

DESCRIPTION:

For the Water and Power Department when a construction bid exceeds \$500,000, by the City's Municipal Code a contract above this threshold can be approved by the LUC. The City Council can also approve construction contracts above \$500,000. When contract approval occurs by the LUC in most circumstances a recommendation is made for the City Manager to also sign the construction contract.

The Department of Water & Power reviewed the Annual Power Substructure Bid. The substructure bid allows contractor augmentation of city crew efforts to install underground conduit systems, street light wires, streetlights and vaults. After consideration of the excellent work being done by our current contractor during 2014 and prior years, and the fact that the contractor was the sole bidder for 2015, and that the unit prices offered were quite reasonable when compared to last year's prices, the decision was made to recommend awarding this bid to G. E. Construction, Inc.

SUMMARY:

Each year there are many opportunities to use the substructure contract for projects and underground installations that occur as a result of development, capital construction, emergencies and maintenance. This year we anticipate expenditures of approximately \$1,000,000 for small capital projects, 600-amp development-driven extensions, overhead to underground conversions, and development growth. This \$1,000,000 total is approximately what we experienced last year. 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.

RECOMMENDATION:

Adopt a motion awarding the annual substructure contract to G.E. Construction in the amount of \$1,000,000, and authorizing the City Manager to sign the contract on behalf of the City.

REVIEWED BY DIRECTOR:



AGENDA ITEM: 4
MEETING DATE: 11/19/2014
SUBMITTED BY: Kathleen Porter, Field Engineer Supervisor,

TITLE: Annual Approval of Directional Bore Bid

DESCRIPTION:

For the Water and Power Department when a construction bid exceeds \$500,000, by the City's Municipal Code a contract above this threshold can be approved by the LUC. The City Council can also approve construction contracts above \$500,000. When contract approval occurs by the LUC in most circumstances a recommendation is made for the City Manager to also sign the construction contract.

When a construction bid exceeds \$500,000, by Code a contract above this threshold must be approved by the LUC. In most circumstances a recommendation is made for the City Manager to also sign the construction contract. The Department of Water & Power reviewed the Annual Power Substructure Bid. The substructure bid allows contractor augmentation of city crew efforts to install underground conduit systems, street light wires, streetlights and vaults. After consideration of the excellent work being done by our current contractor during 2014 and prior years, and the fact that the contractor was the sole bidder for 2015, and that the unit prices offered were quite reasonable when compared to last year's prices, the decision was made to recommend awarding this bid to G. E. Construction, Inc.

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. This year we anticipate expenditures of approximately \$1,000,000 for small capital projects, 600-amp development-driven extensions, overhead to underground conversions, and development growth. This \$1,000,000 total is approximately what we experienced last year. 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.

RECOMMENDATION:

Adopt a motion awarding the annual substructure contract to G.E. Construction in the amount of \$1,000,000, and authorizing the City Manager to sign the contract on behalf of the City.

REVIEWED BY DIRECTOR:

AP for SA



AGENDA ITEM: 5
MEETING DATE: 11/19/2014
SUBMITTED BY: Larry Howard, Senior Civil Engineer

TITLE: End of Year Water Supply Update

DESCRIPTION:

The 2014 water year was exceptionally wet, ending with most reservoir storage in above average conditions going into 2015. The extremely wet conditions throughout nearly all of the 2014 water year in Northern Colorado have resulted in the best possible scenario for the City's water supplies. Loveland's raw water supplies and the long term outlook will be discussed.

SUMMARY:

Loveland staff is pleased to report that Loveland's 2014 Water year ended strong. This is reflected in two metrics: (1) Loveland maximized its 20% carryover capacity in the CBT system and (2) Green Ridge Glade Reservoir was full on October 31, 2014. This will put the City in the strongest possible position with its current resources and storage going into 2015. In addition to having enough supply to satisfy Loveland's 2014 unrestricted municipal demand, the City leased about 2,000 acre-feet of C-BT to the local agricultural community.

The availability of raw water for Loveland during the 2015 season will depend upon two things: the accumulated snowpack over the winter; and the quota set by the Northern Colorado Water Conservancy District's board next April.

While it is too early to know what the winter snowpack will look like this year, our most conservative 2015 water supply projections show us able to supply an unrestricted municipal demand and again fill Green Ridge Glade Reservoir by the end of the water year.

RECOMMENDATION:

Staff Report only. No action required.

REVIEWED BY DIRECTOR:

AP for SA



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

AGENDA ITEM: 6
MEETING DATE: 11/19/2014
SUBMITTED BY: Steve Adams, Director

AP 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.

- *25th Annual South Platte Forum* in Longmont, CO – October 22–23, 2014
- *Northern Water Fall 2014 Water Users Meeting* in Fort Collins, CO - November 5, 2014
- *Colorado Water Congress Workshop: History of Water Law* in Denver, CO – November 19, 2014

RECOMMENDATION:

Commission/Council report only.

REVIEWED BY DIRECTOR:

AP for SA



AGENDA ITEM: 7
MEETING DATE: 11/19/2014
SUBMITTED BY: Steve Adams, Director

AP for SA

TITLE: Director's Report

SUMMARY:

- **December 2014 LUC meeting** – Loveland Water and Power is planning on having a regular LUC meeting on December 17, 2014 at 4pm in the Service Center Board Room.
- **Colorado Water Congress 2015 Annual Convention** – The Colorado Water Congress Annual Convention is the largest water conference in the state. Featuring presentations by prominent speakers, policy updates, and professional development for all water community members, this year's Convention promises to top the rest. Please contact Allison Prokop if you would like to attend.

Place: Hyatt Regency Denver Tech Center
7800 East Tufts Avenue
Denver, CO 80237

Dates: January 28-30, 2015

Current Attendees:

- John Rust Jr.
- Gene Packer
- Dave Schneider
- **Transbasin Diversion Webinar Series** – The Colorado Water Congress and the Colorado Foundation for Water Education (CFWE) are working together to bring you a series of webinars focusing on Transbasin Diversions in Colorado. The webinars will include a diverse range of panelists and presenters to expand upon CFWE's newest "Citizen Guide to Colorado's Transbasin Diversions."

A copy of the "Citizen Guide to Colorado's Transbasin Diversions" has been provided for board members. This information can be found in the Water Resource Training Material Notebook. If you did not attend the Water Resource Training and would like a copy of this resource please contact Allison Prokop.

Please contact Allison Prokop if you would like to attend any of the following webinars. These webinars will be available to view at the Service Center.

- *Profiling a Colorado Transbasin Diversion*
 - **Date:** December 10, 2014
 - **Time:** 9:00am – 10:00am
- *Changing Perceptions of Transbasin Diversions*

- **Date:** January 8, 2015 ** Date and time has recently changed**
- **Time:** 9:30am-10:30am

Current Attendees:

- Dave Schneider
 - Larry Roos
 - Gene Packer
- **2015 Northern Water Workshops** — Northern Water will be hosting a series of informational workshops. Please let Allison Prokop know if you are interested in attending any of the workshops.
 - **Location** – Northern Water Headquarters
220 Water Ave.
Berthoud, CO 80513
 - **Times** – 9:00am -11:30am and 1:00pm - 3:00pm
 - **January 21, 2015 – Background** topics to be discussed include;
 - CB-T History
 - Documents
 - Construction
 - Facilities
 - Initial Operations
 - Windy Gap
 - Enterprises
 - NW Organization
 - NW Strategic Plan
 - Future workshops schedule/topics
 - Round-table Discussions
 - **February 18, 2015 – Operations** topics to be discussed include;
 - West Slope
 - USBR
 - Forecasting
 - Colorado River Interests
 - East Slope
 - Western
 - AOP
 - Modeling
 - Water Accounting
 - Water Quality
 - Water Allocation SCADA
 - Round-table discussions
 - **March 18, 2015 – Administration** topics to be discussed include;
 - Polies
 - Rules
 - Procedures
 - Contracts
 - Inclusions
 - Assessments

- Ad valorem taxes
 - Financial Planning
 - Round-table discussions
- **April 15, 2015 – Success and Challenges** topics to be discussed include;
 - Platte River Recovery Program
 - Colorado River Recovery Program
 - WGFP
 - NISP
 - Collection system projects
 - Distribution system projects
 - Colorado River
 - Colorado Water Plan
 - 2013 Floods
 - Water Quality
 - Watershed health/fire mitigation
 - Aging infrastructure
 - Round-table discussions
 - **May 13, 2015 – Follow-up**
- **Follow Up on New Directions for U.S. Water Policy** – This is a follow up to board members Dave Schneider information provided at the October 15, 2014 Loveland Utilities Commission meeting. On October 20, 2014, The Hamilton Project at Brookings and the Stanford Woods Institute for the Environment hosted a forum called New Directions for U.S. Water Policy. They also released new papers highlighting opportunities for improving water management in the United States in the face of scarce water supplies. Audio, photos, video and general information about this forum can be found at the following link:
http://www.hamiltonproject.org/events/new_directions_for_u.s._water_policy/
 - **Update on the Dille Tunnel** – Dille Tunnel will not be available for use during the 2015 water year (ending October 31, 2015). Although Loveland relies on Dille Tunnel for deliveries into Green Ridge Glade Reservoir, water can be delivered through Olympus Tunnel. It is likely that Loveland will not see any impact to its requested deliveries as was the case during the 2014 water year. One reason is that Horsetooth Reservoir at this time of year is as full as it has ever been historically, minimizing 2015 deliveries to Horsetooth Reservoir which would otherwise crowd out Loveland's requested water in the Charles Hansen Feeder Canal – Greg Dewey
 - **Platte River Power Authority and Invenergy Announce Start of Operations at Colorado Wind Farm** – Platte River Power Authority and Invenergy Wind LLC announced the commencement of commercial operations at Invenergy's 32.5 MW Spring Canyon II Energy Center in northeast Colorado. Please see Attachment A for the full copy of the news release. – Gretchen Stanford

RECOMMENDATION:

Director's report only.

REVIEWED BY DIRECTOR:

AP for SA

Attachment A

Platte River Power Authority Board Approves Wind Energy Purchase

Jul. 15, 2014

Contact: Jon Little, Marketing & Communications Manager 970-229-5352

littlej@prpa.org

FOR IMMEDIATE RELEASE

Platte River Power Authority's Board of Directors has approved the purchase of 28 MW of additional wind energy from the Spring Canyon Energy Center (Spring Canyon) in Logan County, Colorado.

Platte River contracted with an affiliate of Invenergy Wind LLC (Invenergy) in May of 2013 to purchase 32 MW from the second phase of Spring Canyon, the Spring Canyon II Energy Center (Spring Canyon II). Spring Canyon II is currently under construction, with commercial operation of the facility expected in the fourth quarter of this year.

The additional 28 MW of wind power will be generated at a third project phase to be called the Spring Canyon III Energy Center (Spring Canyon III). Platte River will be purchasing the full 60 MW from Spring Canyon II and III – from 35 wind turbines – with all new wind generation to be on line by the end of this year.

Both Spring Canyon II and III are sited near Invenergy's original Spring Canyon Energy facility, a 60 MW project in operation since 2006.

"The purchase of the additional wind energy supports Platte River's strategic initiative to further diversify our generation resource mix," said Jackie Sargent, Platte River General Manager and CEO. "Platte River is implementing direction from the Board by increasing our wind portfolio by 400 percent. The 60 MW Spring Canyon expansion project will increase our wind energy supply to about nine percent of the power consumed annually in our four owner municipalities—Estes Park, Fort Collins, Longmont and Loveland. Including hydropower resources, the total portion of energy supplied to the municipalities from non-fossil resources will be approximately 30 percent. We're also actively investigating solar development at the Rawhide Energy Station." Sargent added that Platte River is working on an Integrated Resource Plan (IRP) to identify options to further diversify generation resources used to serve the four cities. "These projects support our efforts to meet our strategic objectives and are in line with direction from our Board," said Sargent.

About Platte River Power Authority

Platte River Power Authority is a not-for-profit utility that generates and provides reliable, low-cost and environmentally responsible electricity to its owner communities -- Estes Park, Fort Collins, Longmont and Loveland -- for delivery to their utility customers. Platte River's facilities are located along the Front Range, northwestern Colorado and near Medicine Bow, Wyoming. More information can be found at www.prpa.org.

Platte River Power Authority 2000 E Horsetooth Rd, Fort Collins, CO 80525 Tel: 970.226.4000 or 888.748.5113

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AGENDA ITEM: 8
MEETING DATE: 11/19/2014
SUBMITTED BY: Jim Lees, Utility Accounting Manager

TITLE: Financial Report Update

DESCRIPTION:

This item summarizes the monthly and year-to-date financials for October 2014.

SUMMARY:

The October 2014 financial reports are submitted for Commission review. The following table summarizes the sales and expense results for the month of October, and the October Year-To-Date results in comparison to the same periods from 2013. The summarized and detailed monthly financial statements that compare October Year-To-Date actuals to the 2014 budgeted figures are attached.

		October					October Year-To-Date			
		2014	2013	\$ Ovr/(Und)	% Ovr/(Und)		2014	2013	\$ Ovr/(Und)	% Ovr/(Und)
				vs. 2013	vs. 2013				vs. 2013	vs. 2013
WATER										
Sales		\$1,007,328	\$672,806	\$334,522	49.7%		\$9,428,781	\$8,290,781	\$1,138,000	13.7%
Operating Expenses		\$741,817	\$918,407	(\$176,589)	-19.2%		\$8,548,329	\$6,489,656	\$2,058,673	31.7%
Capital (Unrestricted)		\$1,345,693	\$290,502	\$1,055,190	363.2%		\$4,950,078	\$2,391,677	\$2,558,401	107.0%
WASTEWATER										
Sales		\$696,984	\$586,936	\$110,048	18.7%		\$6,850,786	\$6,258,632	\$592,154	9.5%
Operating Expenses		\$518,420	\$592,736	(\$74,316)	-12.5%		\$4,619,329	\$5,222,573	(\$603,244)	-11.6%
Capital (Unrestricted)		\$63,170	\$150,823	(\$87,654)	-58.1%		\$1,699,125	\$728,918	\$970,207	133.1%
POWER										
Sales		\$4,226,953	\$3,904,785	\$322,168	8.3%		\$44,348,887	\$43,914,550	\$434,337	1.0%
Operating Expenses		\$3,698,154	\$3,803,229	(\$105,075)	-2.8%		\$41,994,506	\$41,316,935	\$677,571	1.6%
Capital (Unrestricted)		\$606,889	\$496,354	\$110,535	22.3%		\$5,567,903	\$6,337,771	(\$769,868)	-12.1%

RECOMMENDATION:

Staff report only. No action required.

REVIEWED BY DIRECTOR:

AP for SA

LIST OF ATTACHMENTS:

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

City of Loveland
Financial Statement-Raw Water
For Period Ending 10/31/2014

	* TOTAL BUDGET *	YTD	YTD BUDGET	OVER	VARIANCE
	FYE 12/31/2014	ACTUAL		<UNDER>	
1 REVENUES & SOURCES	*	*			
2 Hi-Use Surcharge	* 43,000 *	49,020	35,800	13,220	36.9%
3 Raw Water Development Fees/Cap Rec Surcharge	* 350,700 *	323,134	292,530	30,604	10.5%
4 Cash-In-Lieu of Water Rights	* 45,000 *	46,200	37,500	8,700	23.2%
5 Native Raw Water Storage Fees	* 5,000 *	75,500	4,170	71,330	1710.6%
6 Raw Water 1% Transfer In	* 839,990 *	721,057	744,280	(23,223)	-3.1%
7 Interest on Investments	* 322,850 *	169,721	269,000	(99,279)	-36.9%
8 TOTAL REVENUES & SOURCES	* 1,606,540 *	1,384,633	1,383,280	1,353	0.1%
9 OPERATING EXPENSES	*	*			
10 Windy Gap Payments	* 833,730 *	833,669	833,730	(61)	0.0%
11 Transfer to Water	* 5,000,000 *	0	5,000,000	(5,000,000)	-100.0%
12 Transfer to Water SIF	* 8,000,000 *	0	8,000,000	(8,000,000)	-100.0%
13 TOTAL OPERATING EXPENSES	* 13,833,730 *	833,669	13,833,730	(13,000,061)	-94.0%
14 NET OPERATING REVENUE/(LOSS) (excl depr)	* (12,227,190) *	550,964	(12,450,450)	13,001,414	-104.4%
15 RAW WATER CAPITAL EXPENDITURES	* 3,006,860 *	190,451	2,371,260	(2,180,809)	-92.0%
16 ENDING CASH BALANCES	*	*			
17 Total Available Funds	*	13,423,819			
18 Reserve - Windy Gap Cash	*	3,379,963			
19 Reserve - 1% Transfer From Rates	*	3,694,881			
20 Reserve - Native Raw Water Storage Interest	*	1,568,867			
21 TOTAL RAW WATER CASH	* *	22,067,529			
22 MINIMUM BALANCE (15% OF OPER EXP)	* *	2,075,060			
23 OVER/(UNDER) MINIMUM BALANCE	* *	19,992,470			

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

City of Loveland
Financial Statement-Water
For Period Ending 10/31/2014

		TOTAL BUDGET		YTD	OVER	
		FYE 12/31/2014	*	ACTUAL	BUDGET	<UNDER> VARIANCE
1	**UNRESTRICTED FUNDS**		*			
			*			
2	REVENUES & SOURCES		*			
			*			
3	Water Sales	11,264,720	*	9,428,781	9,974,350	(545,569) -5.5%
4	Raw Water Transfer Out	(839,990)	*	(721,057)	(744,280)	23,223 -3.1%
5	Wholesale Sales	71,380	*	107,059	68,340	38,719 56.7%
6	Meter Sales	38,740	*	69,001	33,040	35,961 108.8%
7	Interest on Investments	114,730	*	39,164	95,570	(56,406) -59.0%
8	Other Revenue	6,090,380	*	3,644,475	6,009,260	(2,364,785) -39.4%
9	External Loan Monies Received	12,900,000	*	0	12,900,000	(12,900,000) -100.0%
10	TOTAL REVENUES & SOURCES	29,639,960	*	12,567,424	28,336,280	(15,768,856) -55.6%
			*			
11	OPERATING EXPENSES		*			
			*			
12	Source of Supply	2,494,650	*	1,715,226	1,924,350	(209,124) -10.9%
13	Treatment	2,742,700	*	2,123,487	2,192,140	(68,653) -3.1%
14	Distribution Operation & Maintenance	3,132,600	*	1,975,225	2,336,550	(361,325) -15.5%
15	Administration	557,450	*	277,752	456,180	(178,428) -39.1%
16	Customer Relations	238,900	*	180,864	208,640	(27,776) -13.3%
17	PILT	729,730	*	609,541	664,070	(54,529) -8.2%
18	1% for Arts Transfer	55,420	*	22,586	41,550	(18,964) -45.6%
19	Services Rendered-Other Departments	1,034,610	*	807,440	816,030	(8,590) -1.1%
20	Internal Loan Debt Expense	810,000	*	832,800	810,000	22,800 2.8%
21	External Loan Debt Expense	651,200	*	3,408	651,200	(647,792) -99.5%
22	TOTAL OPERATING EXPENSES	12,447,260	*	8,548,329	10,100,710	(1,552,381) -15.4%
			*			
23	NET OPERATING REVENUE/(LOSS)(excl depr)	17,192,700	*	4,019,094	18,235,570	(14,216,476) -78.0%
			*			
24	CAPITAL EXPENDITURES	20,322,770	*	4,950,078	18,609,060	(1,658,982) -73.4%
			*			
25	ENDING CASH BALANCE		*	5,166,019		
26	WATER DEBT FUND ENDING CASH BALANCE PLUS MONIES RECEIVED FROM LENDERS		*	21,867		
			*			
27	MINIMUM BALANCE (15% OF OPER EXP)		*	1,867,089		
			*			
28	OVER/(UNDER) MINIMUM BALANCE		*	3,298,930		
			*			
29	**RESTRICTED FUNDS**		*			
			*			
30	REVENUES & SOURCES		*			
			*			
31	SIF Collections	9,652,540	*	3,007,422	9,278,030	(6,270,608) -67.6%
32	SIF Interest Income	77,300	*	62,071	65,630	(3,559) -5.4%
33	TOTAL SIF REVENUES & SOURCES	9,729,840	*	3,069,493	9,343,660	(6,274,167) -67.1%
			*			
34	SIF Capital Expenditures	17,545,460	*	2,737,018	16,466,990	(13,729,972) -83.4%
35	1% for Arts Transfer	52,500	*	7,627	39,390	(31,763) -80.6%
			*			
36	SIF ENDING CASH BALANCE		*	8,236,744		
			*			
37	TOTAL ENDING CASH BALANCE			13,402,764		
	NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: \$ 28,155,833					

City of Loveland
Financial Statement-Wastewater
For Period Ending 10/31/2014

	* TOTAL BUDGET *				OVER	
	FYE 12/31/2014	* YTD ACTUAL	YTD BUDGET	<UNDER>	VARIANCE	
1 **UNRESTRICTED FUNDS**	*	*				
2 REVENUES & SOURCES	*	*				
3 Sanitary Sewer Charges	8,269,970	6,850,786	6,939,070	(88,284)	-1.3%	
4 High Strength Surcharge	546,760	307,338	472,120	(164,782)	-34.9%	
5 Interest on Investments	35,340	60,672	29,480	31,192	105.8%	
6 Other Revenue	38,680	246,173	36,440	209,733	575.6%	
7 TOTAL REVENUES & SOURCES	8,890,750	7,464,969	7,477,110	(12,141)	-0.2%	
8 OPERATING EXPENSES	*	*				
9 Treatment	3,269,370	2,273,973	2,495,430	(221,457)	-8.9%	
10 Collection System Maintenance	1,911,050	1,268,451	1,298,840	(30,389)	-2.3%	
11 Administration	394,510	168,729	313,340	(144,611)	-46.2%	
12 Customer Relations	35,240	39,803	26,840	12,963	48.3%	
13 PILT	617,170	500,556	520,270	(19,714)	-3.8%	
14 1% for Arts Transfer	21,610	4,877	16,230	(11,353)	-70.0%	
15 Services Rendered-Other Departments	472,190	362,940	362,840	100	0.0%	
16 TOTAL OPERATING EXPENSES	6,721,140	4,619,329	5,033,790	(414,461)	-8.2%	
17 NET OPERATING REVENUE/(LOSS)(excl depr)	2,169,610	2,845,640	2,443,320	402,320	16.5%	
18 CAPITAL EXPENDITURES	7,844,150	1,699,125	5,981,780	(4,282,655)	-71.6%	
19 ENDING CASH BALANCE	*	7,719,022				
20 MINIMUM BALANCE (15% OF OPER EXP)	*	1,008,171				
21 OVER/(UNDER) MINIMUM BALANCE	*	6,710,851				
22 **RESTRICTED FUNDS**	*	*				
23 REVENUES & SOURCES	*	*				
24 SIF Collections	1,113,850	992,396	963,640	28,756	3.0%	
25 SIF Interest Income	39,760	42,943	33,100	9,843	29.7%	
26 TOTAL SIF REVENUES & SOURCES	1,153,610	1,035,339	996,740	38,599	3.9%	
27 SIF Capital Expenditures	1,325,030	575,636	966,540	(390,904)	-40.4%	
28 1% for Arts Transfer	8,130	4,239	6,090	(1,851)	-30.4%	
29 SIF ENDING CASH BALANCE	*	5,475,143				
30 TOTAL ENDING CASH BALANCE	*	13,194,165				

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: \$ 403,005

City of Loveland
Financial Statement-Power
For Period Ending 10/31/2014

	*	TOTAL BUDGET	*	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
UNRESTRICTED FUNDS	*		*				
1 REVENUES & SOURCES:	*		*				
2 Electric revenues	*	\$53,808,970	*	\$44,348,887	\$45,474,850	(\$1,125,963)	-2.5%
3 Wheeling charges	*	\$240,000	*	\$238,604	\$200,000	\$38,604	19.3%
4 Interest on investments	*	\$154,120	*	\$127,983	\$128,433	(\$450)	-0.4%
5 Aid-to-construction deposits	*	\$750,000	*	\$1,619,337	\$625,000	\$994,337	159.1%
6 Customer deposit-services	*	\$160,000	*	\$176,999	\$133,333	\$43,665	32.7%
7 Doorhanger fees	*	\$420,000	*	\$340,464	\$350,000	(\$9,536)	-2.7%
8 Connect Fees	*	\$160,000	*	\$137,880	\$133,333	\$4,546	3.4%
9 Services rendered to other depts.	*	\$0	*	\$1,343	\$0	\$1,343	0.0%
10 Other revenues	*	\$402,950	*	\$555,883	\$335,792	\$220,092	65.5%
11 Year-end cash adjustments	*	\$0	*	\$0	\$0	\$0	0.0%
12 TOTAL NORMAL REVENUES & SOURCES	*	\$56,096,040	*	\$47,547,380	\$47,380,742	\$166,639	0.4%
13 FLOOD REVENUE (UNBUDGETED)	*	\$0	*	\$2,816,745	\$0	\$2,816,745	0.0%
14 TOTAL REVENUES & SOURCES	*	\$56,096,040	*	50,364,126	\$47,380,742	\$2,983,384	6.3%
15 OPERATING EXPENSES:	*		*				
16 Hydro oper. & maint.	*	\$232,900	*	\$40,905	\$188,112	(\$147,207)	-78.3%
17 Purchased power	*	\$40,266,940	*	\$33,157,395	\$33,858,460	(\$701,065)	-2.1%
18 Distribution oper. & maint.	*	\$9,493,119	*	\$3,049,575	\$7,667,519	(\$4,617,944)	-60.2%
19 Customer Relations	*	\$1,074,030	*	\$526,687	\$867,486	(\$340,799)	-39.3%
20 Administration	*	\$796,130	*	\$411,445	\$643,028	(\$231,583)	-36.0%
21 Payment in-lieu-of taxes	*	\$3,772,860	*	\$3,069,763	\$3,165,430	(\$95,666)	-3.0%
22 1% for Arts Transfer	*	\$78,940	*	\$14,346	\$66,231	(\$51,885)	-78.3%
23 Services rendered-other depts.	*	\$2,154,280	*	\$1,724,390	\$1,795,233	(\$70,843)	-3.9%
24 TOTAL OPERATING EXPENSES (excl depn)	*	\$57,869,199	*	\$41,994,506	\$48,251,498	(\$6,256,992)	-13.0%
25 NET OPERATING REVENUE/(LOSS) (excl depn)	*	(\$1,773,159)	*	\$8,369,620	(\$870,756)	\$9,240,376	-1061.2%
26 CAPITAL EXPENDITURES:	*		*				
27 General Plant/Other Generation & Distribution	*	\$9,716,011	*	\$3,578,408	\$7,869,438	(\$4,291,031)	-54.5%
28 Aid-to-construction	*	\$750,000	*	\$1,773,431	\$605,769	\$1,167,662	192.8%
29 Service installations	*	\$190,000	*	\$216,065	\$153,462	\$62,603	40.8%
30 TOTAL CAPITAL EXPENDITURES	*	\$10,656,011	*	\$5,567,903	\$8,628,669	(\$3,060,766)	-35.5%
31 ENDING CASH BALANCE	*		*	\$19,773,480			
32 MINIMUM BAL. (15% of OPER EXP excl depn)	*		*	\$8,680,380			
33 OVER/(UNDER) MINIMUM BALANCE	*		*	\$11,093,101			
34 **RESTRICTED FUNDS**	*		*				
35 PIF Collections	*	\$2,464,870	*	\$1,879,610	\$1,919,058	(\$39,448)	-2.1%
36 PIF Interest Income	*	\$22,920	*	\$30,057	\$19,100	\$10,957	57.4%
37 Water Loan Payback	*	\$810,000	*	\$832,800	\$810,000	\$22,800	2.8%
38 TOTAL REVENUES	*	\$3,297,790	*	\$2,742,467	\$2,748,158	(\$5,691)	-0.2%
39 PIF Feeders	*	\$1,075,000	*	\$215,184	\$868,269	(\$653,086)	-75.2%
40 PIF Substations	*	\$2,547,970	*	\$1,268,223	\$2,123,308	(\$855,086)	-40.3%
41 TOTAL EXPENDITURES	*	\$3,622,970	*	\$1,483,406	\$2,991,578	(\$1,508,171)	-50.4%
42 ENDING PIF CASH BALANCE	*		*	\$3,951,510			
43 TOTAL ENDING CASH BALANCE	*		*	\$23,724,991			

NOTE: YTD ACTUAL does NOT include encumbrances totalling \$2,469,525

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11/7/2014