



LOVELAND UTILITIES COMMISSION

REGULAR MEETING

August 19, 2015 - 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 - 7/15/2015

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 at the beginning of 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 - CONSENT AGENDA

1. 2015 Water Line Replacement Construction Contract Approval – Tanner Randall

4:15 pm - STAFF REPORT

2. CAMU Legislative Update – Kim O'Field and Dan Hodges
3. Acquisition of CBT water – Larry Howard

5:15 pm - 4. COMMISSION / COUNCIL REPORTS

- Passport to Water and Power – July 23, 2015

5:30 pm - 5. DIRECTOR'S REPORT

5:45 pm - INFORMATION ITEMS

6. Financial Report Update – Jim Lees

6:00 pm - 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: Anita Marchant, Dan Herlihey, David Schneider (Vice Chair), Gene Packer (Chairman), Larry Roos, Jennifer Gramling, John Rust Jr.

Commission Members Absent: Gary Hausman (excused), Randy Williams (excused)

City Staff Members: Alicia Calderón, Allison Bohling, Alan Krcmarik, Bob Miller, Bill Thomas, Brieana Reed-Harmel, Darcy Hodge, Greg Dewey, Jim Lees, Kim Frick, Lindsey Bashline, Larry Howard, Michael McCrary (left during item 3), Michelle Stalker, Roger Berg, Steve Adams, Tracy Bane (left after new employee introduction), Tracey Hewson

Guest Attendance: Jack Cantley (left after item 4), Jason Mumm, John Albertson (left after item 3)

CALL TO ORDER: Gene Packer called the meeting to order at 4:05 pm.

APPROVAL OF MINUTES: Packer asked for a motion to approve the minutes of the May 20, 2015 meeting.

Motion: Dan Herlihey made the motion to approve the minutes of the May 20, 2015 meeting.
Second: Dave Schneider seconded the motion. The minutes were approved unanimously.

APPROVAL OF MINUTES: Packer asked for a motion to approve the minutes of the June 17, 2015 meeting.

Motion: Dan Herlihey made the motion to approve the minutes of the June 17, 2015 meeting.
Second: Dave Schneider seconded the motion. The minutes were approved unanimously.

Comments: John Rust stated that he would like to add a sentence that provides some clarification on the Commission and Council Report minutes from the June 17, 2015 meeting. He stated that Craig was opposed to the brewing company and would like to have that information included on the June 17, 2015 minutes. Staff agreed to make that meeting minute amendment.

NEW EMPLOYEE INTRODUCTION: Tracy Bane

CONSENT AGENDA

Item 1: 2015 2nd Quarter Goals Report – Steve Adams This is a quarterly review of our progress on our 2015 utility goals.

Recommendation: Discuss the presented information and approve the 2nd Quarter 2015 Goals and Quarterly Update Report

Item 2: Airport Substation Easement – Brieana Reed-Harmel Tri-State Generation and Transmission Association, Inc. has requested an access easement for equipment located within the Airport Substation owned by the City of Loveland Water and Power.

Recommendation: LUC recommends City Council approve the resolution.

Motion: Dave Schneider made the motion to accept the consent agenda items as written.
Second: Jennifer Gramling seconded the motion. The motion was approved unanimously.

Comments: Rust asked if there is potential for confusion because it is the Loveland/Fort Collins Airport, but the substation only belongs to Loveland. Steve Adams mentioned that even though it is referred to as the Airport Substation, it is about a mile away from the Loveland/Fort Collins Airport. He stated that there will be no confusion; the substation is on City of Loveland property.

REGULAR AGENDA

Adams requested that Item 4 be addressed by the Loveland Utilities Commission (LUC) before Item 3.

Item 4: Request for Water Line Extension and Service – Melissa Morin Jack Cantley has requested permission from City Council to extend the City's water distribution system to parcel number 95074-00-030 at West Highway 34 that he owns and is currently located in Larimer County. Current City Municipal Code requires that City Council approve of utility extensions outside the city limits.

Recommendation: LUC recommends City Council approve the resolution.

Motion: Dan Herlihey made the motion.

Second: Anita Marchant seconded the motion. The motion was approved unanimously.

Comments: Gene Packer asked about the location of the potential waterline extension and service. Jack Cantley mentioned that it is south of the hydrant about 150 feet, close to the river, but out of the 100-year flood plain. Cantley provided more detailed information on the location of the vineyard and winery. Rust asked if the well on the property was adjudicated. Cantley responded that yes it is registered with the State, but is only for residential use. Staff and Cantley stated that the new water tap is a commercial tap. The septic tank they will go with is rated for 2,000 gallons a day and is already approved by the Larimer County Health Department. There is a separate septic system for the house and both systems are within State and Larimer County regulations. The land to the west will still be considered open space and there are no plans to use that land. Packer asked if the Larimer County Planning Commission has approved this plan. Cantley stated that indeed it was approved last year. Staff and board discussed the installation and inspection process.

Adams clarified that this is a 6-inch diameter line, and he reviewed details on page 82 of the packet. Adams said that Loveland Water and Power (LWP) sees a future benefit of this new line, as it may help three residents in the area, by providing potential for them to be fed off this line, which could improve water quality and fire protection safety. In this case LWP could enter into a reimbursement agreement with them to share some of the costs of installing the line. Rust asked about the $\frac{3}{4}$ inch commercial tap and the 1 acre foot of water that will be needed for the water line extension. Cantley stated that the water that will be used for the wine will be minimal. Adams and Packer discussed the easement process and Colorado Department of Transportation (CDOT) permit.

Item 3: 2015 Water and Wastewater Rate Study Results – Jason Mumm & Jon Albertsen from Hawksley Consulting The purpose of this item is to get a recommendation from the Loveland Utilities Commission (LUC) on proposed rates for 2016 for both the Water and Wastewater Utilities to take to City Council and get recommendations on a preferred 10-year rate track and borrowing alternatives for both the Water and Wastewater Utilities to take to City Council.

Recommendation: Adopt separate motions recommending that City Council approve:

- 1) Proposed changes to the rates for the Water and Wastewater Utilities for 2016; and
- 2) Preferred 10-year rate tracks and borrowing alternatives for both the Water and Wastewater Utilities

Comments: Packer asked if the rates mentioned on slide 6 and 7 were annual rates. Jason Mumm stated that the rates being addressed are 2016 annual numbers. Packer inquired about the potential rate increase in Longmont. Mumm stated that there may be future potential for a change in rate structure in Longmont. Mumm and Packer discussed slide 23, Scenario 1 and how the total proceeds will be divided overtime. Larry Roos and Mumm discussed the projected average monthly wastewater bill and what factors contribute into these costs. Mumm mentioned that the difference in rate structure is the inability to measure wastewater, he added that water is easily measured. Roos asked if the

difference would be significant, if the same formula application for water was applied for wastewater. Mumm said it could be a significant increase; he reviewed factors that can contribute to this difference.

Roos asked if the information reviewed on multi-family homes is per owner or per dwelling unit. Mumm stated that it is per account holder. Packer asked if Mumm knew where the unaccounted for pounds and associated dollar amounts are coming from in the wastewater system. Mumm stated that there are many reasons why this can happen that are unknown and unpredictable. Roos asked if there are utilities who are trying to measure this. Mumm said that it is an expensive proposition to try to monitor, he provided a few details on ways in which this can be done. Mumm suggested that LWP may want to audit commercial customers, if they would like to learn more about the factors that contribute to the unaccounted for pounds of wastewater. Packer asked if similar sized communities are experiencing similar situations. He said based off his knowledge, Loveland is actually doing pretty well. Mumm mentioned that money must be collected and has been allocated to others in the data presented.

Adams added that there is a similar issue with water; however, it is the opposite. LWP treats more water than what is actually billed. He said this is due to water entering into the wastewater system, and he reviewed ways in which ground water enters into the wastewater system. LWP has devices available that can monitor this and see where this is occurring. Staff are doing there due diligence to learn more about what is happening within Loveland's wastewater system and what future changes may be made to reduce the unaccounted for pounds.

Dave Schneider asked if the annual operating revenue per residential customer in Greeley could be effected by the prevalence of septic systems. Staff and board discussed the differences in surrounding cities presented on slide 41 and the factors that can contribute to these costs.

Schneider reviewed page 47 of the packet which stated, "The 2012 cost-of-service results indicated that the Commercial class should have rates reduced by 17%, but City Council gave direction to freeze the Commercial rates until this 2015 rate study. This 2015 cost-of-service study shows that rates for the Commercial class should be increased by 15.3%. Also worth noting is that the 10-Year Financial Projection that was supported in the last rate study did not include any debt for Wastewater." He wondered if the data presented is based off the new methodology or off different factors than what were included in the 2012 Rate Study. Mumm stated that he would research this and get back with Schneider.

Jim Lees provided a verbal update on the discussion of the June 14, 2015 City Council Study Session regarding the 10-year Wastewater rate scenarios. He mentioned that based off Council feedback there will be another scenario presented for the Wastewater Utility that will include pushing up some of LWP's larger projects and taking out a larger loan sooner. Alan Krcmarik reviewed the different loan options. One technique is to have a bank loan with a 20-year rate term, and the other is under a State program called the Colorado Water Resource and Power Development Authority, the third option would be a revenue bond. He discussed the advantages and disadvantages of these options.

Schneider asked if the previous largest LWP loan came from Wells Fargo. Krcmarik stated that indeed it did; he review the details of that loan. Board and staff discussed the differences in getting a loan from other banks and details surrounding different loans. Adams reviewed the projects that LWP was going to get a loan for in 2016; he mentioned the possibility of improving a new digester and other projects in 2016, as opposed to 2020, which would move up when LWP would need the loan. Adams added that this poses several questions that staff will research; however, he mentioned the benefit of getting some of these projects completed sooner rather than later. Staff and board reviewed the details of these scenarios.

Schneider asked about the possible opportunity to include the 6-million dollars for continuing work on waterline replacements which were identified in the asset management program. Adams reviewed details of the 10-year Water Financial Plan, which includes borrowing 9.4 million dollars for the Windy Gap Firming Project in 2018 and goes along with the baseline rate track that staff is recommending. Adams reviewed the expected timeline for the Windy Gap Firming Project. Schneider inquired how LWP would get that money and accommodate for these future changes. Adams mentioned that on page 55 of the packet in scenario one would include some money for continued waterline replacement. Staff and board discussed past revenue trends and the factors contributed to the expected annual water revenue. Adams reviewed the future changes that might be coming in the utility billing process. The board discussed the details of the new recommended motion. Packer described that he would like the motion to contain a recommendation to City Council. Adams added that this item will be going to City Council on July 28, 2015 for a Study Session.

Amended Recommendation: Move to recommend to City Council rate track one (baseline for Water and Wastewater) and also to take advantage of early opportunities to borrow more significantly than originally planned, in Wastewater.

Motion: Dave Schneider made the motion.

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

Comments: Roos added that he is concerned that adding in these projects too quickly will cause less important projects to be put off potentially suffer in quality because this might stretch LWP very thin. Herlihey mentioned that in the original recommendation there was an option to adopt two separate motions. Alicia Calderón stated that the motion made would be compliant and cover both components in the recommendation.

STAFF REPORTS

Item 5: Broadband Update – Steve Adams The purpose of this item is to provide an update to the Loveland Utilities Commission (LUC) on the broadband initiative in Loveland.

Staff Report only. No action required.

Comments: Marchant asked what LWP's next steps will be after the November 2015 election, if it is successful. Adams mentioned that the broadband initiative will go through the elected officials. Then LWP will get input from citizens and marketing information. Calderón stated that all the measure does is allow for exploration and allow for regular procedures to move forward. Marchant expressed her opinions about Senate Bill 152. Adams stated that LWP can explore and not act and know that it will then be in the hands of elected officials. Packer asked how this will impact the need for future potential staff. Adams stated that LWP could need more staff; however, it depends on how you manage it and on the details of a strategic plan and which business model is selected. Schneider asked if a supervisory capacity would constrain Loveland from moving forward. He asked more history on Senate Bill 152. Adams stated that this was a national effort from telecom providers to prevent its own interests from being hurt or damaged. Schneider asked with all the growing technology, how does LWP know that broadband won't be outdated in the future. Adams stated that when Longmont was asked this question, they answered that nothing will ever move faster than the speed of light; he said that meant that more speed will come with more strands of fiber. Schneider asked about the security of broadband. Adams stated that Platte River Power Authority (PRPA) is testing broadband right now and informed Loveland of all the federal regulations; and he mentioned that cyber security is evolving and is always a constant concern. Adams stated that he is not advocating any model at this point, he is just in front of the LUC to inform them about the broadband ballot measure. Larry Howard inquired about the inclusivity language

and asked if it includes enclaves. Adams stated that the city limits and also LWP Electric Certificated Service Territory do not honor enclaves. He talked about how these might be impacted in the future.

Herlihey mentioned that he believes that the new Centerra development is developing their own broadband and asked how that would impact LWP's potential future involvement. Adams stated that for Centerra the fiber that is being used is currently rented from PRPA and those details would be looked at thoroughly in the future, and accommodations would be incorporated into any business plan that is selected.

Item 6: Quarterly Financial Report Update – Jim Lees This item summarizes the monthly and year-to-date financials for June 2015.

Staff Report only. No action required.

Comments: Schneider inquired about where LWP would be if the base rate was not changed. He mentioned that based off his knowledge that this year's weather anomaly may not be an anomaly and highlighted how this may influence rates and water usage over time. He discussed how LWP may operate differently if we were planning for a drought. Schneider asked how LWP would address this and how LWP is preparing City Council. Lees stated that data has been collected and analyzed and 2016 rates were developed based on 2013 and 2014 usage. He hopes that with all factors considered that LWP will be insulated from low water sales. Lees says LWP can do their best to plan; however, weather can still be unpredictable. Staff are trying to make accommodations for the potential that weather can cause fluctuations and future problems.

COMMISSION/COUNCIL REPORTS

Item 7: Commission/Council Reports

Anita Merchant: nothing

Dan Herlihey: nothing

Dave Schneider: nothing

Gene Packer: Mentioned that he had the opportunity to go to California in May and stated that his son-in-law works on the Delta Water Plan. He said as he read through the plan, he learned about how complicated the water system is.

Jennifer Gramling: nothing

John Rust Jr: nothing

Larry Roos: Commented that he asked Tom Greene for a tour of the Water Treatment Plant in order to see the expansion project. He said it was very impressive and that he is looking forward to seeing the final updates and completed project.

Council Report: Steve Adams provided an update on City Council items related to the Water and Power Department, which have been seen by the City Council during their normal meeting schedule, since the last LUC meeting on Troy Krenning's behalf.

Regular meeting – July 7, 2015

- **SUPPLEMENTAL APPROPRIATION FOR FEMA SUBSTATION AND SOLAR FACILITY ALTERNATE PROJECTS**

A Motion To Approve And Order Published On Second Reading An Ordinance Enacting a Supplemental Budget and Appropriation to the 2015 City of Loveland Budget for Substation and Solar Facility FEMA Alternate Projects. This was an administrative action to show both revenue and expense for the Power Utility budget. The revenue was \$7,934,516 and the expense was \$9,068,018, based on FEMA reimbursement of 87.5%.

- **IGA CONCERNING THE INTERCHANGE LIFT STATION**

A Motion to Adopt Resolution #R-33-2015 Approving An Intergovernmental Agreement Concerning Construction Management And Oversight of the Interchange Lift Station between The City Of Loveland And Centerra Metropolitan District No. 1.

This is an administrative action to adopt the Intergovernmental Agreement (IGA) with Centerra Metropolitan District No. 1 (District). The District is responsible for design and construction of the wastewater lift station. The City wants to manage the construction phase of the project, using a third party construction management firm (Ditesco) and share the cost of such management based on a 50/50 cost share.

Study Session – July 14, 2015

- **WASTEWATER TREATMENT PLANT PROCESS & FINANCING PROJECT**

Wastewater Treatment Plant (WWTP) 10-Year Capital Improvement Plan Requirements

Water & Power Staff presented information related to the near-future needs at the Wastewater

Treatment Plant. To have sufficient funds to complete these necessary projects, the utility will need to secure \$6 Million in debt financing in 2016 and likely require an additional \$20 Million in debt financing in 2020. Staff's presentation focused on the project drivers with the financial information to follow at a July 28, 2015 City Council Study Session. At this meeting some city council members suggested that staff explore the option of moving up some of the capital projects to take advantage of favorable interest rates.

DIRECTOR'S REPORT

Item 8: Director's Report – Steve Adams

Comments: The board and staff talked about the Passport to Water and Power Event. Schneider inquired about what the commission's role will be at the event. Adams stated that the goal for LUC commission members is to serve as an advocate for LWP and to navigate guests to staff who have more information about questions they may be asking. Customer Relations will be preparing information for the LUC board members who attend.

Adams highlighted the approval of LUC board members Dan Herlihey, Anita Marchant and Gary Hausman for reappointment in 2015. He stated that there will be a recommendation to City Council to appoint an alternate board member, Dave Kavanagh. Adams provided an overview of the role of an alternate board member. Packer stated that he was very impressed in all of the interviews.

Schneider asked Dewey for more information about the 2015 Big Thompson Water Forum meeting. Dewey discussed the theme of the meeting and stated that LWP will provide the board with the Save the Date information as soon as possible.

INFORMATION ITEMS

Item 9: Clean Water Act Update – Michelle Stalker This item and the attachments are intended to give a brief update on the Clean Water Act and the effects of the new definition of the "Waters of the United States".

Staff Report only. No action required.

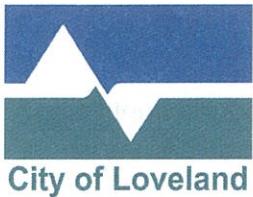
ADJOURN The meeting was adjourned at 6:49 pm. The next LUC Meeting will be August 19, 2015 at 4:00 pm.

Respectfully submitted,

Allison Bohling

Recording Secretary

Loveland Utilities Commission



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

AGENDA ITEM: 1

MEETING DATE: 8/19/2015

SUBMITTED BY: Tanner Randall, Civil Engineer II

TITLE: 2015 Water Line Replacement Construction Contract Approval (W1501C)

DESCRIPTION:

Through the Municipal Code, City Council has previously authorized LUC the option of approving contracts exceeding \$500,000. This authorization reduces the number of items that go to Council for consideration and increases the City's efficiency. Under these circumstances, the City Manager then signs the construction contract after LUC approval. This contract approval is being brought forward for LUC action.

SUMMARY:

In the ongoing effort to replace aging and failing water distribution infrastructure, the City has identified five locations for rehabilitation. These locations have experienced numerous leaks, resulting in customer outages and increasing repair costs. The five locations are as follows:

1. E. 2nd Street (between St. Louis Ave. and Madison Ave.)
2. 10th St. SW (between S. Dotsero Dr. and Heather Dr.)
3. 14th St. SW (between S. Wilson Ave. and S. Dotsero Dr.)
4. Frances Dr. (between 23rd St. SW and S. Taft Ave.)
5. An out-of-service stretch along the west side of the Good Samaritan Society Loveland Village

The replacement of the aging and failing infrastructure will help to ensure reliable service to customers for years to come.

Bids were opened on Thursday, August 13th, 2015 (see attachment A for the tabulation of bids for a detailed breakdown). The bid results are as follows.

Contractor	Bid Amount	Street Cut Fee	Total Cost to City
1. Sanexen Water Inc.	\$1,441,415.00	\$99,457.50	\$1,540,872.50
2. Layne Heavy Civil	\$2,012,147.00	\$276,465.00	\$2,288,612.00
3. BT Construction Inc.	\$1,837,983.50	\$111,112.50	\$1,949,096.00

Public Works will charge Water & Power a street cut fee that will be added onto the bid amounts. Depending upon which options the bidders choose for areas 2-5 there is an assumed street cut fee from Public Works. Presently staff is reviewing the submitted qualifications of the low bidder (after street cut fees are evaluated) to ensure they conform to the required specifications for award. At the time of the preparation it is assumed the contract will be awarded to Sanexen

Water Inc. If during the review process it is determined the specifications and requirements are not met, staff will provide an update at the meeting. There are sufficient funds to award the contract.

RECOMMENDATION:

Adopt a motion to award the 2015 Water Line Replacement Construction Contract (W1501C) to Sanexen Water Inc. in the amount of \$1,441,415 and allow the City Manager to sign the construction contract.

REVIEWED BY DIRECTOR:

AB for SA

ATTACHMENTS:

- **Attachment A:** Bid Tabulation Table

BIDS RECEIVED: Thursday, August 13, 2015 @ 2:00PM
PROJECT NAME: City of Loveland 2015 Water Line Replacement Project
BID NUMBER: 2015-42



Sanxen Water Inc. 9935 Caqtania Avenue, Entrance 1, Suite 200 Brossard (Quebec) J4Z 3V4			Layne Heavy Civil 1775 E. 69th Avenue Denver CO, 80229			BT Construction, Inc. 9885 Emporia Street Hendereson, CO 80640		
Matt Wassam 8505 Mountain View Lane Littleton, CO 80135 (720) 333-4500			Kevin F. Strott 1775 E. 69th Ave. Denver, CO 80229 (303) 287-7700			Steve Tucker 9885 Emporia Street Henderson, CO 80640 (303) 469-0199		
A - OPEN CUT	B - CIPP	BID SUBTOTAL	A - OPEN CUT	B - CIPP	BID SUBTOTAL	A - OPEN CUT	B - CIPP	BID SUBTOTAL
\$309,064.00	X	\$342,484.00	\$312,427.00	X	\$345,847.00	\$ 270,746	X	\$304,166.00
E	\$33,420.00		\$ 33,420.00	X		\$33,420.00	X	
	\$276,383.00		\$ 310,702.00		\$332,984.50	\$ 265,688		\$287,970.50
E	\$10,627.50		\$ 22,282.50			\$22,282.50		
	\$555,249.00		\$ 867,718.00			\$ 879,401.50		
E	\$27,705.00		\$ 175,125.00		\$1,042,843.00	\$ 27,705.00		\$907,106.50
	\$246,204.00		\$ 418,860.00			\$ 361,695.00		
E	\$27,705.00		\$ 45,637.50		\$464,497.50	\$ 27,705.00		\$389,400.00
	\$54,515.00		\$ 102,440.00			\$60,453.00		
E	\$0.00		\$ -		\$102,440.00	\$0.00		\$60,453.00
L=	\$99,457.50		\$276,465.00			\$111,112.50		
L=	\$1,441,415.00		\$2,012,147.00			\$1,837,983.50		
T=	\$1,540,872.50		\$2,288,612.00			\$1,949,096.00		
S N)	Yes		Yes			Yes		
ES	Area 3 Alt B Item C5 Paper Bid says \$5460, Calculates to \$6,300. Difference is \$840.							

12

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CITY OF LOVELAND
WATER & POWER DEPARTMENT

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AGENDA ITEM: 2

MEETING DATE: 8/19/2015

SUBMITTED BY: Kim O'Field, Technical Specialist

TITLE: CAMU Legislative Update

DESCRIPTION:

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

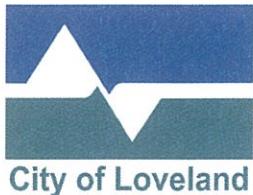
SUMMARY:

Dan Hodges, Executive Director of CAMU will be giving a presentation to the Commission.

RECOMMENDATION:

Staff item only. No action required.

REVIEWED BY DIRECTOR:



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WATER & POWER DEPARTMENT
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AGENDA ITEM: 3

MEETING DATE: 8/19/2015

SUBMITTED BY: Larry Howard, Senior Civil Engineer *(BD for LH)*

TITLE: Acquisition of CBT water

DESCRIPTION:

The purpose of this item is to provide an update to the Loveland Utilities Commission (LUC) on the acquisition of CBT water.

SUMMARY:

Staff found 50 units of CBT at a favorable price, in the way the LUC previously directed staff to do. This block was located as part of an open space transaction between Ft. Collins and Loveland. Please see the cover sheet, Attachment A, from the Loveland Open Lands Commission, August 12, 2015 for more detail. Please also see, Attachment B, County Road 30 project support letter from the Director of Loveland Water and Power. Staff found the needed funds to complete this transaction. Loveland City Council is scheduled to act upon this Intergovernmental Agreement between Loveland and Fort Collins on September 1, 2015. The sales contract should close on September 30, 2015.

RECOMMENDATION:

Staff Report Item only. No action required.

REVIEWED BY DIRECTOR:

JB for SA

ATTACHMENTS:

- **Attachment A:** Cover sheet from Loveland Open Lands Commission, August 12, 2015
- **Attachment B:** Letter to John Stokes regarding the County Road 30 project

Attachment A



PARKS AND RECREATION DEPARTMENT
Civic Center • 500 East Third Street • Loveland, Colorado 80537
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www.cityofloveland.org

LOVELAND OPEN LANDS ADVISORY COMMISSION

AGENDA ITEM: 1

MEETING DATE: August 12, 2015

DESCRIPTION: Fort Collins Partnership Request

SUMMARY:

Project Summary from the City of Fort Collins Natural Areas Department:

The Natural Areas Department has been working for 20 years in accordance with the 1995 *Plan for The Region between Fort Collins & Loveland* to create a community separator by conserving agricultural lands and open spaces. To date, approximately 5,800 acres of land have been conserved in the separator area, in cooperation with and in partnership with Loveland and Larimer County.

Natural Areas proposes to partner with Loveland on the purchase of this 113-acre property and associated water rights. Natural Areas will contribute \$1.5 M to acquire the land and the ditch company water rights associated with the land (comprising 4 shares of the Louden Irrigating Canal & Reservoir Company and 4 corresponding shares of the Louden Extension Canal and Reservoir Company (together, “4 Louden Shares”). Loveland will contribute \$1.5 M to acquire the 50 CBT Units historically associated with the land (that Fort Collins would have difficulties in acquiring because Fort Collins already owns the maximum number of units allowed under current policies of the Northern Colorado Water Conservancy District) and will contribute towards the purchase of the land. Fort Collins will hold the deed to the land exclusively and own the 4 Louden Shares; and Loveland will own the 50 CBT Units outright. Loveland agrees to lease back the 50 CBT Units for irrigating this site as long as this site remains as irrigated farm land and as long as there is no drought or other reasons requiring Loveland to need this water for their intended municipal uses.

Staff explored partnering on this acquisition with Larimer County. After much discussion, it was determined that there were even higher priority acquisitions for Fort Collins and Larimer County to partner on. These potential projects are good candidates for leveraging local contributions with GOCO grants.

The long term use of the 113 acres has not been determined. There are at least three potential uses that would allow the property to serve as a community separator: 1) the land could be leased out for irrigated or dryland farming; 2) the land could be sold with a conservation easement removing development rights and requiring it to remain in farming;

and 3) the land could be restored to native vegetation and potentially opened up to the public by constructing appropriate trails and parking. For the foreseeable future Natural Areas plans to keep the land in irrigated agriculture assuming a tenant can be found.

Fort Collins Natural Areas will own, manage and maintain this property. If Fort Collins decides to sell the property with a conservation easement preserving it for agricultural purposes, Fort Collins will receive the proceeds from the sale in exchange for holding and monitoring the conservation easement. If for some reason Fort Collins decides to sell the land without a conservation easement; Loveland will receive 22.5% of the proceeds and Fort Collins will receive 77.5% of the proceeds. As stated above Loveland agrees to lease the CBT water to whoever is farming this land as long as there is no drought or other reasons requiring Loveland to need this water for their intended municipal uses.

Fort Collins Natural Areas will hold the deed and be fully responsible for the costs of managing, maintaining and potentially developing trails and parking on the land.

Commission Action Recommended: Recommendation for partnering with Fort Collins for the full amount requested (\$400,000).

Attachment B



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

July 31, 2015

John Stokes
Natural Resources Director
Natural Areas Department
P.O. Box 580
Fort Collins, CO 80522

Subject: County Road 30 Project

Dear Mr. Stokes:

The City of Loveland Water and Power Department supports the efforts of the City of Fort Collins Natural Areas Program to acquire the 113-acre property at 4200 E. County Road 30, Fort Collins, CO 80528. The acquisition of this land and the preservation of the water will help serve as a beautiful open space separator between Loveland and Fort Collins. Loveland's Water and Power Department supports the efforts described in the April 1995 document, "A Plan for the Region between Fort Collins & Loveland."

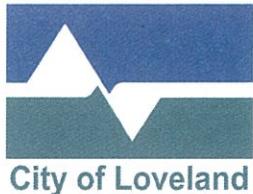
We look forward to reviewing the IGA for this land and water, that will help guide and inform us on the future use of this property. Loveland Water & Power will recommend the acquisition and looks forward to purchasing the 50 units of CBT water, as its contribution.

Please contact us if you need any additional information from our department.

Sincerely,


Stephen C. Adams
Director of Water & Power
City of Loveland

cc: Elizabeth Anderson, Director of Parks & Recreation, City of Loveland



CITY OF LOVELAND

WATER & POWER DEPARTMENT

200 North Wilson • Loveland, Colorado 80537

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

AGENDA ITEM: 4

MEETING DATE: 8/19/2015

SUBMITTED BY: Steve Adams, Director

AB 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.

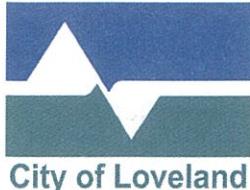
- Passport to Water and Power – July 23, 2015

RECOMMENDATION:

Commission/Council report only.

REVIEWED BY DIRECTOR:

AB 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: 5

MEETING DATE: 8/19/2015

SUBMITTED BY: Steve Adams, Director

JB for SA

TITLE: Director's Report

SUMMARY:

- **Big Thompson Watershed Forum** — Big Thompson Watershed Forum's 2015 Watershed Meeting will be September 24, 2015 at the Fireside Café Group Publishing Building located at 1515 Cascade Ave Loveland, CO 80537 from 8:00am - 4:00pm. For more information about event details please see attachment A. If you would like to attend please contact Allison Bohling – Allison Bohling
- **South Platte Forum** — The 2015 South Platte Forum will be held in Loveland, Colorado at the Embassy Suites on October 28-29, 2015. Please let Allison Bohling know if you are interested in attending. For a copy of the preliminary conference schedule please visit the link below. – Allison Bohling <http://www.southplatteforum.org/annual-meeting.html>
- **Loveland Water and Power (LWP) Platte River Power Authority (PRPA) Facility Tours** — You are warmly welcomed to join a guided tour of some of our various facilities, including the Water Treatment Plant, Green Ridge Glade, Home Supply, our Horseshoe Substation, Platte River Power Authority's Rawhide Power Plant and the Wastewater Treatment Plant. Once every several years, Rawhide closes for several months for maintenance and VIP visitors only are allowed an in-depth look at the facility. Our visit coincides with the shut-down, and will be on October 26, 2015 beginning at 8:00am at the Service Center and returning at 3:45pm to the Service Center. If you are interested in attending contact Kathy Gross at 970-962-3543. For a virtual tour of the Water Treatment Plant and Wastewater Treatment Plant please follow the link below. – Allison Bohling
 - Water Treatment Plant: <http://bit.ly/1dSKmls>
 - Wastewater Treatment Plant: <http://bit.ly/1JviOx8>
- **Corn Roast 2015** — Staff would like to invite board members to the annual Corn Roast Festival on Friday and Saturday, August 21-22, 2015. Customer Relations will have a booth on Fourth Street where we will provide information about water conservation programs, energy efficiency and electric vehicles. – Allison Bohling
- **Passport to Loveland Water and Power** — Passport to Loveland Water and Power was held at the Service Center on July 23, 2015. The event was well attended by approximately 350 community members who visited over 32 different stations. Customer Relations would like to extend their gratitude to the volunteers, staff and LUC members that attended and helped to make the event a success. – Lindsey Bashline

- **FEMA Alternate Project Update** — The Site Development Plans have been submitted for the 52 acre site where the FEMA Alternate substation and solar facility projects will be located. Staff anticipates completing the Site Development and Special Review for this location by mid-December. — Kim O'Field
 - **Solar Facility** — design proposals were received on July 23, 2015 for Phase 1 of the 2-phase competitive proposal process for the solar facility. Staff is reviewing the designs and will be requesting pricing responses for the Phase 2 part of the process.
 - **Substation** — through a staff survey the substation has been named Foothills Substation. Staff is working with Platte River Power Authority (PRPA) on the design and development of competitive bids for the substation. PRPA will serve as project manager through the construction of the substation.
- **2013 Flood Recovery Update for the Water and Wastewater Utilities** — As of mid-July 2015, Gopher Excavating completed two horizontal directional drilled waterline projects at two flood damaged river crossings near the Fire Training Grounds and Lincoln Avenue. With the wrap up of these projects, the Water and Wastewater Utilities have now completed all of the 2013 Flood Recovery projects. All flood damaged infrastructure has been replaced or repaired and all lines are back in service. We are currently waiting for the remaining reimbursements from FEMA and the State of Colorado. We are working on a Phase II agreement with Home Supply on the Big Dam that addresses cost allocations for needed repairs. — Michelle Stalker
- **Colorado Water Plan Draft Available for Comment** — The Colorado Water for the 21st Century Act, HB1175 established nine Basin Roundtables throughout the state, and a 27-member Interbasin Compact Committee (IBCC) to facilitate conversations between basins and address statewide issues. Colorado has many challenges, brought on by increasing demands for water because of population growth, sustained drought, wildfires, very costly and lengthy permitting of water projects, limitations from interstate compacts, climate change, and environmental stresses. The Basin Roundtables were each given the task of determining projects and methods to meet their basin's consumptive and nonconsumptive recreational and environmental needs. The resulting reports from each basin are known as the draft Basin Implementation Plans (BIPs), which were submitted by each basin to the Colorado Water Conservation Board in July, 2014. These Basin Implementation Plans were used by the staff of the CWCB to prepare the first draft of Colorado's Water Plan (Plan), completed and presented to the Governor's Office in December, 2014. The Plan offers this strategic vision: "A productive economy that supports vibrant and sustainable cities, productive agriculture, a strong environment, and a robust recreation industry." It is intended to provide the strategies, policies, and actions by which Colorado can address its projected future needs in a manner consistent with this vision.

Each Basin Roundtable subsequently provided a Final Draft of its Basin Implementation Plan to the Colorado Water Conservation Board in April of this year. The South Platte and Metro Roundtables worked together to produce a joint Basin Implementation Plan since they are hydraulically a single basin, so there are eight BIP's statewide. The CWCB staff has used information from all the plans to update and produce a second draft Colorado Water Plan which is now available for comment. The comment period for the Second Draft of Colorado's Water Plan extends until September 17, 2015. The final Colorado Water Plan is due to the Governor's Office in December, 2015. Formal comments may be submitted online or via email at the addresses shown below. Also, if you wish to share your comments with

me or have questions, I can be reached at (970) 962-3703, or larry.howard@cityofloveland.org.

These addresses provide links to important documents, including the Second Draft of Colorado's Water Plan, and ways to provide formal comment if desired:

- July, 2015 Second DRAFT of Colorado's Water Plan:
<https://www.colorado.gov/pacific/cowaterplan/july-2015-second-draft-colorados-water-plan>. This site has a link to a good Executive Summary of the Plan
- Links for formal comments on the Second Draft of Colorado's Water Plan: Online at <http://coloradoc2.prod.acquia-sites.com/cowaterplan/form/general-input-colorados-water-plan>, or by email at <mailto:cwaterplan@state.co.us>
- For reference, here is the Final South Platte Basin Implementation Plan:
<http://southplattebasin.com/> Includes links to the Final SPBIP, an Executive Summary, a 4-page summary, and a short video.
- June, 2015 Interbasin Compact Committee (IBCC) Discussion Document for the DRAFT Conceptual Framework:
<https://s3.amazonaws.com/s3.documentcloud.org/documents/2165211/ibcc-draft-conceptual-agreement-framework.pdf>
- Information about the IBCC: <http://cwcb.state.co.us/about-us/about-the-ibcc-brts/Pages/InterbasinCompactCommitteeMembers.aspx>

A detailed discussion of options for meeting future water demands is presented in Chapter 6 of Colorado's Water Plan: *Water Supply Management for the Future*. The methods described include conservation and reuse for agriculture, municipalities and industry; alternative methods of providing agricultural water for municipal use instead of the traditional 'buy-and-dry'; infrastructure projects and methods; and environmental and recreational projects and methods. In the South Platte basin there is genuine concern that failure to develop an important combination of these options will result in water being permanently transferred away from significant portions of irrigated agriculture in the basin.

The IBCC has developed what is referred to as a 'Conceptual Framework' to include as part of Colorado's Water Plan. This document, based on seven basic principles for negotiating new transmountain diversions (TMDs) has generated spirited discussion. A link to an IBCC Discussion Document based on the Conceptual Framework is shown above. Much discussion at the South Platte Roundtable concerns the balance between conservation and other methods of meeting the future needs including infrastructure projects and possible transmountain diversions, TMDs. There is concern in the South Platte Roundtable that conservation should be better defined so that common goals can be described and targeted. Language from a Vinson & Elkins Water Blog describes the differing points of view between East Slope and West Slope stakeholders concerning future TMDs:

"Generally, stakeholders on the West Slope oppose new TMDs due to concern about potential shortages from sustained drought and rising temperatures, as well as the potential for overdevelopment related to both a Colorado River Compact deficit, and the need to sustain critical levels for system reservoir storage, such as the minimum power

pool needed to operate Glen Canyon Dam. Rather than construct new diversion projects, these groups contend that the Front Range's water demands can be met by increased storage capacity on the East Slope, improvements and repairs to existing collection and diversion infrastructure, and the development of conditional water rights. In contrast, East Slope stakeholders advocate a balanced approach that would keep open the option of future TMDs. However, these groups show support for a wide range of water management strategies favored by their western counterparts, including expanding water conservation and reuse programs and enlarging existing storage capacity. They also argue that management techniques—such as water banks and methods for temporarily reducing water use during dry conditions—can effectively manage a warmer and possibly drier climate."

Please let me know if you need additional information or assistance as you consider any comments you may wish to make. Great progress has been made to create a plan for Colorado that reflects the values and priorities of its citizens. We want the final version to allow open and frank discussion throughout the state about any and all of the options, and lead to solutions that all Coloradoans can support. – Larry Howard

- **Rocky Mountain Section American Water Works Association (RMSAWWA) and Rocky Mountain Water Environment Association (RMWEA) 2015 Joint Annual Conference —** The 2015 RMSAWWA/RMWEA Joint Annual Conference will be held at the Embassy Suites in Loveland, Colorado from September 13 - 16, 2015. Join over 800 peers and colleagues in the water industry for 4 days of exhibits, technical presentations and networking opportunities. For more information please visit the link below. Please let Allison Bohling know if you are interested in attending. – Allison Bohling

http://www.rmwea.org/RMWEA/committees/Annual_Conference/Loveland_2015/Loveland_2015.htm

- **2016 Budget Update on the 10-Year Capital Improvement Programs (CIP) —** Each of the utilities was reviewed at the June 9, 2015 City Council Study Session. – Jim Lees

Significant upcoming dates for the budget process are:

- August 25, 2015: 2016 Budget City Council Study Session
- September 8, 2015: 2016 Budget City Council Study Session
- October 6, 2015: First Reading of 2016 City Budget
- October 20, 2015: Second Reading of 2016 City Budget

- **Broadband Update —** City Council unanimously approved an ordinance on first reading at the July 21, 2015 Council Meeting and on second reading at the August 4, 2015 Council Meeting to certify the ballot language requesting voters to exempt the City of Loveland from the restriction of SB152. The election date is November 3, 2015. The ballot question proposes to voters that without increasing taxes, and to restore local authority that the City be authorized to provide high speed internet, cable television and telecommunication services either directly or indirectly with public or private sectors to residents, businesses and other users of such services within the boundaries of the City of Loveland and the service territory of the City of Loveland's power enterprise as expressly permitted by Title 29, Article 27 of the Colorado Revised Statutes. An issue committee has been formed with the support of the Made in Loveland organization to address public education and questions regarding this ballot item. – Kim O'Field

- **Colorado Water Congress 2015 Summer Conference** — The conference will be held at the Vail Cascade Resort in Vail, Colorado from August 19-21, 2015. The City will cover LUC board member costs of the registration (Includes the following meals: Wednesday lunch, Thursday breakfast and lunch and Friday breakfast and brunch.). Board members will be responsible for covering the lodging, transportation and additional meal expenses. See the following link for additional information. Please let Allison Bohling know if you are interested in attending. – Allison Bohling

http://www.cowatercongress.org/cwc_events/Summer_Conference.aspx

- **Northern Water Tours** — Please let Allison Bohling know if you would like to attend the Northern Water tour listed below.

East Slope (7:30 a.m. – 4:30 p.m.)
Wednesday September 9, 2015

RECOMMENDATION:

Director's report only

REVIEWED BY DIRECTOR:

AB for SA

Attachment A



Please SAVE THE DATE... September 24, 2015!

Big Thompson Watershed Forum's 2015 Watershed Meeting

Hello Northern Colorado Watershed Communities & Professionals:

Please spread the word and *save the date* and join the Forum for our 2015 Watershed Meeting, ***“From Flood to Future... Rising from Mud and Ashes.”*** We will welcome several great speakers and professionals with on-the-ground experience, research and tales from the 2013 Big Thompson River flood. We will also be presenting the results and findings from our next major water quality report. **Our next meeting will not be until 2017, so please join us!**

Panels & Topics for 2015...

- **Functionality & Monitoring within the Big Thompson Watershed & C-BT System**
Big Thompson Watershed Forum, Northern Water, U.S. Bureau of Reclamation
- **Effects from the 2013 Flood to Infrastructure, Water Supply & Treatment**
City of Loveland, Northern Water, Larimer County
- **From Flood to Future ~ The 2013 Big Thompson Flood... restoration, fish & wildlife, historic flows, regulatory perspective, and master planning for the present and future**
AloTerra Restoration, Big Thompson Conservation District, Colorado Department of Natural Resources, Colorado Parks & Wildlife, U.S. Forest Service, U.S. Geological Survey, Walsh Environmental Consulting
- **2015 State of the Watershed Water Quality Report... 15 years of data and pre & post-flood water quality monitoring & results**
Big Thompson Watershed Forum, Hydros Consulting

We will also recognize and congratulate our 2014 and 2015 Dave Cole Environmental Scholarship winners.

The Fireside Café – Group Publishing Building
1515 Cascade Ave. (Hwy. 34)
Loveland, CO 80537
8:00am - 4:00pm

(Continental breakfast, lunch, and afternoon snacks included in cost)

COST: \$50 at the door (check or cash only) or via mail (check only)*

*University/College student fee is half-price (first 5 students to register may attend for free).

To register, please contact Zack Shelley at 970-613-6163 or at zshelley@btwatershed.org.



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: 8/19/2015

SUBMITTED BY: Jim Lees, Utility Accounting Manager

TITLE: Financial Report Update

DESCRIPTION:

This item summarizes the monthly and year-to-date financials for July 2015.

SUMMARY:

The July 2015 financial reports are submitted for Commission review. The following table summarizes the sales and expense results for the month of July, and the July Year-To-Date results in comparison to the same periods from 2014. The summarized and detailed monthly financial statements that compare July Year-To-Date actuals to the 2015 budgeted figures are attached.

	July				July Year-To-Date			
	2015	2014	\$ Ovr/(Und)	% Ovr/(Und)	2015	2014	\$ Ovr/(Und)	% Ovr/(Und)
	vs. 2014	vs. 2014	vs. 2014	vs. 2014	vs. 2014	vs. 2014	vs. 2014	vs. 2014
WATER								
Sales	\$1,332,583	\$1,418,889	(\$86,306)	-6.1%	\$5,690,112	\$5,792,686	(\$102,574)	-1.8%
Operating Expenses	\$652,955	\$980,040	(\$327,084)	-33.4%	\$6,481,893	\$6,103,332	\$378,561	6.2%
Capital (Unrestricted)	\$899,447	\$287,710	\$611,737	212.6%	\$5,408,896	\$2,993,136	\$2,415,761	80.7%
WASTEWATER								
Sales	\$773,164	\$719,737	\$53,427	7.4%	\$5,147,193	\$4,695,742	\$451,451	9.6%
Operating Expenses	\$491,968	\$467,449	\$24,520	5.2%	\$3,484,912	\$3,035,549	\$449,363	14.8%
Capital (Unrestricted)	\$39,131	\$108,720	(\$69,589)	-64.0%	\$1,990,581	\$825,154	\$1,165,428	141.2%
POWER								
Sales	\$5,584,693	\$5,045,661	\$539,032	10.7%	\$31,343,240	\$29,535,915	\$1,807,325	6.1%
Operating Expenses	\$5,592,330	\$5,295,762	\$296,568	5.6%	\$29,948,870	\$28,665,467	\$1,283,403	4.5%
Capital (Unrestricted)	\$363,807	\$958,286	(\$594,479)	-62.0%	\$3,504,979	\$3,434,719	\$70,260	2.0%

RECOMMENDATION:

Information item only. No action required.

REVIEWED BY DIRECTOR:

LIST OF ATTACHMENTS:

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

City of Loveland
Financial Statement-Raw Water
For Period Ending 07/31/2015

	* TOTAL BUDGET FYE 12/31/2015	* YTD ACTUAL	YTD BUDGET	OVER <UNDER>	OVER VARIANCE
1 REVENUES & SOURCES					
2 Hi-Use Surcharge	* 52,500	* 12,546	30,660	(18,114)	-59.1%
3 Raw Water Development Fees/Cap Rec Surcharge	* 337,588	* 439,615	200,088	239,527	119.7%
4 Cash-In-Lieu of Water Rights	* 250,000	* 968,214	145,810	822,404	564.0%
5 Native Raw Water Storage Fees	* 5,000	* 14,319	2,920	11,399	390.4%
6 Loan Payback from Water	* 137,800	* 0	0	0	0.0%
7 Raw Water 1% Transfer In	* 1,140,840	* 590,862	588,490	2,372	0.4%
8 Interest on Investments	* 81,600	* 108,278	47,600	60,678	127.5%
9 TOTAL REVENUES & SOURCES	* 2,005,328	* 2,133,835	1,015,568	1,118,267	110.1%
10 OPERATING EXPENSES					
11 Loan to Water	* 13,000,000	* 4,000,000	13,000,000	(9,000,000)	-69.2%
12 Windy Gap Payments	* 834,600	* 834,546	834,600	(54)	0.0%
13 TOTAL OPERATING EXPENSES	* 13,834,600	* 4,834,546	13,834,600	(9,000,054)	-65.1%
14 NET OPERATING REVENUE/(LOSS) (excl depr)	* (11,829,272)	* (2,700,711)	(12,819,032)	10,118,321	-78.9%
15 RAW WATER CAPITAL EXPENDITURES	* 1,200,000	* 92,055	687,160	(595,105)	-86.6%
16 ENDING CASH BALANCES					
17 Total Available Funds	* 11,525,241				
18 Reserve - Windy Gap Cash	* 3,404,178				
19 Reserve - 1% Transfer From Rates	* 4,415,070				
20 Reserve - Native Raw Water Storage Interest	* 1,580,106				
21 TOTAL RAW WATER CASH	* 20,924,596				
22 MINIMUM BALANCE (15% OF OPER EXP)	* 2,075,190				
23 OVER/(UNDER) MINIMUM BALANCE	* 18,849,406				

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 0

City of Loveland-LIVE
Financial Statement-Water
For Period Ending 07/31/2015

		TOTAL BUDGET			OVER <UNDER>	
		* FYE 12/31/2015	* YTD ACTUAL	* YTD BUDGET		* VARIANCE
1 **UNRESTRICTED FUNDS**						
3 Water Sales	*	12,431,660	5,690,112	6,418,420	(728,308)	-11.3%
4 Raw Water Transfer Out	*	(1,140,840)	(590,862)	(588,490)	(2,372)	0.4%
5 Wholesale Sales	*	120,850	42,913	54,110	(11,197)	-20.7%
6 Meter Sales	*	41,850	82,761	32,060	50,701	158.1%
7 Interest on Investments	*	37,040	14,859	21,610	(6,751)	-31.2%
8 Other Revenue	*	549,390	122,530	357,930	(235,400)	-65.8%
9 Federal and State Grants	*	5,560,580	1,069,437	3,243,640	(2,174,203)	-67.0%
10 Internal Loan Monies Received	*	5,838,767	4,751,042	5,526,267	(775,225)	-14.0%
11 External Loan Monies Received	*	12,900,000	4,517,015	0	4,517,015	0.0%
12 TOTAL REVENUES & SOURCES	*	36,339,297	15,699,808	15,065,547	634,261	4.2%
13 OPERATING EXPENSES						
14 Source of Supply	*	2,649,850	1,475,809	2,032,920	(557,111)	-27.4%
15 Treatment	*	2,809,240	1,230,988	1,439,210	(208,222)	-14.5%
16 Distribution Operation & Maintenance	*	2,678,010	1,479,739	1,349,170	130,569	9.7%
17 Administration	*	541,586	282,759	338,336	(55,577)	-16.4%
18 Customer Relations	*	276,150	99,103	131,890	(32,787)	-24.9%
19 PILT	*	790,360	356,948	426,790	(69,843)	-16.4%
20 1% for Arts Transfer	*	98,030	32,789	59,710	(26,921)	-45.1%
21 Services Rendered-Other Departments	*	1,511,450	635,370	635,370	0	0.0%
22 Internal Loan Debt Expense	*	966,550	801,450	1,386,550	(585,100)	-42.2%
23 External Loan Debt Expense	*	6,840	86,937	0	86,937	0.0%
24 TOTAL OPERATING EXPENSES	*	12,328,066	6,481,893	7,799,946	(1,318,053)	-16.9%
25 NET OPERATING REVENUE/(LOSS)(excl depr)	*	24,011,231	9,217,915	7,265,601	1,952,314	26.9%
26 CAPITAL EXPENDITURES	*	14,084,623	5,408,896	13,132,863	(7,723,967)	-58.8%
27 ENDING CASH BALANCE	*		4,518,476			
28 WATER DEBT FUNDS ENDING CASH BALANCE	*		23,348			
29 MINIMUM BALANCE (15% OF OPER EXP)	*		1,849,210			
30 OVER/(UNDER) MINIMUM BALANCE	*		2,669,266			
31 **RESTRICTED FUNDS**						
32 REVENUES & SOURCES						
33 SIF Collections	*	2,129,228	1,798,319	1,714,968	83,351	4.9%
34 SIF Interest Income	*	46,830	33,293	31,570	1,723	5.5%
35 SIF Federal and State Grants	*	2,662,510	0	1,553,160	(1,553,160)	-100.0%
36 Internal Loan Monies Received	*	8,420,000	0	8,420,000	(8,420,000)	-100.0%
37 TOTAL SIF REVENUES & SOURCES	*	13,258,568	1,831,612	11,719,698	(9,888,086)	-84.4%
38 SIF Capital Expenditures	*	12,866,330	4,511,405	12,834,270	(8,322,865)	-64.8%
39 1% for Arts Transfer	*	115,020	44,050	70,300	(26,250)	-37.3%
40 Internal Loan Debt Expense	*	86,200	0	86,200	(86,200)	-100.0%
41 SIF ENDING CASH BALANCE	*		5,409,622			
42 TOTAL ENDING CASH BALANCE			9,928,098			
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING:			15,493,258			
43 Water Treated at WTP (in million gallons)	*	N/A	*	2,174	N/A	
44 Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales)	*	3,720	*	1,515	1,811	(296)
	*	*				-16.3%

City of Loveland-LIVE
Financial Statement-Wastewater
For Period Ending 07/31/2015

	TOTAL BUDGET * FYE 12/31/2015	YTD ACTUAL * YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**					
3 Sanitary Sewer Charges	9,031,400 *	5,147,193	5,182,670	(35,477)	-0.7%
4 High Strength Surcharge	335,040 *	205,628	191,250	14,378	7.5%
5 Interest on Investments	26,520 *	46,827	15,470	31,357	202.7%
6 Other Revenue	53,920 *	36,563	30,740	5,823	18.9%
7 Federal Grants	432,090 *	127,810	252,050	(124,240)	-49.3%
8 State Grants	1,000,000 *	113,224	583,330	(470,106)	-80.6%
9 TOTAL REVENUES & SOURCES	10,878,970 *	5,677,244	6,255,510	(578,266)	-9.2%
10 OPERATING EXPENSES					
11 Treatment	3,565,463 *	1,656,010	1,754,733	(98,723)	-5.6%
12 Collection System Maintenance	2,384,230 *	936,129	1,320,100	(383,971)	-29.1%
13 Administration	513,197 *	174,683	292,797	(118,114)	-40.3%
14 Customer Relations	57,420 *	34,188	27,990	6,198	22.1%
15 PILT	655,650 *	374,697	376,360	(1,663)	-0.4%
16 1% for Arts Transfer	41,070 *	12,155	28,850	(16,695)	-57.9%
17 Services Rendered-Other Departments	508,940 *	297,050	297,050	0	0.0%
18 TOTAL OPERATING EXPENSES	7,725,970 *	3,484,912	4,097,880	(612,968)	-15.0%
19 NET OPERATING REVENUE/(LOSS)(excl depr)	3,153,000 *	2,192,332	2,157,630	34,702	1.6%
20 CAPITAL EXPENDITURES	9,632,342 *	1,990,581	7,772,722	(5,782,141)	-74.4%
21 ENDING CASH BALANCE			8,941,954		
22 MINIMUM BALANCE (15% OF OPER EXP)			1,158,896		
23 OVER/(UNDER) MINIMUM BALANCE			7,783,058		
24 **RESTRICTED FUNDS**					
25 REVENUES & SOURCES					
26 SIF Collections	1,148,720 *	1,056,267	901,130	155,137	17.2%
27 SIF Interest Income	58,440 *	36,658	34,090	2,568	7.5%
28 SIF Bond Proceeds	10,000,000 *	0	0	0	0.0%
29 TOTAL SIF REVENUES & SOURCES	11,207,160 *	1,092,925	935,220	157,705	16.9%
30 SIF Capital Expenditures	2,035,504 *	46,033	1,325,054	(1,279,021)	-96.5%
31 1% for Arts Transfer	14,600 *	0	10,230	(10,230)	-100.0%
32 SIF ENDING CASH BALANCE			7,603,368		
33 TOTAL ENDING CASH BALANCE	*	*	16,545,322		
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING			1,239,901		
34 Wastewater Treated at WWTP (in million gallons)	*	N/A *	1,459	N/A	
35 Wastewater Billed To Customers (in million gallons)	*	1,727 *	973	982	(9)
					-0.9%

City of Loveland
Financial Statement-Power
For Period Ending 07/31/2015

	TOTAL					
	BUDGET	*	YTD	OVER		
	FYE 12/31/2015	*	ACTUAL	BUDGET	<UNDER>	VARIANCE
UNRESTRICTED FUNDS						
1 REVENUES & SOURCES:						
2 Electric revenues	\$57,180,680	*	\$31,343,240	\$32,281,640	(\$938,400)	-2.9%
3 Wheeling charges	\$240,000	*	\$151,037	\$140,000	\$11,037	7.9%
4 Interest on investments	\$128,910	*	\$97,685	\$75,198	\$22,488	29.9%
5 Aid-to-construction deposits	\$1,000,000	*	\$669,633	\$583,333	\$86,300	14.8%
6 Customer deposit-services	\$220,000	*	\$217,505	\$128,333	\$89,171	69.5%
7 Doorhanger fees	\$420,000	*	\$276,879	\$245,000	\$31,879	13.0%
8 Connect Fees	\$160,000	*	\$92,060	\$93,333	(\$1,273)	-1.4%
9 Services rendered to other depts.	\$4,551	*	\$1,844	\$2,655	(\$811)	-30.6%
10 Other revenues	\$356,140	*	\$328,719	\$207,748	\$120,971	58.2%
11 Year-end cash adjustments	\$0	*	\$0	\$0	\$0	0.0%
12 TOTAL NORMAL REVENUES & SOURCES	\$59,710,281	*	\$33,178,603	\$33,757,241	(\$578,638)	-1.7%
13 FLOOD REVENUE	\$4,812,500	*	\$14,198	\$2,807,292	(\$2,793,094)	-99.5%
14 TOTAL REVENUES & SOURCES	\$64,522,781	*	33,192,800	\$36,564,532	(\$3,371,732)	-9.2%
15 OPERATING EXPENSES:						
16 Hydro oper. & maint.	\$4,888,424	*	\$18,644	\$2,820,245	(\$2,801,601)	-99.3%
17 Purchased power	\$42,259,770	*	\$23,478,873	\$24,579,847	(\$1,100,974)	-4.5%
18 Distribution oper. & maint.	\$4,581,001	*	\$2,172,531	\$2,642,885	(\$470,354)	-17.8%
19 Customer Relations	\$1,146,590	*	\$387,597	\$661,494	(\$273,898)	-41.4%
20 Administration	\$747,638	*	\$332,405	\$431,330	(\$98,925)	-22.9%
21 Payment in-lieu-of taxes	\$4,002,650	*	\$2,180,925	\$2,281,511	(\$100,586)	-4.4%
22 1% for Arts Transfer	\$66,760	*	\$49,215	\$38,053	\$11,162	29.3%
23 Services rendered-other depts.	\$2,278,320	*	\$1,328,680	\$1,329,020	(\$340)	0.0%
24 TOTAL OPERATING EXPENSES (excl depn)	\$59,971,153	*	\$29,948,870	\$34,784,384	(\$4,835,515)	-13.9%
25 NET OPERATING REVENUE/(LOSS) (excl depn)	\$4,551,628	*	\$3,243,931	\$1,780,148	\$1,463,783	82.2%
26 CAPITAL EXPENDITURES:						
27 General Plant/Other Generation & Distribution	\$13,249,800	*	\$2,318,246	\$7,648,344	(\$5,330,099)	-69.7%
28 Aid-to-construction	\$1,000,000	*	\$1,028,716	\$576,923	\$451,793	78.3%
29 Service installations	\$250,000	*	\$158,017	\$144,231	\$13,786	9.6%
30 TOTAL CAPITAL EXPENDITURES	\$14,499,800	*	\$3,504,979	\$8,369,498	(\$4,864,519)	-58.1%
31 ENDING CASH BALANCE			\$19,601,380			
32 MINIMUM BAL. (15% of OPER EXP excl depn)	*	*	\$8,995,673			
33 OVER/(UNDER) MINIMUM BALANCE	*	*	\$10,605,707			
34 **RESTRICTED FUNDS**	*	*				
35 PIF Collections	\$2,751,917	*	\$1,652,626	\$1,605,285	\$47,341	2.9%
36 PIF Interest Income	\$33,250	*	\$22,700	\$19,396	\$3,304	17.0%
37 Water Loan Payback	\$966,550	*	\$801,450	\$966,550	(\$165,100)	-17.1%
38 TOTAL REVENUES	\$3,751,717	*	\$2,476,776	\$2,591,231	(\$114,454)	-4.4%
39 PIF Feeders	\$1,551,570	*	\$356,812	\$895,137	(\$538,325)	-60.1%
40 PIF Substations	\$6,941,798	*	\$190,522	\$4,049,382	(\$3,858,860)	-95.3%
41 TOTAL EXPENDITURES	\$8,493,368	*	\$547,334	\$4,944,519	(\$4,397,184)	-88.9%
42 ENDING PIF CASH BALANCE			\$4,793,889			
43 TOTAL ENDING CASH BALANCE	*	*	\$24,395,270			

NOTE: YTD ACTUAL does NOT include encumbrances totalling \$2,985,658

44 Energy Purchased (in million kWh) from PRPA	772	*	438	446	(8)	3.4%
45 Energy Sold to Customers (in million kWh)	741	*	416	424	(9)	-2.0%

