



LOVELAND UTILITIES COMMISSION

REGULAR MEETING

June 15, 2016 - 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 - 5/18/2016

NEW EMPLOYEE INTRODUCTION – Daniel Daneshka

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. Intergovernmental Agreement for Demand Side Management and Distributed Energy Resource Program Partnership – Lindsey Bashline

4:15 pm - REGULAR AGENDA

2. Power Cost of Service – Mark Beauchamp and Jim Lees
3. 2017 Budget Review for Water, Wastewater and Power – Jim Lees

5:15 pm - 4. COMMISSION / COUNCIL REPORTS

- Tri-City Meeting – May 19, 2016
- 2017 Water and Power Department Budget Process Meetings – May 24, May 25 and May 31, 2016
- Passport to Water and Power – June 9, 2016

5:30 pm - 5. DIRECTOR'S REPORT – Separate Document

INFORMATION ITEMS

6. Financial Report Update – Jim Lees
7. Water Supply Update – Larry Howard

6:00 pm - ADJOURN

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"La Ciudad de Loveland está comprometida a proporcionar igualdad de oportunidades para los servicios, programas y actividades y no discriminar en base a discapacidad, raza, edad, color, origen nacional, religión, orientación sexual o género. Para más información sobre la no discriminación o para asistencia en traducción, favor contacte al Coordinador Título VI de la Ciudad al [TitleSix@cityofloveland.org](mailto>TitleSix@cityofloveland.org) o al 970-962-2372. La Ciudad realizará las acomodaciones razonables para los ciudadanos de acuerdo con la Ley de Discapacidades para americanos (ADA). Para más información sobre ADA o acomodaciones, favor contacte al Coordinador de ADA de la Ciudad en bettie.greenberg@cityofloveland.org o al 970-962-3319".

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

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

Commission Members Absent: Jennifer Gramling (excused)

City Staff Members: Alicia Calderón, Allison Bohling, Bob Miller, Chad Birgenheier (left after item 1), Christine Schraeder, Eric Wilson, Frank Lindauer, Garth Silvernale, Greg Dewey, Gretchen Stanford, Jeremy Horner (left after item 1), Jim Lees, John Beckstrom, Kent Aspinall, Kim Frick, Kim O'Field, Larry Howard, Michelle Stalker, Roger Berg, Steve Adams, Steve Johnson, Scott Dickmeyer, Tom Greene, Tracey Hewson

Guest Attendance: Dan Hodges

CALL TO ORDER: Gene Packer called the meeting to order at 4:01 pm.

APPROVAL OF MINUTES: Packer asked for a motion to approve the minutes of the April 20, 2016 meeting.

Motion: Dan Herlihey made the motion to approve the minutes of the April 20, 2016 meeting.
Second: Dave Schneider seconded the motion. The minutes were approved unanimously.

REORDER OF AGENDA: Packer asked for a motion to move item seven to the beginning of the agenda to better accommodate for our guest speaker and to move item eight to be addressed at the end of the agenda due to the executive session.

Motion: John Rust made the motion to approve moving item seven to the beginning of the agenda and moving item eight to the end of the agenda.
Second: Dan Herlihey seconded the motion. The reordering of the agenda was approved unanimously.

STAFF REPORT

Item 7: CAMU Legislative Update – Dan Hodges 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.

Staff Report only. No action required.

Comments: This item was moved to the first item of the agenda. Dan Hodges provided a PowerPoint presentation about CAMU and the 2016 state legislative session. Following the presentation he responded to questions from the LUC and City staff.

Larry Roos asked what changes are going to happen in the Boulder utilities. Hodges said they are on the path to become a municipal owned utility. Schneider asked if Colorado Springs did a customer survey to inquire about needs and wants from the customer perspective. Hodges said indeed they did, as well as stake holder meetings and community meetings that were driven by customer input. Schneider reviewed details of Loveland's survey.

Discussion began about how much customers are willing to contribute financially to make these environmental improvements. Schneider asked Hodges about rate impacts past and present. Hodges mentioned that it is difficult to pinpoint a certain factor and policy which contributed to rate impacts; although, he did highlight that there is a correlation between the two. Schneider expressed how important this topic is and how it can help guide the commission in future decisions. Adams reviewed the concept of surplus sales and how that impacts our ability to sell excess power and LWP's rate structure. Staff and board continued to discuss legislative topics that have affected rates and that may impact future rate structures.

CONSENT AGENDA

Item 1: PVC Conduit and Accessories Bid 2016 Contract Award – Steve Johnson Award of a one year contract to Western United Electric Supply Corporation for PVC Conduit and Accessories, Bid 2016-16. 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 supply contract after LUC approval. This contract approval is being brought forward for LUC action.

Recommendation: Award the contract for PVC Conduit and Accessories to Western United Electric Supply Corporation in an amount not to exceed \$899,191.85 and authorize the City Manager to execute the contract on behalf of the City.

Item 2: Change Order for GE Construction Annual Substructure Projects for 2016 – Kent Aspinall This item is a change order to increase the annual substructure purchase order and contract for 2016.

Recommendation: Adopt a motion to approve the contract change order for the Annual Substructure Projects for 2016 services with GE Construction, Inc. to increase the not-to-exceed amount to \$1,500,000 and authorize the City Manager to sign the contract change order on behalf of the City.

Item 3: Change Order for Colorado Boring Annual Directional Boring Projects for 2016 – Kent Aspinall This item is a change order to increase the annual directional boring purchase order and contract for 2016.

Recommendation: Adopt a motion to approve the contract change order for the Annual Directional Boring Projects for 2016 services with Jacobs Investments, LLC, dba Colorado Boring Company to increase the not-to-exceed amount to \$1,500,000 and authorize the City Manager to sign the contract change order on behalf of the City.

Comments: Packer pulled items 2 and 3 from the consent agenda.

Motion: Gary Hausman made the motion to accept consent agenda item 1 as written.
Second: Dave Schneider seconded the motion. The motion was approved unanimously.

Comments: Packer asked if another change order will be needed in the future to accommodate for the cost of the Directional Boring Projects or the Substructure Projects. Kent Aspinall mentioned that there has been an increase in development recently and underground main feeders that has led to the cost increase. Christine Schraeder added they have projected what will be needed in the future and that the funds are encumbered. She stated that looking forward with new growth the mentioned costs are the expected costs for future developments.

Kavanagh asked how quickly these projects become effective. Adams reviewed the process of development, how projects are funded, and the general timeline of projects and expenses. Projecting costs of these projects is very difficult because there are many factors to take in consideration. Staff and board continued to discuss the development process and associated costs of infrastructure.

Motion: Dan Herlihey made the motion to accept consent agenda item 2 as written.
Second: Dave Schneider seconded the motion. The motion was approved unanimously.

Motion: Dan Herlihey made the motion to accept consent agenda item 3 as written.

Second: Dave Schneider seconded the motion. The motion was approved unanimously.

REGULAR AGENDA

Item 4: Opportunities for Revenue through Long-Term Water Right Leasing – Greg Dewey Staff
discussed the City's firm yield position and the advisability of entering into long-term leasing of City-owned raw water.

Recommendation: Staff recommends moving ahead with negotiations on the terms of a lease once it is known that Dille Tunnel is fully online and available for use. If acceptable terms are agreed to, they will be brought to the LUC for consideration and a recommendation to City Council.

Motion: Randy Williams made the motion.

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

Comments: A handout was given to board members to address questions about the item prior to the meeting. Larry Howard stated that in every water lease the City puts together there is a safety clause addressing drought conditions. Packer asked if the proposed acre foot cost had been determined. Greg Dewey stated that it has not and discussed the next steps. John Rust asked why the people asking for this lease are not interested in Colorado Big Thompson (CBT). Rust expressed concern about the bind this may cause.

Adams addressed that this is new territory for Loveland Water and Power (LWP) and discussed how LWP can get a return on our investments. Rust said he would not like to see any Windy Gap water leased because of its value. Howard stated that one of the issues has been making a re-use plan for Windy Gap water. He reviewed options, and added that right now there is not a good purpose or value in re-using that water. The board and staff reviewed costs of using CBT vs. Windy Gap water. Howard and Frick reviewed details of the requests from this customer. Schneider asked how much our carry over is. Howard informed the board that you can store twenty percent of what you own and reviewed supplemental carry over. Schneider expressed his support for long-term leasing. Howard mentioned that the customer is out of the municipal sub-district boundaries. Howard stated that it is important to understand this is a short-term lease. Howard reviewed what the sub-district boundaries are and how they are setup. Board expressed their support and reviewed the benefits of this type agreement. Staff and board continued to discuss the possible timeline of this lease.

Item 5: Foothills Substation Transformer Contract Award for FEMA Alternate Project – Frank Lindauer
Award of a contract to Virginia Transformer Corporation for Foothills Transformer Bid 2016-14. 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.

Recommendation: Adopt a motion recommending that the Loveland Utilities Commission approve the award of the contract to Virginia Transformer Corporation for one 20 Mega Volt Ampere (MVA) substation power transformer including recommended spare parts, field services/testing, and delivery to the Foothills Substation site on Rio Blanco Avenue in an amount not-to-exceed \$615,814.00 and authorize the City Manager to sign the contract on behalf of the City.

Motion: Dave Schneider made the motion.

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

Comments: Lindauer mentioned that the total cost came in under budget. Packer added that based on his experience there is a good turn over on delivery.

Item 6: 2017 10 Year Capital Improvement Program – Roger Berg, Christine Schraeder and Jim Lees

The purpose of this item is to present an overview of the 2017 to 2026 10-year CIP for raw water, wastewater and power, as well as ask the Loveland Utilities Commission to adopt a motion recommending that City Council approve the proposed 10-Year CIP.

Original Recommendation: Adopt a motion recommending that City Council approve the proposed 2017 10-Year CIPs for the Water, Raw Water, Wastewater and Power Utilities.

Comments: Throughout the water presentation the board asked questions about locations of these projects, routes of the pipes and sizes of the equipment being installed. Berg reviewed the route of the parallel Boyd interceptor. Packer asked about the sewer rehabilitation and asked if you could line this pipe. Berg mentioned that that particular pipe, due to damage needs to be replaced. Adams mentioned that Morning Drive-30 inch line is going to happen at the same time as the Foothills Solar and Substation project.

During the power portion of the presentation, Packer asked about the life of power cables. Schraeder mentioned that typically it is 30 to 40 years. She reviewed LWP's approach to replacing cables. Schneider asked if the canyon conversion will include conductors and transformers. Schraeder mentioned they are planning to replace the conductors. Schneider asked if the territory in the map of the Feeder Extension from 14th St SW to Hwy 60 slide is City territory. Adams and Schrader mentioned that it is mostly outside our territory. Herlihey asked what the general priorities are for converting overhead to underground. Schraeder stated that the high-priority projects are new developments and high outage areas. Adams reviewed the Downtown South Catalyst project and details of the traffic flow of the site. Adams reviewed costs of moving the lines at this site underground and construction details. Howard stated that it is good timing to replace the lines in this area due to current aging infrastructure. Schneider asked about recycling old equipment; he asked if brokers would sell the old parts. Schraeder mentioned that these are very small parts and that there is not a market for this particular equipment. If that were an option, LWP would reuse it. Packer asked if the substation to substation ties will be underground. Schraeder mentioned that indeed they will be. Adams asked about a blue line on Highway 402. Berg mentioned it may belong to Little Thompson and that staff will follow up and let the board know.

Lees informed the board of the latest updates that could potentially impact the CIP. He asked if LUC would like to see these updates at the next meeting.

The LUC, legal and staff discussed and agreed to make a modified recommendation.

Modified Recommendation: Adopt a motion to approve the proposed 2017 10-Year CIPs for the Water, Raw Water, Wastewater and Power Utilities as presented in the preliminarily proposal to be expanded as needed.

Motion: Dave Schneider made the motion.

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

Following this item there was a break in the meeting.

COMMISSION/COUNCIL REPORTS

Item 9: Commission/Council Reports

- Power Cost-of-Service Study Kickoff Meeting – April 29, 2016
- ISO Celebration Breakfast – May 6, 2016

Dan Herlihey: He asked where Horseshoe Curve is as it relates to the Highway 34 reconstruction project. Adams mentioned that the Horseshoe Curve is near Indian Village on the north side of the road. Adams and Herlihey discussed the cut on the property and ownership of the property. Adams reviewed the timeline of the project and future construction work.

Dave Kavanagh: Nothing to report

Dave Schneider: He stated that he is interested to know how the water fluency courses compare to another similar opportunity offered down in the metro area. He reviewed the Power Cost-of-Service Study Kick-off meeting and the key takeaways and stated that overall Loveland is moving in the right direction. He concluded and said he would like to learn more about coincident peak (CP) rates and demand response.

Gene Packer: Stated that he attended the Power Cost-of-Service Kick-off meeting and mentioned that he was very impressed with the meeting. He also commended Steve and staff for their work on planning the Tri-City meeting.

Gary Hausman: He left before the Commission and Council Report.

John Rust Jr: He asked what our process is for turning off power to a resident. Adams mentioned that due to recent events, staff will reevaluate the process for turning off utilities.

Larry Roos: He mentioned he is a proud graduate of the water fluency course. He summarized his experience with the class. He stated that there was 45 hours of classroom time and 2 to 3 hours of homework per hour of class. He reviewed the lessons and topics in each session and what he learned from each session. He also stated that he went to the Cost-of-Service Power Kick-off meeting; he added that he thinks our reserves should be increased based upon his knowledge. Adams said he would follow up with him to discuss this topic.

Randy Williams: Nothing to report

Council Report: On Councilor Troy Krenning's behalf, 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 meetings scheduled since the last LUC meeting.

City Council Study Session – April 26, 2016

- Brent Worthington discussed the 2017 budget development process.

Regular Meeting – May 3, 2016

- Declared May 1 through 7 Drinking water week

City Council Study Session – May 10, 2016

- Alan Krcmarik discussed how Capital Expansion Fees have been a method to fund capital improvements since 1984. Currently the fees are based on Cost-of-Service studies and the equity buy-in approach. City council requested evaluating an alternative method to determine the fees, such as Plans Based approach. It would be based on projections of growth for the next 25 year, master plans within the City and updated capital improvement plans.

DIRECTOR'S REPORT

Item 10: Director's Report – Steve Adams

Comments: Scott Dickmeyer and Roger Berg gave verbal updates on the fish kill incident. Dickmeyer mentioned that LWP is still not taking river water and that staff turned off the intake as soon as they heard about the incident. No river water entered out treatment plant. Currently, LWP is waiting for written confirmation to reopen the intake. Adams addressed the timing of communication to our customers. Staff made the proper decision to turn off the intake hours after the incident occurred LWP used caution and speaks to how seriously we take public health. Staff and board discussed the incident location. Roos asked if there have been problems in the past. Dickmeyer stated that generally, if anything, its just dirty and turbid water. LWP has an early warning turbidly monitoring system to watch for other issues.

INFORMATION ITEMS

Item 11: Electric Legislative Update – Kim O'Field This item and the attachment are intended to give a brief update on electric-related legislation at both the state and federal level. Loveland Water and Power works closely with Platte River Power Authority (PRPA) and its sister cities but relies primarily on the Colorado Association of Municipal Utilities (CAMU) for information on electric-related legislation.

Information item only. No action required.

Item 12: Water Legislative Update – Michelle Stalker This item and the attachments are intended to give a brief update on water-related legislation being contemplated by the Colorado General Assembly. Loveland Water and Power relies primarily on the Colorado Water Congress (CWC) for information on water-related legislation.

Information item only. No action required.

Item 13: Water Supply Update – Larry Howard Projection for raw water supply in 2016.

Information item only. No action required.

Item 14: Financial Report Update – Jim Lees This item summarizes the monthly and year-to-date preliminary financials for April 2016.

Information item only. No action required.

STAFF REPORT

Item 8: Redefining our Key Accounts Program – Gretchen Stanford and Tracey Hewson Our current Key Accounts program is based loosely on criteria developed from the 2004 American Public Power Association (APPA) Key Accounts Certification Program. Recently, Gretchen Stanford, Customer Relations Manager, and Tracey Hewson, Customer Relations Business Specialist, were certified through the new APPA Key Accounts Certification Program and would like to more effectively service our Key Accounts by applying metrics to our program and redefining levels of service.

Staff Report only. No action required.

LOVELAND UTILITIES COMMISSION

May 18, 2016 Minutes

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Comments: This item was addressed last in the meeting. Williams made the motion that the Loveland Utilities Commission go into executive session, as authorized under CRS Sections 24-6-402(4)(g) and CRS 24-72-204(3)(IV) to discuss Key Accounts and the confidential financial and commercial records of those businesses to discuss ways to categorize the confidential data (and (4)(b) if needed to receive legal advice from the City's Attorney's Office concerning what may constitute confidential commercial information.)

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

Recommendation: Leave executive session and adjourn the meeting.

Motion: Randy Williams made the motion.

Second: Dan Herlihey seconded the motion. The motion was approved unanimously.

The executive session and meeting was concluded at 8:04 pm.

ADJOURN The meeting was adjourned at 8:04 pm. The next LUC meeting will be on June 15, 2016 at 4:00 pm.

Respectfully submitted,

Allison Bohling
Recording Secretary
Loveland Utilities Commission



AGENDA ITEM: 1

MEETING DATE: 6/15/2016

SUBMITTED BY: Lindsey Bashline, Customer Relations Specialist

LMW

TITLE: Intergovernmental Agreement for Demand Side Management and Distributed Energy Resource Program Partnership

DESCRIPTION:

An Intergovernmental Agreement (IGA) for Demand Side Management (DSM) and Distributed Energy Resource (DER) Program Partnership has been mutually drafted by staff of Platte River and the Municipalities of Estes Park, Fort Collins, Longmont and Loveland.

SUMMARY:

The IGA replaces and expands on the existing Intergovernmental Agreement for Demand Side Management Program Partnership (Attachment A), which was executed by Platte River and the four Municipalities in 2014.

The new IGA (Attachment B) facilitates collaboration on DER program administered by Platte River with direction, support, and in some cases funding, by the Municipalities.

“Distributed energy resources” refers to energy resources located within or adjacent to the Municipalities’ distribution systems, which may include: 1) renewable resources like wind or solar; 2) non-renewable generation, such as reciprocating internal combustion engines and fuel cells; 3) combined heat and power; and 4) energy storage, such as batteries or flywheels.

Like the prior IGA, the new IGA includes provisions for the equitable distribution of Platte River funds among the Municipalities and contains provisions that allow the Municipalities to provide additional funds to expand program services within each respective Municipality.

Platte River-funded DER is intended to benefit all of the Municipalities, not just the Municipality that may host a DER system. Further, the DER is not intended to alter the Municipalities purchases under Tariff 1. Therefore, the new IGA contains provisions for adjustments to Tariff 1 charges for the Municipality that hosts the DER in the event that the DER alters the Municipality’s metered wholesale load. It also provides for the allocation among the Municipalities of costs and benefits due to the operation of DER. DER programs may result in system benefits, such as increased surplus sales, reduced fuel costs, and delayed or avoided generation and transmission costs. Costs may include energy consumption (in the case of energy storage systems) or distribution system costs (which may be partially offset by distribution system savings). The overall net benefit of the DER will be determined for each DER program and allocated to the

Municipalities. The allocation will be determined on a program-by- program basis. In general, the allocation would be equitably shared among the Municipalities for programs that are funded by Platte River, or in relation to each Municipality's funding contributions to the program costs for programs that are funded by the Municipalities.

The IGA also provides for the sharing of customer data with third-party DSM or DER vendors or contractors. This provision contemplates that there may be unique situations in which vendors may need access to customer information. In these instances, no data will be shared unless the affected Municipality approves and the vendor enters an agreement with Platte River to maintain customer data as confidential.

The IGA was presented to and unanimously approved by resolution at the Platte River Board of Directors Meeting on May 26, 2016.

RECOMMENDATION:

Adopt a motion recommending that City Council approve the Intergovernmental Agreement with Platte River Power Authority for Demand Side Management and Distributed Energy Resource Program Partnership

REVIEWED BY DIRECTOR:

AB for SA

ATTACHMENTS:

- **Attachment A:** 2014 Intergovernmental Agreement for Demand Side Management Program Partnership dated September 10, 2014
- **Attachment B:** Intergovernmental Agreement for Demand Side Management and Distributed Energy Resource Program Partnership

Attachment A

INTERGOVERNMENTAL AGREEMENT FOR DEMAND SIDE MANAGEMENT PROGRAM PARTNERSHIP

This Intergovernmental Agreement ("Agreement") is made this 10th day of Sept, 2014 by and between the TOWN OF ESTES PARK, a Colorado municipal corporation ("Estes Park"), the CITY OF FORT COLLINS, a Colorado municipal corporation ("Fort Collins"), the CITY OF LONGMONT, a Colorado municipal corporation ("Longmont"), the CITY OF LOVELAND, a Colorado municipal corporation ("Loveland"), and PLATTE RIVER POWER AUTHORITY, a political subdivision of the State of Colorado ("Platte River"), collectively referred to herein as the "Parties." When specificity is not required, the municipal corporations which are parties hereto will hereinafter be individually referred to as "Municipality," and collectively as "Municipalities."

WHEREAS, the Municipalities contracted with one another to establish Platte River as a separate legal entity and multi-purpose intergovernmental authority to provide the electric power and energy requirements of the Municipalities and to engage in related business activities including demand side management ("DSM"); and

WHEREAS, periodically Platte River develops Integrated Resource Plans that detail Platte River's plans and programs in the areas of generation and transmission, renewable energy, and energy efficiency, including DSM; and

WHEREAS, Platte River's DSM programs include those offered to the utility customers of the Municipalities, which programs are contracted for and funded by Platte River; and

WHEREAS, Platte River seeks to maintain an equitable distribution of DSM funds among the Municipalities; and

WHEREAS, the Parties intend to expand the scope of Platte River's current DSM programs, and desire to define certain terms and conditions related to program management as set forth in this Agreement; and

WHEREAS, the Parties are authorized, pursuant to C.R.S. § 29-1-203, to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.**

“Common Programs” shall mean DSM programs and related services which are developed by, contracted for, and funded by Platte River. Common Programs are offered by Platte River to the utility customers of the Municipalities, up to an amount equal to each Municipality’s Equity Share of Platte River’s DSM budget.

“Directive Funding” shall mean funding that is provided by a Municipality to procure DSM services that fall outside of those DSM services provided through the Common Programs.

“Equity Share” shall mean the pro rata share that each Municipality would receive of Platte River’s assets upon dissolution as provided in Section 2.8 of the Platte River Power Authority Organic Contract.

“Fiscal Year” shall mean with reference to any Municipality, the applicable fiscal year for such Municipality, in accordance with its individual budget and accounting practices.

“Supplemental Funding” shall mean funding that is provided by a Municipality to procure Common Programs services in excess of those provided by Platte River based upon the Municipality’s Equity Share.

2. **Supplemental Funding.** During any calendar year demand for Common Programs services within a Municipality may result in the full commitment of its Equity Share of Platte River’s DSM budget. Upon the request of a Municipality whose Equity Share of the DSM budget has been fully committed, Platte River shall continue to offer Common Programs within that Municipality; provided, however, that before Platte River commits such additional funding, the Municipality must issue a purchase order authorizing Supplemental Funding in the necessary amount. Supplemental Funding shall be from funds that have been appropriated and are available in the Municipality’s budget. Platte River shall invoice the Municipality under such purchase order when expenditures have exceeded its Equity Share of Platte River’s DSM budget. The Municipality shall pay Platte River within thirty days of invoice.
3. **Directive Funding.** Platte River or a Municipality may identify additional DSM programs or services not contemplated within the scope of the Common Programs. Platte River and the interested Municipality may decide to collaborate in offering these programs or services when they determine that such collaboration would result in the effective delivery of the programs or services to the Municipality’s utility customers. In these cases, Platte River will work closely with the Municipality’s designated staff to

establish a scope of work for the program or service as well as a budget containing sufficient funding to complete the scope of work. Prior to Platte River undertaking any Directive Funding activity, the Municipality must issue a purchase order authorizing an amount of expenditure from funds that have been appropriated and are available in the Municipality's budget. Platte River shall invoice the Municipality on a monthly basis, or at another agreed upon interval. The Municipality shall pay Platte River within thirty days of invoice.

4. **Term.** This Agreement will be effective upon execution by the Parties and will remain in effect until terminated.
5. **Termination.** A Municipality or Platte River may terminate its participation in this Agreement upon sixty (60) days written notice to the other Parties; provided, however, that any work commenced by Platte River under a purchase order issued by a Municipality prior to receipt of the written notice of termination will be completed by Platte River and reimbursed by the Municipality.
6. **Appropriation Required.** The financial obligations of the Municipalities under this Agreement are from year to year only and shall not constitute a multiple-fiscal year debt or other financial obligation or fiscal obligation of any kind payable in any Fiscal Year beyond the Fiscal Year for which funds are so appropriated for the payment of current expenditures.
7. **Designated Representatives.** The designated representatives for each of the Parties are as follows:

Platte River:

Paul Davis, Customer Services Manager
Platte River Power Authority
2000 East Horsetooth Road
Fort Collins, CO 80525
970-229-5370
Davisp@prpa.org

Estes Park:

Reuben Bergsten, Utility Director
Estes Park Light & Power
Estes Park Municipal Building
P.O. Box 1200
170 MacGregor Ave
Estes Park, Colorado 80517

Fort Collins:	John Phelan, Energy Services Manager Fort Collins Utilities 700 Wood St Fort Collins, CO 80522
Longmont:	Energy Services Manager Longmont Power & Communications 1100 S. Sherman St. Longmont, CO 80501 303-651-8727 Anne.Lutz@ci.longmont.co.us
Loveland:	Gretchen Stanford, Customer Relations Manager Loveland Water & Power 200 North Wilson Avenue Loveland, CO 80537 970-962-3550 Gretchen.Stanford@cityofloveland.org

A Municipality or Platte River must notify the other Parties in writing of any subsequent changes in appointed representative.

8. **Notices.** Any notice, demand, request, consent, approval, or communication that a Municipality or Platte River is required to give shall be in writing and either served personally or sent by first class mail, postage prepaid, or by fax or email, to the designated representative of the recipient at the address designated as set forth above, or as subsequently provided in writing.
9. **Confidential Customer Information.** To the extent required by Platte River (as an agent of the Municipalities) to perform the work required under this Agreement, a Municipality may provide Platte River with confidential utility customer information. Platte River agrees to keep such information confidential and shall not disclose such information, including to the other Municipalities, except as required by law. Platte River shall notify the Municipality prior to any such disclosure so that the Municipality may have an opportunity to take such legal action as it deems necessary to prevent the disclosure.
10. **Liability.** Each of the Parties hereto agrees to assume responsibility and liability associated with its own acts and the acts of its employees in the performance of this Agreement in accordance with Colorado law. By agreeing to this provision, neither

Platte River or the Municipalities waives or intends to waive, the limitations on liability which are provided to them under the Colorado Governmental Immunity Act, § 24-10-101 et seq., C.R.S., as amended.

11. **Entire Agreement.** This Agreement contains the entire agreement of the Parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the Parties.
12. **No Third Party Beneficiaries.** The Parties acknowledge and agree that this Agreement is intended to only document the relative rights and obligations between the Parties to one another, and that no third party beneficiaries are intended.
13. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Larimer, State of Colorado.
14. **Authority.** The Parties recognize the legal constraints imposed upon them by the constitutions, statutes, and regulations of the State of Colorado and of the United States, and imposed upon the Municipalities by their Charter or Municipal Code, and, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision in this Agreement to the contrary, in no event shall the Parties exercise any power or take any action which shall be prohibited by applicable law. This Agreement may be executed in separate counterparts, and the counterparts taken together shall constitute the whole of this Agreement.
15. **Superseded Agreements.** This Agreement supersedes and replaces the following agreements which are hereby terminated:

“Intergovernmental Agreement for Demand Side Management Program Funding” between the City of Loveland and Platte River, dated December 18, 2012.

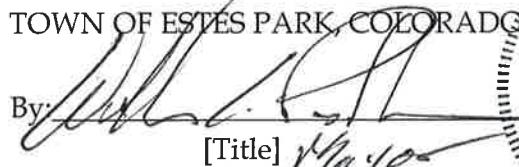
“Intergovernmental Agreement between the City of Longmont and the Platte River Power Authority Concerning Use of Longmont’s Electric Utility Customer Data,” dated January 10, 1995.

“Intergovernmental Agreement between the City of Longmont and the Platte River Power Authority Concerning Use of Longmont’s Electric Utility Customer Data,” dated May 30, 2002.

“Agreement” between Platte River Power Authority and the City of Longmont, dated April 8, 2005.

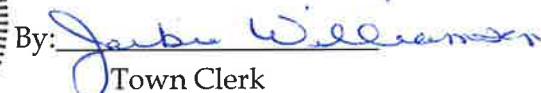
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

TOWN OF ESTES PARK, COLORADO

By: 
[Title] Mayor



ATTEST:

By: 
Town Clerk

CITY OF FORT COLLINS, COLORADO

By: 
Darin Atteberry, City Manager



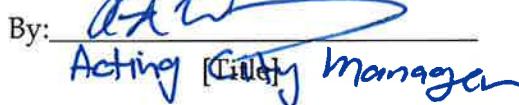
ATTEST:

By: 
City Clerk / Chief Deputy

APPROVED AS TO FORM:

By: 
Assistant City Attorney

CITY OF LOVELAND, COLORADO

By: 
Acting City Manager

ATTEST:

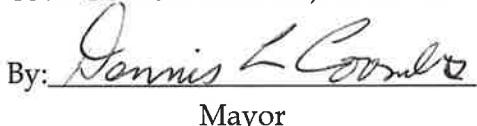
By: 
City Clerk



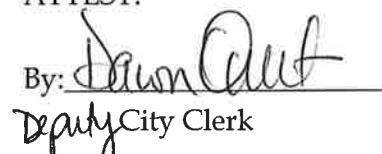
APPROVED AS TO FORM:

By: 
Assistant City Attorney

CITY OF LONGMONT, COLORADO

By: 
Mayor

ATTEST:

By: 
Deputy City Clerk



APPROVED AS TO FORM AND SUBSTANCE:

By: 
General Manager of Longmont Power & Communications

PROOFREAD:

K. Brunet

JSC PED

PLATTE RIVER POWER AUTHORITY

By: Jackie A. Sargent
Jackie Sargent, General Manager/CEO

APPROVED AS TO FORM:

MM

Assistant City Attorney

ATTEST:

By: Joseph Brink
Secretary

APPROVED AS TO FORM:

By: JMW 8/15/14
General Counsel



Attachment B

INTERGOVERNMENTAL AGREEMENT FOR DEMAND SIDE MANAGEMENT AND DISTRIBUTED ENERGY RESOURCE PROGRAM PARTNERSHIP

This Intergovernmental Agreement (“Agreement”) is made this _____ day of _____, 2016 by and between the TOWN OF ESTES PARK, a Colorado municipal corporation (“Estes Park”), the CITY OF FORT COLLINS, a Colorado municipal corporation (“Fort Collins”), the CITY OF LONGMONT, a Colorado municipal corporation (“Longmont”), the CITY OF LOVELAND, a Colorado municipal corporation (“Loveland”), and PLATTE RIVER POWER AUTHORITY, a political subdivision of the State of Colorado (“Platte River”), collectively referred to herein as the “Parties.” When specificity is not required, the municipal corporations which are parties hereto will hereinafter be individually referred to as “Municipality,” and collectively as “Municipalities.”

WHEREAS, the Municipalities contracted with one another to establish Platte River as a separate legal entity and multi-purpose intergovernmental authority to provide the electric power and energy requirements of the Municipalities and to engage in related business activities including demand side management (“DSM”) and renewable energy resources; and

WHEREAS, periodically Platte River develops Integrated Resource Plans that detail Platte River’s plans and programs in the areas of generation and transmission, renewable energy, and energy efficiency, including DSM; and

WHEREAS, Platte River desires to provide distributed energy resources (“DER”) to the Municipalities as an additional related business activity which may include, but is not limited to, renewable energy resources; and

WHEREAS, Platte River’s combined DSM and DER programs will include those offered to the utility customers of the Municipalities, which programs are contracted for and funded by Platte River; and

WHEREAS, Platte River seeks to maintain an equitable distribution of DSM and DER funds among the Municipalities; and

WHEREAS, the Parties intend to expand the scope of Platte River’s programs to include DER programs and desire to define certain terms and conditions related to program management as set forth in this Agreement; and

WHEREAS, the Parties are authorized, pursuant to C.R.S. § 29-1-203, to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.**

“Common Programs” shall mean DSM and DER programs and related services which are developed by, contracted for, and funded by Platte River. Common Programs are offered by Platte River to the utility customers of the Municipalities, up to an amount equal to each Municipality’s Equity Share of Platte River’s DSM and DER budgets.

“Directive Funding” shall mean funding that is provided by a Municipality to Platte River to procure DSM or DER services that fall outside of the Common Programs.

“Demand Side Management” shall mean energy efficiency, conservation, load management, and demand response programs or any combination of these programs.

“Distributed Energy Resource” shall mean an energy resource located within or adjacent to Platte River’s owner municipalities’ electric system and interconnected on the municipal utility’s side of the wholesale utility meter. Energy resources may include renewable generation from sources such as wind and solar; non-renewable generation from sources such as reciprocating internal combustion engines, micro-turbines, fuel cells, cogeneration and combined heat and power facilities; energy storage systems such as batteries, pumped hydro-storage, flywheels, and compressed air energy storage facilities; or any combination of these energy resources.

“Equity Share” shall mean the pro rata share that each Municipality would receive of Platte River’s assets upon dissolution as provided in Section 2.8 of the Platte River Power Authority Organic Contract.

“Fiscal Year” shall mean with reference to any Municipality, the applicable fiscal year for such Municipality, in accordance with its individual budget and accounting practices.

“Supplemental Funding” shall mean funding that is provided by a Municipality to procure Common Programs services in excess of those provided by Platte River based upon the Municipality’s Equity Share.

2. **Supplemental Funding.** During any calendar year demand for Common Program services within a Municipality may result in the full commitment of its Equity Share of Platte River’s DSM or DER budget. Upon the request of a Municipality whose Equity

Share of the DSM or DER budget has been fully committed, Platte River shall continue to offer Common Programs within that Municipality; provided, however, that before Platte River commits such additional funding, the Municipality must issue a purchase order authorizing Supplemental Funding in the necessary amount. Supplemental Funding shall be from funds that have been appropriated and are available in the Municipality's budget. Platte River shall invoice the Municipality under such purchase order when expenditures have exceeded its Equity Share of Platte River's DSM or DER budget. The Municipality shall pay Platte River within thirty days of invoice.

3. **Directive Funding.** Platte River or a Municipality may identify additional DSM and DER programs or services not contemplated within the scope of the Common Programs. Platte River and the interested Municipality may decide to collaborate in offering these programs or services when they determine that such collaboration would result in the effective delivery of the programs or services to the Municipality's utility customers. In these cases, Platte River will work closely with the Municipality's designated staff to establish a scope of work for the program or service as well as a budget containing sufficient funding to complete the scope of work. Prior to Platte River undertaking any Directive Funding activity, the Municipality must issue a purchase order authorizing an amount of expenditure from funds that have been appropriated and are available in the Municipality's budget. Platte River shall invoice the Municipality on a monthly basis, or at another agreed upon interval. The Municipality shall pay Platte River within thirty days of invoice.
4. **Scope of Agreement.** This Agreement shall apply only to DSM and DER that is procured by Platte River for the benefit of the Municipalities in accordance with the terms and conditions of this Agreement.
5. **Project Team.** Representatives of Platte River and the Municipalities will meet on an annual basis, and more often if necessary, to discuss and resolve any issues associated with implementation of this Agreement and to manage any programs undertaken through this Agreement. The nucleus of the Project Team will include a senior manager from the customer service departments of each party. Subject matter experts from each of the parties' organizations will also attend as appropriate.
6. **DER Tariff – Schedule 1: Firm Resale Power Service Adjustments.** The parties agree that DER installed under Common Programs or as a result of Directive Funding outside of Common Programs are not intended to alter the quantity of Tariff – Schedule 1: Firm Resale Power Service ("Tariff 1") furnished to a Municipality. Therefore, energy and power delivered by DER within a Municipality's distribution system, which has reduced the Municipality's purchases of Firm Resale Power (as defined in the Tariff), will be metered and added back into the Municipality's energy and demand, with appropriate

adjustment for distribution system losses, before computing Tariff 1 charges. Similarly, in the case of DER that consumes rather than provides energy or power, such as may occur due to electric storage losses or due to station service in excess of generation output from an idle generator, such energy or consumption will be metered and deducted from the Municipality's energy and demand, with adjustment for distribution system losses, before computing Tariff 1 charges. Platte River will work closely with designated Municipality staff to develop procedures for implementing the Tariff 1 adjustment for each DER program.

7. **DER Credits.** DER may provide benefits to Platte River's system, and may in some cases result in additional costs. Benefits may include increased surplus sales revenue, reduced market purchases, reduced fuel costs, avoided generation and transmission costs, avoided ancillary service costs, and avoided greenhouse gas or other emission costs. Costs may include reduced surplus sales, increased market purchases, increased fuel costs, increased ancillary services costs, and increased greenhouse gas or other emission costs. Platte River will work with Municipality staff to develop methods for tracking these costs and benefits. Costs and benefits may also include Host Utility Distribution System Costs and Benefits as defined below. The resulting net benefit (or net cost) will be allocated to each Municipality in proportion to its share of the DER providing the net benefit (or net cost). Platte River will work closely with designated Municipality staff to develop procedures for measuring DER benefits and costs, as well as for determining the allocation of benefits and costs among the Municipalities.
8. **Host Utility Distribution System Costs and Benefits.** DER installed under this Agreement may result in costs and benefits to the Municipality that hosts the DER ("Host Utility Distribution System Costs and Benefits"). Costs may include, but are not limited to, those associated with planning, design, permitting, procurement, and construction of distribution and communication system upgrades necessary for the installation and operation of the DER. Benefits may include, but are not limited to, deferred distribution costs, deferred maintenance costs, or improved reliability or resiliency.
9. **Term.** This Agreement will be effective upon execution by the Parties and will remain in effect until terminated.
10. **Termination.** A Municipality or Platte River may terminate its participation in this Agreement upon sixty (60) days written notice to the other Parties; provided, however, that any work commenced by Platte River under a purchase order issued by a Municipality prior to receipt of the written notice of termination will be completed by Platte River and reimbursed by the Municipality.

11. **Appropriation Required.** The financial obligations of the Municipalities under this Agreement are from year to year only and shall not constitute a multiple-fiscal year debt or other financial obligation or fiscal obligation of any kind payable in any Fiscal Year beyond the Fiscal Year for which funds are so appropriated for the payment of current expenditures.

12. **Designated Representatives.** The designated representatives for each of the Parties are as follows:

Platte River:

Paul Davis, Customer Services Manager
Platte River Power Authority
2000 East Horsetooth Road
Fort Collins, CO 80525
970-229-5370
Davisp@prpa.org

Estes Park:

Reuben Bergsten, Utility Director
Estes Park Light & Power
Estes Park Municipal Building
P.O. Box 1200
170 MacGregor Ave
Estes Park, Colorado 80517

Fort Collins:

John Phelan, Resource Conservation Manager
Fort Collins Utilities
700 Wood St
Fort Collins, CO 80522

Longmont:

Anne Lutz, Energy Services Manager
Longmont Power & Communications
1100 S. Sherman St.
Longmont, CO 80501
303-651-8727
Anne.Lutz@ci.longmont.co.us

Loveland:

Gretchen Stanford, Customer Relations Manager
Loveland Water & Power
200 North Wilson Avenue
Loveland, CO 80537
970-962-3550
Gretchen.Stanford@cityofloveland.org

A Municipality or Platte River must notify the other Parties in writing of any subsequent changes in appointed representative.

13. **Notices.** Any notice, demand, request, consent, approval, or communication that a Municipality or Platte River is required to give shall be in writing and either served personally or sent by first class mail, postage prepaid, or by fax or email, to the designated representative of the recipient at the address designated as set forth above, or as subsequently provided in writing.
14. **Confidential Customer Information.** To the extent required by Platte River (as an agent of the Municipalities) to perform the work required under this Agreement, a Municipality may provide Platte River with confidential utility customer information. Use of confidential customer information shall be limited to that necessary for implementation of DSM or DER programs. Platte River agrees to keep such information confidential and shall not disclose such information, including to the other Municipalities, except as required by law. Platte River shall notify the Municipality prior to any such disclosure so that the Municipality may have an opportunity to take such legal action as it deems necessary to prevent the disclosure.
15. **Third Party Agreements.** Platte River and designated Municipality staff may determine that DSM and DER programs may in some cases benefit from the use of vendors or contractors tasked with implementing portions of the programs. When this is the case, Platte River shall be responsible for engaging with vendors and contractors and ensuring agreements are fulfilled. The Parties hereto agree that Confidential Customer Data may be shared with the vendor or contractors provided that the third party enters into a form agreement with Platte River to maintain customer confidentiality; provided that the Municipalities' designated representative referenced above approves in writing the release of Customer Data and conditions associated therewith; and provided that use of Confidential Customer Information shall be limited to that necessary for the vendor's or contractor's scope of work associated with the DSM or DER program.
16. **Liability.** Each of the Parties hereto agrees to assume responsibility and liability associated with its own acts and the acts of its employees in the performance of this Agreement in accordance with Colorado law. By agreeing to this provision, neither Platte River or the Municipalities waives or intends to waive, the limitations on liability which are provided to them under the Colorado Governmental Immunity Act, § 24-10-101 et seq., C.R.S., as amended.
17. **Entire Agreement.** This Agreement contains the entire agreement of the Parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the Parties.

18. **No Third Party Beneficiaries.** The Parties acknowledge and agree that this Agreement is intended to only document the relative rights and obligations between the Parties to one another, and that no third party beneficiaries are intended.
19. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Larimer, State of Colorado.
20. **Authority.** The Parties recognize the legal constraints imposed upon them by the constitutions, statutes, and regulations of the State of Colorado and of the United States, and imposed upon the Municipalities by their Charter or Municipal Code, and, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision in this Agreement to the contrary, in no event shall the Parties exercise any power or take any action which shall be prohibited by applicable law. This Agreement may be executed in separate counterparts, and the counterparts taken together shall constitute the whole of this Agreement.
21. **Superseded Agreements.** This Agreement supersedes and replaces the following agreements which are hereby terminated:

"Intergovernmental Agreement for Demand Side Management Program Partnership" between the Town of Estes Park, the City of Fort Collins, the City of Longmont, and the City of Loveland, and Platte River Power Authority, dated September 10, 2014.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

PLATTE RIVER POWER AUTHORITY

ATTEST:

By: _____
Jackie Sargent, Chief Executive Officer

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
General Counsel

TOWN OF ESTES PARK, COLORADO

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

CITY OF FORT COLLINS, COLORADO

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

CITY OF LOVELAND, COLORADO

By: _____
Mayor

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

CITY OF LONGMONT, COLORADO

By: _____
Mayor

ATTEST:

By: _____
City Clerk

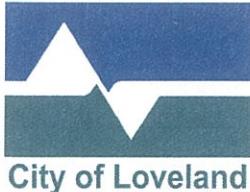
APPROVED AS TO FORM AND SUBSTANCE:

By: _____
General Manager of Longmont Power & Communications

PROOFREAD:

APPROVED AS TO FORM:

Assistant City Attorney



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: 2

MEETING DATE: 6/15/2016

SUBMITTED BY: Jim Lees, Utility Accounting Manager

M. f. JL

TITLE: Power Cost-of-Service Rate Study Update

DESCRIPTION:

The purpose of this item is to provide the LUC with an overview of the Power cost-of-service rate study and get recommendations from the Commission on rate design.

SUMMARY:

As a step in our 2016 cost-of-service rate study for Power, Staff will be seeking direction from the LUC at this month's meeting on key decisions that will need to be made with regard to rate design during the study. The rate study is now underway with our consultant, Utility Financial Solutions (UFS). A Kickoff Meeting was held on April 29, 2016 and great volumes of data have made their way to UFS. Staff really appreciated the attendance and participation of LUC Chair Gene Packer and Board Members Dave Schneider and Larry Roos at the Kickoff Meeting. Mark Beauchamp, President of UFS, will be with us today to give us an overview of what we will be looking to accomplish in the study and will lead us through the feedback process. The preliminary results from the study are still being developed at the time of this writing, but will be ready for presentation to the LUC at the meeting.

The key component that Staff is looking to the Commission to weigh in on is:

- Whether to implement full cost-of-service results for each customer class, regardless of what those rate increases or decreases might be, or put some limitations on how much each customer class will be adjusted for 2017

In the last cost-of-service rate study for Power in 2013, the overall rate increase necessary was 1.62%. The LUC made two key decisions at that time: 1) to implement the full 1.62% increase in 2014; and 2) to structure it so that the rate increases for each customer class would be no more than 1.62% + or - 3%. So, no increase for any customer class would be higher than 4.62%, and none would be lower than a decrease of 1.38%.

The primary pro and con of implementing full cost-of-service results are as follows:

PRO:

- Each customer class would be paying just what it should – there would be no subsidizing of costs between classes

CON:

- There is a potential, depending on the outcome of the cost of service, that some classes could have large adjustments to their current rates

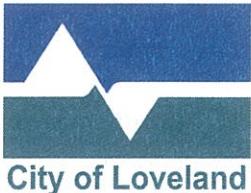
Staff recommends that implementing full cost-of-service results at least be explored for 2017, depending on the necessary rate increases for each customer class.

Mark will also be discussing trends and developments he is seeing in the electric utility industry.

RECOMMENDATION: Listen to the presentation and be ready to make a recommendation on rate design.

REVIEWED BY DIRECTOR:

SB 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: 6/15/2016
SUBMITTED BY: Jim Lees, Utility Accounting Manager

✓ for JL

TITLE: 2017 Budget

DESCRIPTION:

The purpose of this is to ask the LUC to adopt a motion recommending that City Council approve the proposed 2017 Water and Power budget.

SUMMARY:

The 2017 Water & Power budget process is nearly complete, and the information is assembled and will be submitted to the Budget Office on June 17, 2016. Attachment A is the 10-Year Financial Projections and Attachment B is the 10-Year Capital Plans for the three utilities. Loveland Utilities Commission (LUC) members Gene Packer and Dave Schneider participated in this year's budget review meetings, and we thank them for their time, interest and guidance. Today, the LUC will receive an update on the 2017 budget. Some of the highlights and challenges from this budget process are discussed below.

CHANGES IMPACTING ALL THREE UTILITIES

- **Staffing** – There is an increase of 3.5 full-time equivalent (FTE) positions proposed for 2017. The positions and modifications that are being proposed are:
 - 1) SCADA Programmer / Instrumentation & Control Specialist (increase of 1.00 FTE)
 - 2) Wastewater Treatment Plant D Operator (increase of 1.00 FTE)
 - 3) Water Quality Specialist – reclassification of position from Temporary < 20 hrs./wk. to full-time (increase of 1.00 FTE)
 - 4) Water Quality Specialist – reclassification of position from 30 hrs./wk. to full-time (increase of 0.25 FTE)
 - 5) Accounting Technician – reclassification of position from 20 hrs./wk. to 30 hrs./wk. (increase of 0.25 FTE)

In addition, in the Power Utility, there are two positions that have been reassigned in 2016 that will lead to an increase in the 2017 budget: a Pre-Apprentice Line Worker and an Apprentice Meter Technician have been exchanged for an Electrical Engineer and a Development Review Coordinator, respectively.

The addition and modifications of these positions will generate an increase in Personal Services expense of \$303,000. The \$303,000 increase breaks down as \$89,000 for Water, \$160,000 for Wastewater and \$54,000 for Power.

There also have been some deletions of temporary positions for 2017, which will result in a net decrease in Personal Services expense of approximately \$68,000. The \$68,000 decrease breaks down as a \$13,000 decrease for Water, a \$12,000 decrease for Wastewater and a \$43,000 decrease for Power.

- **Salaries** – A 3.25% salary increase has been built in for 2017, which will generate an overall increase in Personal Services of \$304,000. The \$304,000 increase breaks down as a \$100,000 increase for Water, a \$77,000 increase for Wastewater and a \$127,000 increase for Power.
- **Health Insurance Expense** – Health insurance expense went up 42% in 2017, which generated a total increase in the W&P budget of \$623,000. The breakdown by utility is that Water is up \$226,000, Wastewater is up \$169,000 and Power is up \$228,000.
- **Cost Allocation Expenses** – W&P's allocation of services rendered by other City departments is increasing significantly in 2017. After an extensive review by the internal service providers it was found that a larger portion of a given department's budget is being considered "billable" than what was previously assumed. The departments where this is seen includes Finance, IT, Facilities Management, Utility Billing and Meter Reading. The total increase in Cost Allocations is \$452,000. The breakdown of the increase by utility is that Water is up \$136,000, Wastewater is up \$103,000 and Power is up \$213,000.
- **Vehicle O&M Expenses** – The vehicle O&M expense that was received from the Budget office shows a decrease of \$34,000 for expenses in 2017 compared to 2016. One vehicle is being added to the Water & Power fleet – an SUV at the Water Treatment Plant. The department is replacing 2 vehicles in Water/Wastewater and 4 in Power. The breakdown of the O&M decrease by utility is that Water is up \$4,000, Wastewater is down \$12,000 and Power is down \$26,000.
- **General Liability Expense** – General Liability expense is down \$68,000 in 2017. General Liability is calculated partially based on the past five years of claims experience and 2015 was a low year for claims and 2010, the year that dropped, was higher. The breakdown by utility is that Water is up \$4,000, Wastewater is up \$1,000 and Power is down \$73,000.
- **Workers Compensation Expense** – Workers Compensation expense is up \$42,000 in 2017. Like General Liability, Workers Compensation is calculated partially based on the past five years of claims experience and 2015 was a relatively high year for claims and 2010, the year that dropped, was lower. The breakdown by utility is that Water is up \$19,000, Wastewater is up \$13,000 and Power is up \$10,000.

- **Transfers for Assets Funded by Multiple Utilities** – There is a large decrease in the amount of General Plant Capital purchases for equipment that is used by more than one utility, and some significant changes in the costs were allocated between the utilities. In total, 2017 is down from 2016 by \$142,000, and the breakdown by utility is that Water is up \$14,000, Wastewater is down \$71,000 and Power is down \$85,000.
- **Service Center Building Maintenance** – Funding is proposed in 2017 for two much-delayed maintenance projects in the Administrative Building. \$200,000 is budgeted for replacing the skylights along the main corridor of the building and \$25,000 is budgeted for replacing wall coverings in some areas. The breakdown by utility is that Water is up \$88,000, Wastewater is up \$52,000 and Power is up \$85,000.
- **1% For the Arts** – This is linked to the volume of capital activity in non-growth related projects, and this is down \$119,000 from 2016. The breakdown by utility is that Water is down \$54,000, Wastewater is down \$86,000 and Power is up \$21,000.

WATER

In accordance with the Water Rate Track and Financing Ordinance that was passed by City Council back in August of 2015, there is a 9% overall rate increase proposed for Water in 2017. The entirety of this increase will be to address aging infrastructure and operational needs.

In addition to the capital projects that are detailed in the Water 10-Year Capital Plan, key operating expense drivers (both increases and decreases) that are built into the 2017 budget include:

- **C-BT Facilities Contract – Increase of \$235,000:** This cost allows the City to use excess capacity in existing Colorado-Big Thompson Project facilities to divert the City's water rights into Green Ridge Glade Reservoir. If this contract were not in place, the City would have to build, maintain and operate a pump station, diverting water from the Big Thompson River into Green Ridge Glade Reservoir. The U.S. Bureau of Reclamation owns the facilities which deliver C-BT, Windy Gap, and Big Thompson River water to Green Ridge Glade reservoir. The City pays the U.S. Bureau of Reclamation for use of these facilities. There are two reasons the cost is higher: 1.) The City's "take or pay" minimum amount increased from 12,000 acre-feet to 14,000 acre-feet in 2017 in a contract that is phasing in over time; and 2.) The charges per acre-foot increased due to additional OM&R costs, partially related to the required repairs following the September 2013 flood.
- **Domestic Water Rights – Increase of \$50,000:** This increase would pay for engineering and legal work, expected to culminate with trial in 2017.
- **Repair & Maintenance of Water Resource-related Structures – Increase of \$50,000:** This amount will provide funds for general maintenance and repairs primarily to Green Ridge Glade Dam and Reservoir, as no budget currently exists specifically for that purpose. Instrumentation for the dam must be maintained, and problems such as erosion addressed when they occur.

- **Lawn Irrigation Return Flows (LIRFS) – Decrease of \$200,000:**
In 2016, the budget was increased by \$275,000 to pay for the majority of the engineering and legal work prior to filing a Water Court application. The work is also expected to extend into 2017 but at a smaller amount. The projected resulting decree will give the City the ability to claim credit for reusable return flows which accrue to the river from lawn irrigation. Our current decrees only address water returning to the river through the WWTP.
- **Water Resource General Legal and Engineering Services – Decrease of \$60,000:**
This decrease is due to a reapportionment of the City's legal and engineering capacity being spent on specific projects instead of general needs.
- **Water Treatment Plant Chemicals – Increase of \$150,000:** The WTP expansion project includes major changes to the chemicals used in our treatment process: 1) switching from gas chlorine to liquid (sodium hypochlorite) is 5 times the cost for disinfection, 2) chlorine dioxide generation will now require hydrochloric acid since we will no longer have chlorine available, 3) the new sand drying beds require polymer, 4) liquid fluoride is more expensive than the previously used powder form.
- **Replacement of 40 Motorola Radios – Increase of \$76,000 (Water's portion):** This is a one-time expense to replace our two-way radios. The current radios are 18 years old and have become obsolete.
- **Non-recurrence of 36" Steel Water Transmission Line Evaluation – Decrease of \$100,000:** This was a one-time expense to complete leak detection and condition assessment of the 36" transmission line west of town.
- **Debt Service for Water \$4 Million, 2-Year Internal Loan from Raw Water – Increase of \$4,000,000:** As part of the financing package for the Water Treatment Expansion Project, Water borrowed \$4,000,000 from Raw Water in the Spring of 2015 in order to maintain the Water fund balance at levels above the 15% of operating expenses target. This loan is scheduled to be paid back to Raw Water in 2017.
- **Debt Service for Water \$13.2 Million External Loans to Wells Fargo and NBH – Increase of \$720,000:** The full \$13.2 million will be drawn before the end of 2016, which will trigger this increase in the debt service payment for 2017.

CAPITAL

The capital program includes expenditures for 2017-2026 of \$117 million for Water and Raw Water. The biggest components of the \$117 million are: 1) \$33 million for engineering and construction of 7,000 acre-feet of storage at Chimney Hollow; 2) \$23 million of rehabilitation, replacement and oversizing projects for the water distribution system; and 3) \$22 million for the construction of two new water storage tanks. The enclosed 10-Year Financial Projection and 10-Year Capital Plan contain more detailed information.

BEYOND 2017

In the 10-Year Financial Projection, the 9% rate increase for 2017 is followed by two more consecutive rate increases of 9% per year, then three consecutive rate increases of 8% per year, capped off by four consecutive rate increases of 3.5% per year. This rate track is in accordance with the Council-approved Water Rate Track and Financing Ordinance from August of 2015. The current 10-year projection includes the assumption that existing customers (and new customers as they are added) will not be using more water in the future on a per customer basis than they are using right now. It assumes, in fact, that customers will be using 0.5% less water per year, and that decrease will continue year after year. In looking at our per customer usage trending over the past 5 years, the 0.5% decrease per customer is what we are seeing and believe will continue. Looking at the 10-year window, the Unrestricted fund balance stays positive in comparison to the 15% of operating expenses target throughout the ten-year window.

The bottom section of the 10 Year Financial Plan covers growth-related capital, which is funded by our System Impact Fees (SIF). The current 10-year projection shows the SIF balance staying positive throughout the ten-year timeframe.

WASTEWATER

In accordance with the Wastewater Rate Track and Financing Ordinance that was passed by City Council back in August of 2015, there is an overall average rate increase of 11% proposed for Wastewater in 2017. The 11% increase will be primarily to address aging infrastructure and regulatory compliance.

In addition to the capital projects that are detailed in the Wastewater 10-Year Capital Plan, key operating expense drivers (both increases and decreases) that are built into the 2017 budget include:

- **Investigative Study on Selenium Levels – Increase of \$150,000:** This is a one-time study related to a new requirement in our discharge permit.
- **Replacement Parts for U.V. Disinfection System and Headworks Odor Control Scrubber at Wastewater Treatment Plant - Increase of \$40,000:** These are periodic maintenance costs that are needed about every 5 years.
- **Replacement of 40 Motorola Radios – Increase of \$36,000 (Wastewater's portion):** see explanation under Water section
- **Debt Service for Wastewater \$24.9 Million External Loan – Increase of \$820,000:** The full \$24.9 million is assumed to be drawn before the end of 2016, which will trigger this debt service payment for 2017. This \$24.9 million is split up as \$16 million for the Unrestricted Fund and \$8.9 million for the SIF fund. So, the debt service on the SIF portion of the loan will be \$460,000, which is in addition to the \$820,000. There is hope that we may be able to secure a loan arrangement for Wastewater similar to the one we have for Water. The Water loan is like a line of credit, where we only draw on the loan when we need to pay invoices as engineering and construction occur.

CAPITAL

The capital program includes expenditures for 2017-2026 of \$81 million for Wastewater. The biggest components of the \$81 million are: 1) \$48 million of rehabilitation and expansion

projects for the WWTP; and 2) \$15 million for rehabilitation of wastewater lines. The enclosed 10-Year Financial Projection and 10-Year Capital Plan contain more detailed information.

BEYOND 2017

In the 10-Year Financial Projection, the 11% rate increase for 2017 is followed by two consecutive rate increases of 11% per year, then three consecutive rate increases of 7% per year, capped off by four consecutive years of 3.5% rate increases per year. This rate track is in accordance with the Council-approved Wastewater Rate Track and Financing Ordinance from August of 2015. The Unrestricted fund balance stays positive in comparison to the 15% of operating expenses target throughout the 10-year period, but is aided in 2016 by a \$16.0 million loan. The reason for the \$16.0 million loan in the Unrestricted fund is that there are major capital expenditures for regulatory-driven projects (nutrient removal, organic capacity and construction of a new digester) that need to be completed by 2022. These projects all became necessary in the timeframe shown due to state regulations that were passed back in December of 2012.

The bottom section of the 10 Year Financial Projection covers growth-related capital, which is funded by our System Impact Fees (SIF). The current Wastewater 10 Year Financial Projection shows the SIF balance stays positive throughout the ten-year window. The SIF fund balance is buoyed by an \$8.9 million loan in 2016. The comments about regulatory-driven projects in the previous paragraph also apply to the SIF funds.

POWER

A 6.5% across-the-board rate increase is currently proposed for the Power Utility in 2017.

NOTE: the rate increase for 2017 could change pending the results of this year's cost-of-service rate study. PRPA is planning on a 4% overall wholesale power rate increase in 2017, which, when passed through to customers, generates a 3.24% retail rate increase. In addition, Staff is recommending a 3.26% increase. This additional 3.26% increase is to help offset the combined impact of the increased costs for Health Insurance and Cost Allocations that were discussed earlier (a total of \$400,000 of additional expense annually for the Power Utility), to offset costs associated with the new solar project and the new Foothills Substation that will not be eligible for FEMA or State reimbursement (about \$3.3 million) and to address additional capital needs. So, the entire proposed rate increase for 2017 is $3.24\% + 3.26\% = 6.50\%$. The 4% wholesale rate increase is a figure that is subject to change by the PRPA Board – the proposed increase will first be presented to the Board at their August meeting, then formally presented for the Board's action at their December meeting.

In addition to the capital projects that are detailed in the Power 10-Year Capital Plan, key operating expense drivers (both increases and decreases) for 2017 are:

- **Non-recurrence of Construction of Road in Conjunction with New Substation off 29th Street – Decrease of \$1,500,000:** Last year, the Power Utility purchased a 52 acre tract of land off West 29th Street. A portion of this land is being used to construct the new solar project as well as the new Foothills Substation. An obligation that went with the purchase of the land is to pay for a road that will run north and south between West 22nd Street and West 29th Street. That expense will not recur in 2017. The updated cost estimate of this road is \$2.8 million.

- **Operations and Maintenance Costs for the New Solar Facility – Increase of \$90,000:** This is the estimated annual expense for the new solar facility and therefore is a new recurring expense.
- **Efficiency Works (EW) for Commercial Customers – Increase of \$90,000:** The success of the commercial energy efficiency projects is at an all-time high right now. In the first quarter 2016, we committed all of our funds to projects for the entire year. For the past four years, we have had the need to reach out to the Power Division for additional funding for EW projects. We are projecting 120 projects in 2017.

CAPITAL

The capital program includes expenditures for 2017-2026 of \$159 million for Power. The biggest components of the \$159 million are: 1) \$38 million of rehabilitation, replacement and reliability-driven (R,R & R) system improvement projects; 2) \$19 million for extension of an underground transmission line to serve a new substation in the southeast corner of our service territory; 3) \$13 million for expenditures associated with overhead to underground conversions; and 4) \$15 million for land acquisition and completing the construction of two new substations. The enclosed 10-Year Financial Projection and 10-Year Capital Plan contain more detailed information.

BEYOND 2017

Following 2017, the Power 10-Year Financial Projection is showing a rate increase of 4.83% in 2018 followed by 8 consecutive years of 3.03% per year. **NOTE: this rate track could change pending the results of this year's cost-of-service rate study.** Platte River Power Authority (PRPA) has projected 10 years of wholesale power rate increases, and following the 4% rate increase in 2017 are eight consecutive years of 2.5% increases. The primary drivers behind these projected wholesale rate increases are:

- O&M expense increases related to the Craig Unit 1 planned maintenance outage
- Solar generation facility costs
- Transmission expense increases for wind purchases
- Decreased market prices for surplus sales of energy
- Additional expenses related to carbon emissions and compliance with the EPA Clean Plan Regulation

These wholesale rate increases from PRPA have been taken into account in the retail rate increases for the 10-Year Financial Projection. PRPA will be quick to tell you that their projections could change, and change dramatically.

The Unrestricted Fund balance stays positive in comparison to the 15% of operating expenses target throughout the 10-year period.

The bottom section of the 10 Year Plan covers growth-related capital, which, for Power, is funded by our Plant Investment Fees (PIF). The PIF fund balance stays positive throughout the 10-year window, as well.

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

RECOMMENDATION:

Adopt a motion recommending that City Council approve the proposed 2017 Water and Power budget.

REVIEWED BY DIRECTOR:

AB FOR SA

ATTACHMENTS:

- **Attachment A:** 10-year Financial Forecast for Raw Water, Water, Wastewater and Power
- **Attachment B:** 10-year Capital Improvement Plans for Water, Wastewater and Power

Attachment A

LOVELAND WATER AND POWER
RAW WATER FUNDING
FINANCIAL FORECAST
2017-2026

	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	A Future Raw Water Prj's % Compounded
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	B Future Raw Water Prj's % growth/year
	0.75%	1.75%	2.13%	2.63%	2.88%	3.50%	4.00%	4.25%	4.38%	4.38%	4.38%	4.38%	C Interest on Investments
	0.00%	4.90%	4.80%	4.20%	4.60%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	D Inflation Rate on Water & Waste Specific Proj's
	1.21%	1.59%	1.73%	1.82%	1.91%	2.00%	2.08%	2.15%	2.22%	2.22%	2.28%	2.34%	E Growth from New Development
	9.00%	9.00%	9.00%	9.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	F Revenue Rate Change on Consumption
	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	G Consumption Inc/(Dec) per Customer
	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	H Payment in Lieu of Taxes (PILT)
	9.00%	9.00%	9.00%	9.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	I Revenue Rate Change on BASE Charge
	Preliminary												A B C D E F G H I
	Final 2015	Forecast 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	
1 BEGINNING BALANCE	\$15,951,065	\$12,917,289	\$12,558,903	\$16,435,168	(\$15,114,032)	(\$14,931,202)	(\$14,744,572)	(\$14,534,982)	(\$14,313,402)	(\$14,081,222)	(\$13,839,922)	(\$13,591,092)	
2 Hi-Use Surcharge	\$69,159	\$52,500	\$52,500	\$53,410	\$54,380	\$55,420	\$56,530	\$57,710	\$58,950	\$60,260	\$61,630	\$63,070	
3 Interest	35,987	174,720	234,900	367,930	0	0	0	0	0	0	0	0	Y
4 Wastewater Loan	0	0	0	0	0	0	0	0	0	0	0	0	
5 Water Loan Payments Received	0	67,000	4,050,375	0	0	0	0	0	0	0	0	0	
6 Transfer from General Funds	0	50,640	5,820	0	0	0	0	0	0	0	0	0	
7 Raw Water Devlpmnt Fees/Cap Rec Srchg	724,640	386,970	402,930	434,860	449,350	473,510	521,830	560,480	599,140	637,790	676,450	715,100	
8 Cash-in-Lieu	1,336,438	250,000	250,000	254,330	258,960	263,910	269,190	274,790	280,700	286,930	293,470	300,340	
9 Year End Cash Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	
10 Total Revenues	\$2,166,223	\$981,830	\$4,996,525	\$1,110,530	\$762,690	\$792,840	\$847,550	\$892,980	\$938,790	\$984,980	\$1,031,550	\$1,078,510	
11 Operating Expenses													
12 Windy Gap Annual Administration Fee	7,044	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	
13 Transfer to Restricted	0	0	0	0	0	0	0	0	0	0	0	0	
14 Loan to Water	4,000,000	0	0	0	0	0	0	0	0	0	0	0	
15 TOTAL OPERATING EXPENSES (excl depn)	\$4,007,044	\$7,100	\$7,100	\$7,100	\$7,100	\$7,100	\$7,100	\$7,100	\$7,100	\$7,100	\$7,100	\$7,100	
16 NET OPERATING REVENUE/(LOSS) (excl depn)	(\$1,840,820)	\$974,730	\$4,989,425	\$1,103,430	\$755,590	\$785,740	\$840,450	\$885,880	\$931,690	\$977,880	\$1,024,450	\$1,071,410	
17 FOOTNOTE: Depreciation Expense													
18 Capital Expenditures													
19 Windy Gap Firming (W038AA)	(92,955)	(1,118,956)	(483,760)	(32,102,950)	0	0	0	0	0	0	0	0	
20 Purchase CBT Water (W1014A)	(1,100,000)	(214,160)	(524,500)	(549,680)	(572,760)	(599,110)	(630,860)	(664,300)	(699,510)	(736,580)	(775,620)	(816,730)	
21 Future Water Court Transfer Actions	0	0	(104,900)	0	0	0	0	0	0	0	0	0	
22 Total Capital Expenditures	(\$1,192,955)	(\$1,333,116)	(\$1,113,160)	(\$32,652,630)	(\$572,760)	(\$599,110)	(\$630,860)	(\$664,300)	(\$699,510)	(\$736,580)	(\$775,620)	(\$816,730)	
23 Subtotal: Raw Water excl. Reserve Funds	\$12,917,289	\$12,558,903	\$16,435,168	(\$15,114,032)	(\$14,931,202)	(\$14,744,572)	(\$14,534,982)	(\$14,313,402)	(\$14,081,222)	(\$13,839,922)	(\$13,591,092)	(\$13,336,412)	
24 Reserve for Windy Gap Pmts													
25 Reserve Account for Windy Gap	\$2,496,244	\$1,700,281	\$864,051	\$879,171	\$10,097,851	\$9,812,921	\$9,545,041	\$9,329,121	\$9,152,281	\$8,991,251	\$8,834,621	\$8,671,131	
26 Transfer from Unrestricted	0	0	0	0	0	0	0	0	0	0	0	0	
27 Annual Payment	(827,502)	(848,980)	0	0	0	0	0	0	0	0	0	0	
28 External Loan Payment	0	0	0	0	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)	
29 External Loan Received	0	0	0	9,200,000	0	0	0	0	0	0	0	0	
30 Interest	31,539	12,750	15,120	18,680	265,070	282,120	334,080	373,160	388,970	393,370	386,510	379,360	
31 Windy Gap Reserve Balance	\$1,700,281	\$864,051	\$879,171	\$10,097,851	\$9,812,921	\$9,545,041	\$9,329,121	\$9,152,281	\$8,991,251	\$8,834,621	\$8,671,131	\$8,500,491	
32 Funding of Future Raw Water Projects Reserve													
33 Reserve Account for Future Projects	\$3,802,839	\$5,053,273	\$5,487,253	\$6,017,623	\$6,624,263	\$7,326,333	\$8,114,843	\$9,031,643	\$10,086,313	\$11,244,093	\$12,503,193	\$13,857,883	
34 Revenue Transfer from Water Rates	1,207,116	396,080	434,340	478,770	528,180	577,880	632,780	693,400	729,110	767,170	807,680	850,810	
35 Interest	43,318	37,900	96,030	127,870	173,890	210,630	284,020	361,270	428,670	491,930	547,010	606,280	
36 Funding of Future Raw Water Res Balance	\$5,053,273	\$5,487,253	\$6,017,623	\$6,624,263	\$7,326,333	\$8,114,843	\$9,031,643	\$10,086,313	\$11,244,093	\$12,503,193	\$13,857,883	\$15,314,973	
37 Native Raw Water Storage Fees Reserve													
38 Beginning Balance for Native Raw Water Storage Fee	\$1,540,407	\$1,587,226	\$1,604,126	\$1,637,196	\$1,677,076	\$1,726,276	\$1,781,186	\$1,848,916	\$1,928,376	\$2,015,956	\$2,109,896	\$2,208,076	
39 Native Raw Water Storage Fees Received	31,598	5,000	5,000	5,090	5,180	5,280	5,390	5,500	5,620	5,740	5,870	6,010	
40 Interest	15,221	11,900	28,070	34,790	44,020	49,630	62,340	73,960	81,960	88,200	92,310	96,600	
41 Native Raw Water Storage Fees Reserve Balance	\$1,587,226	\$1,604,126	\$1,637,196	\$1,677,076	\$1,726,276	\$1,781,186	\$1,848,916	\$1,928,376	\$2,015,956	\$2,109,896	\$2,208,076	\$2,310,686	
42 TOTAL AVAILABLE RAW WATER	\$21,258,069	\$20,514,333	\$24,969,158	\$3,285,158	\$3,934,328	\$4,696,498	\$5,674,698	\$6,853,568	\$8,170,078	\$9,607,788	\$11,145,998	\$12,789,738	

LOVELAND WATER AND POWER
WATER UTILITY
FINANCIAL FORECAST
2017 - 2026

	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	A Future Raw Water Prj's % Compounded
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	B Future Raw Water Prj's % growth/year
	0.75%	1.75%	2.13%	2.63%	2.88%	3.50%	4.00%	4.25%	4.38%	4.38%	4.38%	C Interest on Investments
	0.00%	4.90%	4.80%	4.20%	4.60%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	D Inflation Rate on Water & Waste Specific Proj's
	1.21%	1.59%	1.73%	1.82%	1.91%	2.00%	2.08%	2.15%	2.22%	2.28%	2.34%	E Growth from New Development
	9.00%	9.00%	9.00%	9.00%	8.00%	8.00%	8.00%	3.50%	3.50%	3.50%	3.50%	F Revenue Rate Change on Consumption
	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	G Consumption Inc/(Dec) per Customer
	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	H Payment in Lieu of Taxes (PILT)
	9.00%	9.00%	9.00%	9.00%	8.00%	8.00%	8.00%	3.50%	3.50%	3.50%	3.50%	I Revenue Rate Change on BASE Charge
	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	J General Inflation Rate

	Preliminary	Final 2015	Forecast 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	2017 to 2026 Total	A B C D E F G H I J						
Unrestricted Funds																					
1 BEG'G WORKING CASH BALANCE:	\$3,559,414	\$8,503,107	\$8,708,963	\$3,052,566	\$2,695,686	\$2,560,823	\$2,556,503	\$3,219,146	\$3,449,160	\$4,182,575	\$5,580,344	\$8,421,275									
REVENUES & SOURCES:																					
2 Water Sales	\$11,947,460	13,202,610	14,477,980	\$15,959,080	\$17,606,060	\$19,262,790	\$21,092,760	\$23,113,450	\$24,303,790	\$25,572,450	\$26,922,680	\$28,360,350	\$216,671,390	Y	Y	Y	Y	Y	Y	Y	Y
3 Raw Water Transfer Out	(\$1,207,116)	(396,080)	(434,340)	(478,770)	(528,180)	(577,880)	(632,780)	(693,400)	(729,110)	(767,170)	(807,680)	(850,810)	(\$6,500,120)								
4 Wholesale Sales	\$209,943	137,200	138,790	141,190	143,760	146,510	149,440	152,550	155,830	159,290	162,920	166,730	\$1,517,010								
5 Meter Sales	\$130,257	51,530	54,710	58,280	61,790	65,810	70,610	75,820	81,470	87,600	94,240	101,440	\$751,770								
6 Interest on Investments	\$48,115	88,560	152,410	64,870	70,760	73,620	89,480	128,770	146,590	182,990	244,140	368,430	\$1,522,060								
7 Hydrant Rental	\$91,541	74,180	81,720	90,490	100,280	110,220	121,240	133,460	141,000	149,070	157,690	166,900	\$1,252,070								
8 Other revenues	\$1,000,869	466,580	254,900	282,250	312,790	343,790	378,170	416,290	439,810	464,970	491,850	520,570	\$3,905,390								
9 Internal Loan Received	\$4,000,000	0	0	0	0	0	0	0	0	0	0	0	\$0								
10 External Loan Received	\$10,046,394	2,793,406	0	0	0	0	0	0	0	0	0	0	\$0								
11 General Fund Contribution	\$750,000	753,832	750,000	750,000	750,000	750,000	750,000	0	0	0	0	0	\$3,750,000								
12 CIRSA, FEMA, and NRCS Revenue	\$1,328,372	2,310,135	0	0	0	0	0	0	0	0	0	0	\$0								
13 Year-end cash adjustments	\$0	0	0	0	0	0	0	0	0	0	0	0	\$0								
14 TOTAL REVENUES	\$28,345,835	\$19,481,953	\$15,476,170	\$16,867,390	\$18,517,260	\$20,174,860	\$22,018,920	\$23,326,940	\$24,539,380	\$25,849,200	\$27,265,840	\$28,833,610	\$222,869,570								
15 OPERATING EXPENSES:																					
16 Source of Supply	2,461,415	\$3,304,491	2,944,445	3,047,500	3,154,160	3,264,560	3,378,820	3,497,080	3,619,480	3,746,160	3,877,280	4,012,980	\$34,542,465								
17 Treatment	2,176,399	2,535,732	2,900,866	3,052,580	3,214,980	3,388,910	3,575,300	3,774,800	3,988,080	4,216,200	4,459,900	4,720,360	\$37,291,976								
18 Treatment O&M Projects	0	0	75,200	947,640	45,820	0	0	132,860	0	0	0	0	\$1,201,520								
19 Distribution oper. & maint.	2,393,173	3,039,200	2,764,252	2,906,820	3,063,570	3,229,310	3,406,920	3,597,030	3,800,260	4,017,630	4,249,850	4,498,040	\$35,535,682								
20 Distribution O&M Projects	0	0	266,740	0	0	63,090	0	0	0	0	0	81,670	\$411,500								
21 Technical Services	730,986	852,003	849,206	893,620	941,160	992,080	1,046,640	1,105,040	1,167,470	1,234,250	1,305,590	1,381,840	\$10,916,896								
22 Customer Relations	243,543	339,276	371,442	384,440	397,900	411,830	426,240	441,160	456,600	472,580	489,120	506,240	\$4,357,552								
23 Customer Service/Meters	89,003	155,807	166,751	175,470	184,810	194,810	205,520	216,990	229,250	242,360	256,370	271,340	\$2,143,671								
24 Administrative	514,631	530,775	681,364	705,210	729,890	755,440	781,880	809,250	837,570	866,880	897,220	928,620	\$7,993,324								
25 Workers Comp & Gen'l Liability	0	112,350	135,530	140,270	145,180	150,260	155,520	160,960	166,590	172,420	178,450	184,700	\$1,589,880								
26 1% for Arts Transfer	74,805	61,019	50,480	34,070	48,330	56,000	58,070	72,780	73,510	72,500	61,020	97,010	\$623,770								
27 Internal Loan Payment (inc'l interest)	1,302,300	884,500	4,856,625	795,000	783,750	772,500	761,250	0	0	0	0	0	\$7,968,125								
28 External Loan Payment (inc'l interest)	186,115	292,151	1,013,988	1,015,150	1,015,685	1,015,593	1,014,885	1,013,527	1,011,542	1,013,929	1,010,529	1,011,502	\$10,136,330								
29 Payment in-lieu of taxes PILT	751,824	896,460	983,050	1,083,620	1,195,450	1,307,940	1,432,200	1,569,400	1,650,230	1,736,370	1,828,050	1,925,670	\$14,711,980								
30 Services rendered-other depts.	1,106,260	968,637	1,173,528	1,214,600	1,257,110	1,301,110	1,346,650	1,393,780	1,442,560	1,493,050	1,545,310	1,599,400	\$13,767,998								
31 TOTAL OPERATING EXP'S (excl depn)	12,030,454	\$13,972,401	\$19,233,467	\$16,397,990	\$16,177,795	\$16,840,343	\$17,652,985	\$17,784,657	\$18,443,142	\$19,284,329	\$20,158,689	\$21,219,372	\$183,192,770								
32 NET OPERAT'G REV/(LOSS) (excl depn)	16,315,381	\$5,509,552	(\$3,757,297)	\$469,400	\$2,339,465	\$3,334,517	\$4,365,935	\$5,542,283	\$6,096,238	\$6,564,871	\$7,107,151	\$7,614,238	\$39,676,800								
33 FOOTNOTE: Depreciation Expense	3,175,184	\$3,291,762	\$2,845,874	\$2,330,331	\$2,512,995	\$2,548,043	\$2,665,300	\$2,807,171	\$2,905,422	\$3,007,112	\$3,112,360	\$3,221,293	\$28,855,900								
34 CAPITAL EXPENDITURES	10,367,221	5,303,696	\$1,899,099	\$826,280	\$2,474,328	\$3,338,837	\$3,703,292	\$5,312,269	\$5,362,824	\$5,167,102	\$4,266,220	\$7,924,037	\$40,274,287								
35 NET CHANGE IN WRKG CASH BAL	5,948,160	\$205,856	(\$5,656,396)	(\$356,880)	(\$134,863)	(\$4,320)	\$662,643	\$230,014	\$733,415	\$1,397,769	\$2,840,931	(\$309,799)									
36 END'G WORKING CASH BALANCE	\$8,503,107	\$8,708,963	\$3,052,566	\$2,695,686	\$2,560,823	\$2,556,503	\$3,219,146	\$3,449,160	\$4,182,575	\$5,580,344	\$8,421,275	\$8,111,476									
37																					
38 Desired Balance (15% of Operat'g Exp's)	\$1,804,568	\$2,095,860	\$2,885,020	\$2,459,699	\$2,426,669	\$2,526,051	\$2,647,948	\$2,667,699	\$2,766,471	\$2,892,649	\$3,023,803	\$3,182,906									
39 Fav/(Unfa) to Desired Balance	\$6,698,539	\$6,613,102	\$167,546	\$235,988	\$134,154	\$30,452	\$571,198	\$781,462	\$1,416,103	\$2,687,694	\$5,397,471	\$4,928,570									
Restricted Funds (SIF)																					
40 BEG'G BALANCE-SYS IMPACT FEES	\$8,253,278	\$3,341,757	\$1,895,765	\$4,116,824	\$3,200,224	\$5,967,642	\$1,302,889	\$4,594,271	\$6,826,880	\$9,594,673	\$7,693,185	\$13,877,165									
41 SIF REVENUES																					
42 SIF Collections	2,802,613	1,808,880	2,599,930	2,985,570	3,354,230	3,775,590	4,232,190	4,726,590	5,261,500	5,839,840	6,464,700	6,780,050	\$46,020,190								
43 Capital Recovery Surcharge	112,707	103,950	103,430	102,910	101,890	101,380	100,870	100,370	99,870	99,370	98,870	\$1,011,360									
44 Developer Reimbursements	107,589	0	0	0	0	0	0	0	0	0	0	0	\$0								
45 CIRSA and FEMA Revenue	(588,39																				

2017 Wastewater 10 Year Budget - City Version

	1.68%	1.75%	2.13%	2.63%	2.88%	3.50%	4.00%	4.25%	4.38%	4.38%	4.38%		A	Interest on Investments	
	4.77%	4.90%	4.80%	4.20%	4.60%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%		B	Inflation Rate on Water & Waste Specific Proj's	
	1.53%	1.59%	1.73%	1.82%	1.91%	2.00%	2.08%	2.15%	2.22%	2.28%	2.34%		C	Growth from new Development	
	8.81%	11.00%	11.00%	11.00%	7.00%	7.00%	7.00%	3.50%	3.50%	3.50%	3.50%		D	Revenue Rate Change on Consumption	
	0.00%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%		E	Consumption Inc/(Dec) per Customer	
	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%		F	Payment in Lieu of Taxes (PILT)	
	8.81%	11.00%	11.00%	11.00%	7.00%	7.00%	7.00%	3.50%	3.50%	3.50%	3.50%		G	Revenue Rate Change on BASE	
		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		H	General Inflation Rate	
Preliminary Final 2015	Forecast 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	2017 to 2026 Total			
													A		
\$8,948,115	\$10,094,516	\$9,454,309	\$3,067,631	\$2,825,128	\$4,394,728	\$9,692,438	\$12,372,786	\$18,272,320	\$21,935,470	\$29,739,845	\$33,427,083	\$173,218,460			
9,057,418	\$10,142,610	11,325,240	\$12,710,320	\$14,416,230	\$15,628,630	\$16,957,060	\$18,411,980	\$19,360,200	\$20,370,800	\$21,446,380	\$22,591,620	\$3,853,370		Y	Y
399,783	358,330	360,690	365,130	369,950	375,170	380,800	386,820	393,200	399,960	407,080	414,570	\$5,765,100		Y	
90,139	103,760	165,450	65,190	74,160	126,350	339,240	494,910	776,570	959,680	1,301,120	1,462,430	\$1,889,720		Y	
\$78,165	97,160	70,090	71,300	72,600	148,300	1,124,750	77,040	78,700	80,450	82,280	84,210	\$0			
\$333,946	\$148,787	0	0	0	0	0	0	0	0	0	0	\$0			
0	16,000,000	0	0	0	0	0	0	0	0	0	0	\$0			
341,079	674,501	0	0	0	0	0	0	0	0	0	0	\$0			
0	0	0	0	0	0	0	0	0	0	0	0	\$0			
\$10,300,530	\$27,525,148	\$11,921,470	\$13,211,940	\$14,932,940	\$16,278,450	\$18,801,850	\$19,370,750	\$20,608,670	\$21,810,890	\$23,236,860	\$24,552,830	\$184,726,650			
\$2,511,272	3,600,906	\$3,266,497	\$3,437,330	\$3,620,200	\$3,816,050	\$4,025,930	\$4,250,580	\$4,490,740	\$4,747,610	\$5,022,020	\$5,315,310	\$41,992,267		Y	
0	0	235,500	98,940	152,350	0	0	0	0	0	0	0	486,790			Y
1,544,089	2,658,999	1,915,439	2,015,620	2,122,850	2,237,700	2,360,770	2,492,500	2,633,330	2,783,960	2,944,870	3,116,850	24,623,889		Y	
0	0	221,700	54,970	0	0	0	0	69,950	0	0	0	346,620		Y	
841,349	2,142	1,266,318	1,332,550	1,403,440	1,479,370	1,560,740	1,647,830	1,740,930	1,840,510	1,946,890	2,060,590	16,279,168		Y	
56,821	40,822	44,876	46,450	48,080	49,760	51,500	53,300	55,170	57,100	59,100	61,170	526,506		Y	
343,736	380,718	390,532	404,200	418,350	432,990	448,140	463,820	480,050	496,850	514,240	532,240	4,581,412			Y
122,000	90,590	104,698	108,360	112,150	116,080	120,140	124,340	128,690	133,190	137,850	142,670	1,228,168			Y
13,099	176,935	21,670	34,440	28,770	3,000	47,160	16,290	44,970	10,370	49,540	106,400	362,610			Y
662,004	735,070	818,020	915,280	1,035,030	1,120,270	1,213,650	1,315,920	1,382,740	1,453,950	1,529,740	1,610,430	12,395,030			Y
0	226,667	1,051,430	1,051,430	1,051,430	1,051,430	1,051,430	1,051,430	1,051,430	1,051,430	1,051,430	1,051,430	10,514,300			
522,047	432,634	528,831	517,420	535,530	554,270	573,670	593,750	614,530	636,040	658,300	681,340	5,893,681			Y
\$6,616,417	\$8,345,484	\$9,865,511	\$10,016,990	\$10,528,180	\$10,860,920	\$11,453,130	\$12,009,760	\$12,692,530	\$13,211,010	\$13,913,980	\$14,678,430	\$119,230,441			
\$3,684,113	\$19,179,664	\$2,055,959	\$3,194,950	\$4,404,760	\$5,417,530	\$7,348,720	\$7,360,990	\$7,916,140	\$8,599,880	\$9,322,880	\$9,874,400	\$65,496,209			
2,147,901	\$2,026,030	\$2,026,030	\$2,409,110	\$2,566,990	\$2,673,040	\$2,814,530	\$3,055,170	\$3,288,610	\$3,517,430	\$3,695,740	\$3,749,660	\$29,796,310			
2,561,246	\$19,819,871	\$8,442,637	\$3,437,453	\$2,835,160	\$119,820	\$4,668,372	\$1,461,456	\$4,252,990	\$795,505	\$5,635,643	\$11,373,726	\$43,022,762		Y	
\$1,122,867	(\$640,207)	(\$6,386,678)	(\$242,503)	\$1,569,600	\$5,297,710	\$2,680,348	\$5,899,534	\$3,663,150	\$7,804,375	\$3,687,238	(\$1,499,326)				
\$10,094,516	\$9,454,309	\$3,067,631	\$2,825,128	\$4,394,728	\$9,692,438	\$12,372,786	\$18,272,320	\$21,935,470	\$29,739,845	\$33,427,083	\$31,927,757				
\$992,463	\$1,251,823	\$1,479,827	\$1,502,549	\$1,579,227	\$1,629,138	\$1,717,970	\$1,801,464	\$1,903,880	\$1,981,652	\$2,087,097	\$2,201,765	\$96,285,176			
\$9,102,053	\$8,202,487	\$1,587,805	\$1,322,580	\$2,815,501	\$8,063,300	\$10,654,817	\$16,470,856	\$20,031,591	\$27,758,194	\$31,339,986	\$29,725,992				
\$6,688,963	\$8,190,570	\$7,698,748	\$4,968,196	\$263,029	\$2,150,830	\$4,345,591	\$6,070,954	\$3,269,540	\$6,593,141	\$9,736,637	\$12,880,070				
1,820,852	1,547,660	2,004,960	2,288,450	2,551,670	2,843,600	3,177,600	3,539,210	3,930,390	4,353,270	4,810,110	5,303,300	\$34,802,560			
71,500	108,410	134,730	105,570	6,900	61,840	152,100	242,840	138,960	288,450	425,980	563,500	\$2,120,870		Y	
0	8,900,000	0	0	0	0	0	0	0	0	0	0	\$0			
\$1,892,352	\$10,556,070	\$2,139,690	\$2,394,020	\$2,558,570	\$2,905,440	\$3,329,700	\$3,782,050	\$4,069,350	\$4,641,720	\$5,236,090	\$5,866,800	\$36,923,430			
390,745	10,949,788	4,285,383	6,455,617	85,910	125,820	1,015,688	5,945,464	160,890	905,995	1,042,428	10,849,394	\$30,872,589			
0	98,104	0	58,710	0	0	3,790	53,140	0	7,370	0	162,860	\$285,870			
0	0	0	0	0	0	0	0	0	0	465,370	6,942,170	\$7,407,540		Y	
0	0	584,859	584,859	584,859	584,859	584,859	584,859	584,859	584,859	584,859	584,859	\$5,848,593			
0	0	0	0	0	0	0	0	0	0	0	0	\$0			
390,745	11,047,892	4,870,242	7,099,186	670,769	710,679	1,604,337	6,583,463	745,749	1,498,224	2,092,657	18,539,283	\$44,414,591			
\$8,190,570	\$7,698,748	\$4,968,196	\$263,029	\$2,150,830	\$4,345,591	\$6,070,954	\$3,269,540	\$6,593,141	\$9,736,637	\$12,880,070	\$207,587				
\$18,285,086	\$17,153,057	\$8,035,827	\$3,088,158	\$6,545,559	\$14,038,029	\$18,443,740	\$21,541,861	\$28,528,612	\$39,476,482	\$46,307,153	\$32,135,344	\$40,651,153			
\$0	\$0	\$147,846	\$153,020	\$158,380	\$163,920	\$169,660	\$175,600	\$181,750	\$188,110	\$194,690	\$201,500				Y

LOVELAND WATER AND POWER
POWER UTILITY
FINANCIAL FORECAST - Contract version

2017-2026

	1.25%	1.75%	2.13%	2.63%	2.88%	3.50%	4.00%	4.25%	4.38%	4.38%	4.38%		A Interest on Investments
	0.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		B General Inflation Rate
	3.23%	3.92%	3.77%	3.42%	3.72%	3.81%	3.81%	3.81%	3.81%	3.81%	3.81%		C Inflation Rate on Power Utility Specific Exp's
	1.68%	1.94%	2.09%	2.23%	2.37%	2.49%	2.60%	2.71%	2.80%	2.88%	2.80%		D Growth from new Development
	0.00%	0.00%	-0.10%	-0.10%	-0.20%	-0.30%	-0.40%	-0.50%	-0.60%	-0.70%	-0.80%		E Energy (kWh) per Customer Increase/(Decrease)
	0.00%	0.00%	-0.10%	-0.10%	-0.20%	-0.30%	-0.40%	-0.50%	-0.60%	-0.70%	-0.80%		F Demand(kW) per Commercial Customer Inc/(Dec)
	2.00%	4.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%		G PRPA Wholesale Rate Change
	1.62%	3.24%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%		H₁ Retail Rate Change Due to PRPA Rate Change
	4.21%	3.26%	2.80%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%		H₂ Retail Rate Change Due to Dept Needs
	5.83%	6.50%	4.83%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%	3.03%		H Total Retail Revenue Rate Change
	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%		I Payment in Lieu of Taxes (PILT)
	3.37%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%		J Purch Pwr Avg Annual Demand (kW) Inc/(Dec)

	Preliminary 2015	Forecast 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	2017 to 2026 Total	A	B	C	D	E	F	G	H	I
Unrestricted Funds																						
1 BEGINNING WORKING CASH BALANCE:	\$20,934,083	\$21,359,528	\$13,132,202	\$9,565,773	\$10,039,569	\$10,666,429	\$10,921,540	\$15,389,546	\$21,883,049	\$13,154,455	\$19,765,657	\$21,533,380										
2 REVENUES & SOURCES:																						
3 Electric revenues	\$55,969,946	\$58,665,860	\$62,342,360	\$66,604,890	\$70,055,290	\$73,718,870	\$77,602,820	\$81,713,870	\$86,058,260	\$90,641,650	\$95,469,070	\$100,396,390	\$804,603,470				Y	Y	Y			Y
4 Wheeling charges	266,352	240,000	244,650	249,520	254,850	260,370	266,070	271,930	277,930	284,040	290,240	296,050	\$2,695,650				Y	Y	Y			
5 Interest on investments	267,882	256,680	229,810	203,270	263,540	306,660	382,250	615,580	930,030	575,510	864,750	942,090	\$5,313,490									
6 Aid-To-Construction deposits	989,647	1,530,000	1,830,000	1,587,670	1,856,580	1,925,620	1,999,030	2,075,230	2,154,340	2,236,460	2,321,720	2,410,220	\$20,396,870									
7 Customer deposits - Service Installations	334,281	260,000	310,000	321,680	332,680	345,050	358,220	371,870	386,030	400,760	416,030	431,890	\$3,674,210									
8 Other revenues	1,225,438	968,110	963,997	984,160	1,006,150	1,029,970	1,055,620	1,083,100	1,112,410	1,143,550	1,176,520	1,209,490	\$10,764,967									
9 FEMA and CIRSA Revenue	7,488	3,500,000	0	0	0	0	0	0	0	0	0	0	\$0									
10 Year-end cash adjustments	0	0	0	0	0	0	0	0	0	0	0	0	\$0									
11 TOTAL REVENUES	\$59,061,034	\$65,420,650	\$65,920,817	\$69,951,190	\$73,769,090	\$77,586,540	\$81,664,010	\$86,131,580	\$90,919,000	\$95,281,970	\$100,538,330	\$105,686,130	\$847,448,657									
12 OPERATING EXPENSES:																						
13 Hydro oper. & maint.	\$37,922	\$252,549	\$1,058,422	\$1,300,000	\$1,645,000	\$1,645,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,648,422				Y					
14 Solar Oper & Maint	0	0	90,000	93,150	96,410	99,780	103,270	106,880	110,620	114,490	118,500	122,650	\$1,055,750				Y					
15 Purchased power	40,629,266	42,673,764	43,470,597	45,431,630	47,546,140	49,784,290	52,149,160	54,643,490	57,269,640	60,029,570	62,924,780	65,858,450	\$539,107,747					Y	Y	Y	Y	Y
16 Distribution oper. & maint.	3,775,960	6,432,563	4,925,395	5,107,630	5,304,110	5,515,540	5,742,660	5,986,260	6,247,150	6,526,180	6,824,240	7,131,670	\$59,310,835				Y	Y				
17 Customer Relations	1,037,512	1,155,442	1,267,309	1,311,660	1,357,570	1,405,080	1,454,260	1,505,160	1,557,840	1,612,360	1,668,790	1,727,200	\$14,867,229				Y					
18 Administration	1,177,710	866,201	829,338	858,370	884,410	919,500	951,680	984,990	1,019,460	1,055,140	1,092,070	1,130,290	\$9,729,248				Y					
19 Workers Comp and Gen'l Liability	0	0	234,702	242,920	251,420	260,220	269,330	278,760	288,520	298,620	309,070	319,890	\$2,753,452				Y					
20 1% For the Arts Transfer	54,509	86,060	101,200	75,600	81,160	93,390	78,860	71,510	144,470	139,620	185,450	141,000	\$1,112,260				Y					
21 Payment in-lieu-of taxes PILT	3,886,434	4,120,990	4,363,970	4,662,340	4,903,870	5,160,320	5,432,200	5,719,970	6,024,080	6,344,920	6,682,830	7,027,750	\$56,322,250									Y
22 Services rendered-other depts.	2,307,286	2,184,721	2,141,963	2,243,034	2,321,540	2,402,790	2,486,890	2,573,930	2,664,020	2,757,260	2,853,760	2,953,640	\$25,398,827				Y					
23 TOTAL OPERATING EXPENSES (excl depn)	\$52,906,600	\$57,772,290	\$58,482,896	\$61,326,334	\$64,395,630	\$67,285,910	\$68,668,310	\$71,870,950	\$75,325,800	\$78,878,160	\$82,659,4											

Attachment B 2017 Water 10 Year Capital Budget - For City

2017 Water 10 Year Capital Budget - For City

2017 Water 10 Year Capital Budget - For City

2017 Water 10 Year Capital Budget - For City

2017 Wastewater 10 Year Capital - For City

2017 Wastewater 10 Year Capital - For City

2017 Wastewater 10 Year Capital - For City

Proj #	Design/SDC or Construct	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	5-Year Total (2017-2021)	10-Year Total (2017-2026)	General Unrestricted	SIF - Restricted	General Unrestricted - 5 Year	SIF - Restricted - 5 Year	General Unrestricted - 10 Year	SIF - Restricted - 10 Year
WASTEWATER LINE REPLACEMENT O&M TOTAL		0	\$221,700	\$54,970	\$0	\$0	\$0	\$0	\$69,950	\$0	\$0	\$276,670	\$346,620						
		0																	
WASTEWATER TREATMENT PLANT O&M		0																	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Utility Plan Update	N/A	0	0	0	0	122,910	0	0	0	0	0	0	0	0	122,910	122,910			
NPDES WWTP Permit Application	N/A	0	0	0	0	29,440	0	0	0	0	0	0	0	0	29,440	29,440			
Security Upgrades at WWTP	N/A	0	0	98,940	0	0	0	0	0	0	0	0	0	0	98,940	98,940			
Replace Probes in Headworks Ondor Control Scrubber (WWTP)	N/A	0	6,300	0	0	0	0	0	0	0	0	0	0	0	6,300	6,300			
Moisture Balance for faster Total Solids (TS)	N/A	0	6,000	0	0	0	0	0	0	0	0	0	0	0	6,000	6,000			
Motorola Radios (WWTP)	N/A	0	5,600	0	0	0	0	0	0	0	0	0	0	0	5,600	5,600			
Selenium Levels Study (WWTP)	N/A	0	150,000	0	0	0	0	0	0	0	0	0	0	0	150,000	150,000			
Replace T12 Fluorescent Bulbs with LED Bulbs	N/A	0	38,000	0	0	0	0	0	0	0	0	0	0	0	38,000	38,000			
New Ethernet Switches for the existing WWTP PLC	N/A	0	24,000	0	0	0	0	0	0	0	0	0	0	0	24,000	24,000			
Motorola Radios (Tech Services)	N/A	0	5,600	0	0	0	0	0	0	0	0	0	0	0	5,600	5,600			
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
WASTEWATER TREATMENT PLANT O&M TOTAL		\$235,500	\$98,940	\$152,350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$486,790	\$486,790						

Power 2017-2026 Ten Year Plan for City

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	Project	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	5-Year Total (2017-2021)	10-Year Total (2017-2026)	General Unrestricted	SIF - Restricted	General Unrestricted - 5 year	PIF - Restricted - 5 year	General Unrestricted - 10 year	PIF - Restricted - 10 year
2	CAPITAL BLANKETS																		
3	Hydro Generation	0	0	0	0	0	0	0	0	0	0	0	0	100%	0%	\$0	\$0	\$0	
4	Overhead Distribution Lines	25,000	25,940	26,830	27,830	28,890	29,990	31,130	32,320	33,550	34,830	134,490	296,310	100%	0%	\$134,490	\$0	\$296,310	
5	Underground Distribution Lines	70,000	72,640	75,120	77,920	80,890	83,970	87,170	90,490	93,940	97,520	376,570	829,660	100%	0%	\$376,570	\$0	\$829,660	
6	Meter purchases/installs/upgrades	150,000	155,650	160,980	166,960	173,330	179,930	186,790	193,910	201,310	208,980	806,920	1,777,840	100%	0%	\$806,920	\$0	\$1,777,840	
7	Distribution transformers-non ATC	75,000	77,830	80,490	83,480	86,660	89,970	93,400	96,960	100,650	104,490	403,460	888,930	100%	0%	\$403,460	\$0	\$888,930	
8	Substation	0	0	0	0	0	0	0	0	0	0	0	0	100%	0%	\$0	\$0	\$0	
9	Street lights & Yard lights	70,000	72,640	75,120	77,920	80,890	83,970	87,170	90,490	93,940	97,520	376,570	829,660	100%	0%	\$376,570	\$0	\$829,660	
10	Overhead Service installations/upgrades	10,000	10,380	10,730	11,130	11,560	12,000	12,450	12,930	13,420	13,930	53,800	118,530	100%	0%	\$53,800	\$0	\$118,530	
11	Underground Service installations/upgrades	250,000	259,420	268,290	278,270	288,880	299,890	311,320	323,190	335,510	348,300	1,344,860	2,963,070	100%	0%	\$1,344,860	\$0	\$2,963,070	
12	Temporary Service installations	50,000	51,880	53,660	55,650	57,780	59,980	62,260	64,640	67,100	69,660	268,970	592,610	100%	0%	\$268,970	\$0	\$592,610	
13	CAPITAL BLANKETS TOTAL	700,000	726,380	751,220	779,160	808,880	839,700	871,690	904,930	939,420	975,230	3,765,640	8,296,610		3,765,640	0	8,296,610	0	
14																	0	0	
15	GENERAL (UNRESTRICTED) TOTAL =	700,000	726,380	751,220	779,160	808,880	839,700	871,690	904,930	939,420	975,230	3,765,640	8,296,610						
16	PIF (RESTRICTED) TOTAL =	0	0	0	0	0	0	0	0	0	0	0	0						
17		0	0	0	0	0	0	0	0	0	0	0	0						
18	SPECIFIC PROJECTS																		
19	HYDRO GENERATION	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	\$0	\$0	\$0	
20		0	0	0	0	0	0	0	0	0	0	0	0	100%	0%	\$0	\$0	\$0	
21	SUBSTATION	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	\$0	\$0	\$0	
22	Security gates and fences at Substations	500,000	518,850	536,580	556,539	577,755	599,779	622,642	0	0	0	2,689,724	3,912,144	100%	0%	\$2,689,720	\$0	\$3,912,140	
23	Installation of annunciators at substations	75,000	77,830	0	0	0	0	0	0	0	0	152,830	152,830	100%	0%	\$152,830	\$0	\$152,830	
24	Relay Replacements at Substations	225,000	233,480	241,460	0	0	0	0	0	0	0	699,940	699,940	100%	0%	\$699,940	\$0	\$699,940	
25	East Substation - Order & install new transformer to replace E1	0	0	0	0	1,113,080	0	0	0	0	0	1,113,080	1,113,080	100%	0%	\$1,113,080	\$0	\$1,113,080	
26	Foothills Substation - Order & install F3 & F4 transformers	0	0	0	0	0	0	0	0	0	0	6,039,150	0	0	0%	\$0	\$0	\$6,039,150	
27	Extend new feeders for PRPA community solar garden from new Boedecker substation into system	250,000	0	0	0	0	0	0	0	0	0	250,000	250,000	100%	0%	\$250,000	\$0	\$250,000	
28	Extention of underground transmission to serve new substation in SE corner of service territory	0	0	0	0	0	0	14,154,070	0	0	5,224,472	0	19,378,542	100%	0%	\$0	\$0	\$19,378,540	
29	CUSTOMER ATC	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	\$0	\$0	\$0	
30	Transformers	270,000	280,180	289,760	300,530	311,990	323,880	336,230	349,040	362,350	376,160	1,452,460	3,200,120	100%	0%	\$1,452,460	\$0	\$3,200,120	
31	Labor/Fleet & Other Materials	1,260,000	1,307,490	1,566,820	1,625,090	1,687,040	1,751,350	1,818,110	1,887,420	1,959,370	2,034,060	7,446,440	16,896,750	100%	0%	\$7,446,440	\$0	\$16,896,750	
32	Flood Related Hwy 34 Road Rebuild (CDOT Reimbursable)	300,000	0	0	0	0	0	0	0	0	0	300,000	300,000	100%	0%	\$300,000	\$0	\$300,000	
33	SYSTEM IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	\$0	\$0	\$0	
34	Underground blanket:development driven construction of lateral feeder extentionts as required to meet new load requirements	150,000	155,650	214,630	278,270	288,880	299,890	311,320	323,190	335,510	348,300	1,087,430	2,705,640	100%	0%	\$1,087,430	\$0	\$2,705,640	
35	Demand Response	150,000	155,650	160,980	166,960	173,330	179,930	186,790	193,910	201,310	208,980	806,920	1,777,840	100%	0%	\$806,920	\$0	\$1,777,840	
36	Smaller Aging Infrastructure Replacement Projects	375,000	389,130	402,440	417,400	433,320	449,830	466,980	484,780	503,260	522,450	2,017,290	4,444,590	100%	0%	\$2,017,290	\$0	\$4,444,590	
37	Distribution Automation	110,000	114,150	118,050	122,440	127,110	131,950	136,980	142,200	147,620	153,250	591,750	1,303,750	100%	0%	\$591,750	\$0	\$1,303,750	
38	Planned Future Projects - General	0	0	0	1,836,580	1,733,260	1,811,330	2,864,150	4,072,180	3,623,490	3,761,620	3,569,840	19,702,610	100%	0%	\$3,569,840	\$0	\$19,702,610	
39	Energy Diversification Projects	300,000	311,310	321,950	333,920	346,650	599,779	622,642	646,377	671,017	696,596	1,613,830	4,850,241	100%	0%	\$1,613,830	\$0	\$4,850,240	
40	Triple Stack on ckt 614 - Sub to Sub Tie with Crossroads 2	100,000	0	0	0	0	0	0	0	0	0	100,000	100,000	100%	0%	\$100,000	\$0	\$100,000	
41	1 - Install 600 amp tie from Cascade west along Hwy 34, turning south on Rossum to Saint Andrews	500,000	0	0	0	0	0	0	0	0	0	500,000	500,000	100%	0%	\$			

Power 2017-2026 Ten Year Plan for City

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	
1	Project	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	5-Year Total (2017-2021)	10-Year Total (2017-2026)	General Unrestricted	SIF - Restricted	General Unrestricted - 5 year	PIF - Restricted - 5 year	General Unrestricted - 10 year	PIF - Restricted - 10 year	
52	11 - Overhead to underground conversion (circuit 411) along S. Taft from 20th St. SW to 23rd St. SW.	0	0	0	44,520	820,410	0	0	0	0	0	864,930	864,930	100%	0%	\$864,930	\$0	\$864,930	\$0	
53	12 - Overhead to underground conversion along RR track N of 10th between RR Ave & Madison Ave - 200 amp & 600 amp	1,400,000	0	0	0	0	0	0	0	0	0	1,400,000	1,400,000	100%	0%	\$1,400,000	\$0	\$1,400,000	\$0	
54	13 - Overhead to underground conversion (circuit 411) on railroad right of way from Taft to Grant	0	0	0	612,190	0	0	0	0	0	0	612,190	612,190	100%	0%	\$612,190	\$0	\$612,190	\$0	
55	14 - Overhead to underground conversion along 14th St. SW between Roosevelt & S. Taft Ave.	0	20,750	622,440	0	0	0	0	0	0	0	643,190	643,190	100%	0%	\$643,190	\$0	\$643,190	\$0	
56	15 - Overhead to underground conversion along 14th St. SE from St. Louis going .26 miles east	0	0	10,730	434,100	0	0	0	0	0	0	444,830	444,830	100%	0%	\$444,830	\$0	\$444,830	\$0	
57	16 - Overhead to underground conversion along Madison between 16th & SW257 along ckt 231	0	0	0	0	0	59,980	1,183,020	0	0	0	1,243,000	1,243,000	100%	0%	\$0	\$0	\$1,243,000	\$0	
58	17 - Overhead to underground conversion along Madison between 29th and vault 1023 - 200 amp	0	0	0	0	0	0	0	12,930	523,390	0	0	536,320	536,320	100%	0%	\$0	\$0	\$536,320	\$0
59	18 - Overhead to underground conversion - Downtown Catalyst	1,400,000	1,006,560	0	0	0	0	0	0	0	0	2,406,560	2,406,560	100%	0%	\$2,406,560	\$0	\$2,406,560	\$0	
60	ROAD RELATED PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	\$0	\$0	\$0	\$0
61	Miscellaneous Small Projects	100,000	103,770	107,320	278,270	288,880	299,890	311,320	323,190	335,510	348,300	878,240	2,496,450	100%	0%	\$878,240	\$0	\$2,496,450	\$0	
62	19 - Reconduct or 921 on N Taft Ave from railroad right of way to Eisenhower	0	0	504,660	0	0	0	0	0	0	0	504,660	504,660	100%	0%	\$504,660	\$0	\$504,660	\$0	
63	20 - Extension of 600 amp from 14th St SW to Hwy 60 along Hwy 287	1,100,000	0	0	0	0	0	0	0	0	0	1,100,000	1,100,000	100%	0%	\$1,100,000	\$0	\$1,100,000	\$0	
64	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100%	0%	\$0	\$0	\$0	\$0
65	STREET LIGHT PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	\$0	\$0	\$0	\$0
66	Arterials/Major Collectors	150,000	155,650	160,980	166,960	173,330	179,930	186,790	193,910	201,310	208,980	806,920	1,777,840	100%	0%	\$806,920	\$0	\$1,777,840	\$0	
67	Customer requests/Miscellaneous projects/LED Installation Program	200,000	207,540	214,630	222,620	231,100	239,910	249,060	258,550	268,410	278,640	1,075,890	2,370,460	100%	0%	\$1,075,890	\$0	\$2,370,460	\$0	
68	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	\$0	\$0	\$0	\$0
69	TOTAL SPECIFIC PROJECTS	9,715,000	7,424,680	7,995,380	9,266,359	7,718,815	6,927,427	23,450,104	8,887,677	15,171,697	14,161,808	42,120,234	110,718,947			42,120,230	0	110,718,940	0	
70																	0	0		
71	HYDRO GENERATION (GENERAL) =	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
72	SUBSTATION (GENERAL) =	1,050,000	830,160	778,040	1,669,619	577,755	599,779	14,776,712	0	6,039,150	5,224,472	4,905,574	31,545,686							
73	CUSTOMER ATC (GENERAL) =	1,830,000	1,587,670	1,856,580	1,925,620	1,999,030	2,075,230	2,154,340	2,236,460	2,321,720	2,410,220	9,198,900	20,396,870							
74	SYSTEM IMPROVEMENTS (GENERAL) =	2,455,000	2,962,600	1,218,050	3,155,570	3,102,550	3,472,709	4,588,862	5,862,637	5,482,207	5,691,196	12,893,770	37,991,381							
75	CONVERSIONS (GENERAL) =	2,830,000	1,577,290	3,155,120	1,847,700	1,346,170	59,980	1,183,020	12,930	523,390	0	10,756,280	12,535,600							
76	ROAD RELATED PROJECTS (GENERAL) =	1,200,000	103,770	611,980	278,270	288,880	299,890	311,320	323,190	335,510	348,300	2,482,900	4,101,110							
77	STREET LIGHT PROJECTS (GENERAL) =	350,000	363,190	375,610	389,580	404,430	419,840	435,850	452,460	469,720	487,620	1,882,810	4,148,300							
78		0	0	0	0	0	0	0	0	0	0	0	0	0						

Power 2017-2026 Ten Year Plan for City

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	Project	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	5-Year Total (2017-2021)	10-Year Total (2017-2026)	General Unrestricted	SIF - Restricted	General Unrestricted - 5 year	PIF - Restricted - 5 year	General Unrestricted - 10 year	PIF - Restricted - 10 year
79	PLANT INVESTMENT FEE PROJECTS																		
80	SUBSTATION PIF PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0
81	Valley Substation - Order new transformer - V3	0	0	0	1,113,080	0	0	0	0	0	0	1,113,080	1,113,080	0%	100%	\$0	\$1,113,080	\$0	\$1,113,080
82	Valley Substation - Order new switchgear lineup for V3	0	0	0	834,810	0	0	0	0	0	0	834,810	834,810	0%	100%	\$0	\$834,810	\$0	\$834,810
83	Valley Substation - Install new switchgear lineup & transformer for V3	0	0	0	0	577,750	0	0	0	0	0	577,750	577,750	0%	100%	\$0	\$577,750	\$0	\$577,750
84	East Substation - Order new switchgear lineup for E3	750,000	0	0	0	0	0	0	0	0	0	750,000	750,000	0%	100%	\$0	\$750,000	\$0	\$750,000
85	East Substation - Install new switchgear lineup for E3	0	518,850	0	0	0	0	0	0	0	0	518,850	518,850	0%	100%	\$0	\$518,850	\$0	\$518,850
86	New Substation in SE corner of service territory	0	0	0	0	0	0	7,983,000	0	0	0	7,983,000	0%	100%	\$0	\$0	\$0	\$7,983,000	
87	New Substation in SW corner of City near Boedecker Lake	0	0	0	0	0	0	0	0	0	0	5,007,240	0	0	0	\$0	\$0	\$0	\$5,007,240
88	Land purchase for new substation	1,700,000	0	0	0	0	0	0	0	0	0	1,700,000	1,700,000	0%	100%	\$0	\$1,700,000	\$0	\$1,700,000
89	Foothills Substation - Order and Install new transformer - F2	0	0	1,395,120	0	0	0	0	0	0	0	1,395,120	1,395,120	0%	100%	\$0	\$1,395,120	\$0	\$1,395,120
90	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	
91	FEEDER PIF PROJECTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	
92	Blanket-development driven construction of miscellaneous primary feeder extinctions as required to meet new load requirements	150,000	55,650	260,980	166,960	173,330	179,930	186,790	193,910	201,310	208,980	806,920	1,777,840	0%	100%	\$0	\$806,920	\$0	\$1,777,840
93	21 - Feeder from Horseshoe to Woodward/Lee Farms Subdivision	1,500,000	1,556,540	0	0	0	0	0	0	0	0	3,056,540	3,056,540	0%	100%	\$0	\$3,056,540	\$0	\$3,056,540
94	22 - Install conduits from Byrd Dr to I25 Frontage Rd, connecting at Kendall Pkwy	0	0	0	1,001,770	0	0	0	0	0	0	1,001,770	1,001,770	0%	100%	\$0	\$1,001,770	\$0	\$1,001,770
95	23 - Install 750 AL from MCR to Kendall Pkwy & I25 - sub to sub tie between Crossroads and Airport	800,000	0	0	0	0	0	0	0	0	0	800,000	800,000	0%	100%	\$0	\$800,000	\$0	\$800,000
96	24 - Sub to Sub Tie - Install new conduit bank and 750 AL from Garfield to CR 11	0	0	0	0	0	0	996,230	0	0	0	0	996,230	0%	100%	\$0	\$0	\$0	\$996,230
97	25 - Sub to Sub Tie - Install new conduit bank and 750 AL from 57th and Taft to vault V1780.	0	0	0	0	0	59,980	871,700	0	0	0	0	931,680	0%	100%	\$0	\$0	\$0	\$931,680
98	26 - Foothills Substation Conduit - Install new conduit along W. 22nd east from Rio Blanco to Van Buren	20,000	1,556,540	0	0	0	0	0	0	0	0	1,576,540	1,576,540	0%	100%	\$0	\$1,576,540	\$0	\$1,576,540
99	27 - Extend new feeders from Valley V3 into system	0	0	0	0	57,780	1,679,380	0	0	0	0	57,780	1,737,160	0%	100%	\$0	\$57,780	\$0	\$1,737,160
100	28 - Extend new feeders from new substation in SE corner of service territory into system	0	0	0	0	0	0	38,780	2,375,400	0	0	2,414,180	0%	100%	\$0	\$0	\$0	\$2,414,180	
101	29 - Extend new feeders from new Boedecker substation into system	0	0	0	0	0	0	0	26,840	2,089,790	0	0	2,116,630	0%	100%	\$0	\$0	\$0	\$2,116,630
102	30 - Sub to Sub Tie - Install new duct bank and 750 AL on Madison E on 37th to CR11C, N to CR30.	0	0	0	0	0	62,260	969,570	0	0	0	0	1,031,830	0%	100%	\$0	\$0	\$0	\$1,031,830
103	31 - Sub to Sub Tie - Extend new feeders along CR 11 from 57th St. to CR 30	0	0	0	22,260	901,300	0	0	0	0	0	923,560	923,560	0%	100%	\$0	\$923,560	\$0	\$923,560
104	32 - Sub to Sub Tie - Extend new feeders along CR 11 from Boyd Lake Ave. to CR 30	0	0	1,609,750	0	0	0	0	0	0	1,609,750	1,609,750	0%	100%	\$0	\$1,609,750	\$0	\$1,609,750	
105	POWER GENERATION PIF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	
106	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100%	\$0	\$0	\$0	
107	TOTAL PIF PROJECTS	4,920,000	3,687,580	3,265,850	3,138,880	1,710,160	1,919,290	2,116,980	9,185,260	7,610,790	2,298,770	16,722,470	39,853,560			0	14,189,160	0	37,320,250
108																	0	0	
109	SUBSTATION PROJECTS (RESTRICTED) =	2,450,000	518,850	1,395,120	1,947,890	577,750	0	0	7,983,000	5,007,240	0	6,889,610	19,879,850						
110	FEEDER PROJECTS (RESTRICTED) =	2,470,000	3,168,730	1,870,730	1,190,990	1,132,410	1,919,290	2,116,980	1,202,260	2,603,550	2,298,770	9,832,860	19,973,710						
111	POWER GENERATION PROJECTS (RESTRICTED) =	0	0	0	0	0	0	0	0	0	0	0	0	0					
112		0	0	0	0	0	0	0	0	0	0	0	0	0					
113	GENERAL PLANT																		
114	Crane Truck to replace 5307	360,000	0	0	0	0	0	0	0	0	0	360,000	360,000	100%	0%	\$360,000	\$0	\$360,000	
115	4WD UB to replace 5120	44,000	0	0	0	0	0	0	0	0	0	44,000	44,000	100%	0%	\$44,000	\$0	\$44,000	
116	4WD UB to replace 5128	83,500	0	0	0	0	0	0	0	0	0	83,500	83,500	100%	0%	\$83,500	\$0	\$83,500	
117	2 WD PU to replace 5117	25,000	0	0	0	0	0	0	0	0	0	25,000	25,000	100%	0%	\$25,000	\$0	\$25,000	
118	Copier replacement	25,000	0	0	0	0	0	0	0	0	0	25,000	25,000	100%	0%	\$25,000	\$0	\$25,000	
119	Stand Alone Server	44,350	0	0	0	0	0	0	0	0	0	44,350	44,350	100%	0%	\$44,350	\$0	\$44,350	
120	Misc Hardware Failures	7,500	0	0	0	0													



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: 6/15/2016

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.

- Tri-City Meeting – May 19, 2016
- 2017 Water and Power Department Budget Process Meetings – May 24, May 25 and May 31, 2016
- Passport to Water and Power – June 9, 2016

RECOMMENDATION:

Commission/Council report only.

REVIEWED BY DIRECTOR:

AB for SA



CITY OF LOVELAND

WATER & POWER DEPARTMENT

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AGENDA ITEM: 5

MEETING DATE: 6/15/2016

SUBMITTED BY: Steve Adams, Director

AB for SA

TITLE: Director's Report

SUMMARY:

- **Rescheduling of July 2016 LUC Meeting** — This is just a reminder that July's LUC meeting has been rescheduled for **Wednesday, July 27, at 4:00 pm**. Mark Beauchamp, our Power Rate Consultant will be appearing at that meeting via videoconference for a second discussion regarding proposed power rates for 2017. – Jim Lees
- **Joint Meeting with Fort Collins Energy Board and Loveland Utilities Commission** — Staff would like to gather feedback from board members regarding what topics would be of interest to discuss during this meeting. Fort Collins has suggested, to discuss each cities' electric energy values, goals, strategies, and current projects and areas of collaboration. The joint meeting is scheduled for October 27, 2016 at 5 pm located at 117 N. Mason, Fort Collins in the Utilities Board Conference Room. More details regarding logistics will be discussed as the meeting date gets closer. – Allison Bohling
- **Colorado Water Congress 2016 Summer Conference** — The conference will be held at the Sheraton Steamboat Resort in Steamboat, Colorado from August 24 through 26, 2016. 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/summer-conference.html>
- **Broadband Update** — The Broadband Task Force, comprised of representation from local business and community members with an interest in the broadband initiative had their inaugural meeting on Thursday, June 2, 2016. The Task Force decided to meet monthly on the first Thursday of each month from 10:00 am to noon. Meeting locations will vary and will be hosted by individual Task Force members. Mindy McCoughan, President and CEO of the Chamber of Commerce was elected as the Chairperson of the Broadband Task Force, and Dr. Dan Maas, Chief Operations Officer of the Thompson School District was elected as Vice-Chair. The next Task Force meeting is scheduled for Thursday, July 7, 2016 and will be hosted by the Thompson School District. Interviews for the Broadband Assessment and Feasibility Analysis Request for Proposal (RFP) were held on Tuesday, June 7, 2016. The internal Broadband Project Team is considering all interview information and meeting further to select the respondent most able to meet Loveland's scope of work for this initiative. For information on Loveland's broadband initiative please see the City's website at www.cityofloveland.org/broadband – Kim O'Field

- **FEMA Alternate Project Update** — Thursday, June 2, 2016 surveying started on the property which was followed by the fence installation, this should take approximately 2 to 3 weeks. In the middle of June, we anticipate there will be approximately 15 trucks delivering steel on the north side of the property. All deliveries and the staging area will be accessed off of 29th street. Shortly thereafter (possibly June 13th), drilling and driving the piers will begin. This will create a lot of noise for approximately 4 weeks and we will do our best to mitigate the sound of this work. We are looking into some possible sound barriers on the south end of the property. After the July 4th weekend, we expect approximately 30 trucks to deliver the panels and we anticipate the installation of the panels starting July 11th. The big pieces of equipment, the transformer and the invertors, will be installed at the beginning of August.— Gretchen Stanford
- **2017 Budget Update on the 10-Year Capital Improvement Programs (CIP)** — City Council will receive a staff presentation on the entire 10-year CIP at the June 28, 2016 City Council Study Session. — Jim Lees

Significant upcoming dates for the budget process are:

- **Jason Frisbee selected as GM/CEO of Platte River Power Authority** — Please see attachment A for the associated press release. — Allison Bohling
- **Community Stewardship Lecture Series** — High Plains Environmental Center has partnered with Loveland Water and Power to bring you a free lecture series you won't want to miss! Every second Tuesday throughout the year, the public is invited to go to Grimm Brothers Brewhouse, 623 Denver Avenue Loveland, CO 80537 and learn from experts in the field about horticulture, energy, water, sustainability and more. Pre-registration is required. New topics announced monthly. For more information about the lecture series and how to sign-up, check out www.cityofloveland.org/LWPLectures. — Lindsey Bashline



Calendar of Upcoming Lectures:

- July 12, 2016 – Comfort, Energy Efficiency and Safety through Building Performance
- August 9, 2016 – Composting
- September 13, 2016 – Powering-up! Renewable energy options in Loveland

- **Northern Water Tours** — If you are interested in attending one of these tours please let Allison Bohling know as soon as possible. The tours are becoming increasingly popular some of the tours are full and accepting requests on a waitlist.

East Slope (7:30 a.m. – 4:30 p.m.)

Thursday, August 18, 2016

West Slope (7 a.m. – 5:30 p.m.)

Tuesday, July 26, 2016

RECOMMENDATION:

Director's report only.

REVIEWED BY DIRECTOR:

AB for SA

Attachment A

News Archive

Select Month

Frisbie selected as GM/CEO for Platte River Power Authority

May. 27, 2016

Contact: Pete Hoelscher, 970.229.5204

hoelscherp@prpa.org

FOR IMMEDIATE RELEASE

FORT COLLINS, COLO. – The Platte River Power Authority Board of Directors named Jason Frisbie General Manager (GM) and Chief Executive Officer (CEO), effective August 6. He will replace Jackie Sargent, who was recently named General Manager of Austin Energy in Austin, Texas, effective August 15. Sargent and Frisbie will work together on a transition plan between now and her departure from Platte River August 5.

“As the board considered options in selecting a new GM/CEO, it quickly became obvious that the best choice was already on staff,” said Tom Roiniotis, board chair. “Jason was part of our national search four years ago and has since distinguished himself as chief operating officer (COO), serving as a key business partner with Jackie.”

Frisbie has been with the Platte River since 1982, serving in multiple roles including bulk material operator, site maintenance supervisor, bulk material supervisor, air quality/water supervisor, plant maintenance manager, and division manager-power production. He was named COO in 2010. Frisbie holds a bachelor’s in Industrial Technology from Colorado State University and a master’s in Business Administration from University of Phoenix.



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AGENDA ITEM: **6**

MEETING DATE: 6/15/2016

SUBMITTED BY: Jim Lees, Utility Accounting Manager

jl For JL

TITLE: Financial Report Update

DESCRIPTION:

This item summarizes the monthly and year-to-date Preliminary financials for May 2016.

SUMMARY:

The May 2016 financial reports are submitted for Commission review. The following table summarizes the sales and expense results for the month of May, and the May Year-To-Date results in comparison to the same periods from 2015. The summarized and detailed monthly financial statements that compare May Year-To-Date actuals to the 2016 budgeted figures are attached.

	May				May Year-To-Date			
	2016	2015	\$ Ovr/(Und)	% Ovr/(Und)	2016	2015	\$ Ovr/(Und)	% Ovr/(Und)
		vs. 2015	vs. 2015			vs. 2015	vs. 2015	
WATER								
Sales	\$803,117	\$778,834	\$24,283	3.1%	\$3,655,107	\$3,500,355	\$154,752	4.4%
Operating Expenses	\$711,216	\$719,897	(\$8,682)	-1.2%	\$4,575,510	\$5,173,042	(\$597,532)	-11.6%
Capital (Unrestricted)	\$423,814	\$769,211	(\$345,397)	-44.9%	\$1,676,165	\$3,810,948	(\$2,134,783)	-56.0%
WASTEWATER								
Sales	\$779,915	\$727,102	\$52,813	7.3%	\$3,954,334	\$3,641,060	\$313,275	8.6%
Operating Expenses	\$471,536	\$482,277	(\$10,741)	-2.2%	\$2,423,171	\$2,481,268	(\$58,097)	-2.3%
Capital (Unrestricted)	\$260,104	\$23	\$260,081	1140706.9%	\$769,701	\$1,085,765	(\$316,063)	-29.1%
POWER								
Sales	\$4,240,790	\$4,122,487	\$118,304	2.9%	\$22,391,756	\$21,497,646	\$894,111	4.2%
Operating Expenses	\$3,772,783	\$3,713,655	\$59,128	1.6%	\$19,452,157	\$19,209,143	\$243,014	1.3%
Capital (Unrestricted)	\$1,184,101	\$1,031,144	\$152,957	14.8%	\$3,441,965	\$2,781,045	\$660,920	23.8%

RECOMMENDATION:

Staff report only. No action required.

REVIEWED BY DIRECTOR:

AS 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 05/31/2016

	* TOTAL BUDGET FYE 12/31/2015	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	OVER VARIANCE
1 REVENUES & SOURCES					
2 Hi-Use Surcharge	52,500	4,098	21,900	(17,802)	-81.3%
3 Raw Water Development Fees/Cap Rec Surcharge	337,610	173,410	166,820	6,590	4.0%
4 Cash-In-Lieu of Water Rights	250,000	166,254	104,150	62,104	59.6%
5 Native Raw Water Storage Fees	5,000	23,484	2,090	21,394	1023.6%
6 Loan Payback from Water	134,000	41,745	16,750	24,995	149.2%
7 Raw Water 1% Transfer In	396,080	109,653	115,040	(5,387)	-4.7%
8 Interest on Investments	237,270	82,522	98,850	(16,328)	-16.5%
9 TOTAL REVENUES & SOURCES	1,412,460	601,167	525,600	75,567	14.4%
10 OPERATING EXPENSES					
11 Loan to Water	9,000,000	0	9,000,000	(9,000,000)	-100.0%
12 Windy Gap Payments	856,080	856,023	856,080	(57)	0.0%
13 TOTAL OPERATING EXPENSES	9,856,080	856,023	9,856,080	(9,000,057)	-91.3%
14 NET OPERATING REVENUE/(LOSS) (excl depr)	(8,443,620)	(254,856)	(9,330,480)	9,075,624	-97.3%
15 RAW WATER CAPITAL EXPENDITURES	2,620,820	1,118,956	773,480	345,476	44.7%
16 ENDING CASH BALANCES					
17 Total Available Funds	*	*	11,361,579		
18 Reserve - Windy Gap Cash	*	*	1,706,163		
19 Reserve - 1% Transfer From Rates	*	*	5,184,428		
20 Reserve - Native Raw Water Storage Interest	*	*	1,593,878		
21 TOTAL RAW WATER CASH	*	*	19,846,048		
22 MINIMUM BALANCE (15% OF OPER EXP)	*	*	1,478,412		
23 OVER/(UNDER) MINIMUM BALANCE	*	*	18,367,636		

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 0

City of Loveland
Financial Statement-Water
For Period Ending 05/31/2016

	TOTAL BUDGET		OVER <UNDER>		
	* FYE 12/31/2015	* YTD ACTUAL	YTD BUDGET		VARIANCE
1 **UNRESTRICTED FUNDS**					
2 REVENUES & SOURCES					
3 Water Sales	13,202,610	* 3,655,107	3,834,310	(179,203)	-4.7%
4 Raw Water Transfer Out	(396,080)	* (109,653)	(115,040)	5,387	-4.7%
5 Wholesale Sales	137,200	* 12,551	17,420	(4,869)	-28.0%
6 Meter Sales	51,530	* 44,945	16,140	28,805	178.5%
7 Interest on Investments	88,560	* 33,042	36,900	(3,858)	-10.5%
8 Other Revenue	1,415,760	* 118,992	543,650	(424,658)	-78.1%
9 Federal and State Grants	1,560,135	* 804,777	1,560,135	(755,358)	-48.4%
10 Internal Loan Monies Received	1,753,832	* 750,000	1,314,892	(564,892)	-43.0%
11 External Loan Monies Received	2,793,406	* 2,320,970	2,793,406	(472,436)	-16.9%
12 TOTAL REVENUES & SOURCES	20,606,953	* 7,630,730	10,001,813	(2,371,083)	-23.7%
13 OPERATING EXPENSES					
14 Source of Supply	3,304,490	* 546,058	1,605,931	(1,059,873)	-66.0%
15 Treatment	3,017,861	* 903,131	1,171,674	(268,543)	-22.9%
16 Distribution Operation & Maintenance	3,526,266	* 1,098,501	1,475,722	(377,221)	-25.6%
17 Administration	530,775	* 174,160	196,059	(21,899)	-11.2%
18 Customer Relations	339,276	* 92,928	136,240	(43,312)	-31.8%
19 PILT	896,460	* 248,182	271,415	(23,233)	-8.6%
20 1% for Arts Transfer	61,019	* 34,649	34,757	(108)	-0.3%
21 Services Rendered-Other Departments	1,147,987	* 444,110	483,845	(39,735)	-8.2%
22 Internal Loan Debt Expense	817,500	* 796,620	817,500	(20,880)	-2.6%
23 External Loan Debt Expense	292,151	* 237,171	203,786	33,385	16.4%
24 TOTAL OPERATING EXPENSES	13,933,785	* 4,575,510	6,396,929	(1,821,419)	-28.5%
25 NET OPERATING REVENUE/(LOSS)(excl depr)	6,673,168	* 3,055,220	3,604,884	(549,664)	-15.2%
26 CAPITAL EXPENDITURES	5,342,310	* 1,676,165	4,117,442	(2,441,277)	-59.3%
27 ENDING CASH BALANCE		* 8,446,871			
28 WATER DEBT FUNDS ENDING CASH BALANCE		* 145,052			
29 MINIMUM BALANCE (15% OF OPER EXP)		* 2,090,068			
30 OVER/(UNDER) MINIMUM BALANCE	* 6,356,803				
31 **RESTRICTED FUNDS**					
32 REVENUES & SOURCES					
33 SIF Collections	2,079,620	* 935,490	777,110	158,380	20.4%
34 SIF Interest Income	52,670	* 8,001	21,250	(13,249)	-62.4%
35 SIF Federal and State Grants	937,440	* 520,691	937,440	(416,749)	-44.5%
36 Internal Loan Monies Received	8,000,000	* 0	8,000,000	(8,000,000)	-100.0%
37 TOTAL SIF REVENUES & SOURCES	11,069,730	* 1,464,182	9,735,800	(8,271,618)	-85.0%
38 SIF Capital Expenditures	4,418,493	* 2,021,712	3,924,093	(1,902,381)	-48.5%
39 1% for Arts Transfer	97,229	* 0	44,377	(44,377)	-100.0%
40 Internal Loan Debt Expense	0	* 0	0	0	0.0%
41 SIF ENDING CASH BALANCE	* 2,047,651				
42 TOTAL ENDING CASH BALANCE	* 10,494,522				
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING:		6,103,012			
43 Water Treated at WTP (in million gallons)		* 1,099			
44 Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales)	3,795	* 589	624	(36)	-5.8%
		* Figures as of April 30, 2016			

City of Loveland-LIVE
Financial Statement-Wastewater
For Period Ending 05/31/2016

	TOTAL BUDGET		OVER		
	* FYE 12/31/2016	* YTD ACTUAL	YTD BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**					
3 Sanitary Sewer Charges	10,142,610 *	3,954,334	4,100,330	(145,996)	-3.6%
4 High Strength Surcharge	358,330 *	138,506	136,790	1,716	1.3%
5 Interest on Investments	103,760 *	43,964	43,250	714	1.7%
6 Other Revenue	127,160 *	79,875	70,800	9,075	12.8%
7 Bond Proceeds	16,000,000 *	0	0	0	0.0%
8 Federal Grants	148,787 *	36,592	148,787	(112,195)	-75.4%
9 State Grants	1,174,501 *	213,084	882,851	(669,767)	-75.9%
10 TOTAL REVENUES & SOURCES	28,055,148 *	4,466,355	5,382,808	(916,453)	-17.0%
11 OPERATING EXPENSES					
12 Treatment	3,600,906 *	1,157,164	1,472,055	(314,891)	-21.4%
13 Collection System Maintenance	2,661,141 *	640,966	1,056,918	(415,952)	-39.4%
14 Administration	380,718 *	105,266	123,767	(18,501)	-14.9%
15 Customer Relations	40,822 *	14,528	15,780	(1,252)	-7.9%
16 PILT	735,070 *	286,499	292,475	(5,976)	-2.0%
17 1% for Arts Transfer	176,935 *	4,708	122,455	(117,747)	-96.2%
18 Services Rendered-Other Departments	749,891 *	214,040	315,462	(101,422)	-32.2%
19 TOTAL OPERATING EXPENSES	8,345,483 *	2,423,171	3,398,912	(975,741)	-28.7%
20 NET OPERATING REVENUE/(LOSS)(excl depr)	*	19,709,665 *	2,043,183	1,983,896	59,288
					3.0%
21 CAPITAL EXPENDITURES					
	*	19,819,871 *	769,701	3,947,010	(3,177,309)
					-80.5%
22 ENDING CASH BALANCE			11,145,991		
23 MINIMUM BALANCE (15% OF OPER EXP)			1,251,822		
24 OVER/(UNDER) MINIMUM BALANCE			9,894,169		
25 **RESTRICTED FUNDS**					
26 REVENUES & SOURCES					
27 SIF Collections	1,517,660 *	500,995	640,560	(139,565)	-21.8%
28 SIF Interest Income	108,410 *	33,541	45,150	(11,609)	-25.7%
29 SIF Bond Proceeds	8,900,000 *	0	0	0	0.0%
30 TOTAL SIF REVENUES & SOURCES	10,526,070 *	534,536	685,710	(151,174)	-22.0%
31 SIF Capital Expenditures					
	*	10,949,788 *	266,742	1,168,498	(901,756)
					-77.2%
32 1% for Arts Transfer	98,104 *	1,902	54,634	(52,732)	-96.5%
33 SIF ENDING CASH BALANCE			8,334,993		
TOTAL ENDING CASH BALANCE			19,480,985		

NOTE: YTD ACTUAL DOES NOT INCLUDE
ENCUMBRANCES TOTALING

4,238,666

34 Wastewater Treated at WWTP (in million gallons)	*	N/A *	1,017	N/A	
35 Wastewater Billed To Customers (in million gallons)	*	1,806 *	535	567	(32)

City of Loveland
Financial Statement-Power
For Period Ending 5/31/2016

	TOTAL BUDGET	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
UNRESTRICTED FUNDS					
1 REVENUES & SOURCES:					
2 Electric revenues	\$58,665,860	\$22,391,756	\$21,923,120	\$468,636	2.1%
3 Wheeling charges	\$240,000	\$87,485	\$100,000	(\$12,515)	-12.5%
4 Interest on investments	\$256,680	\$84,377	\$106,950	(\$22,573)	-21.1%
5 Aid-to-construction deposits	\$1,530,000	\$593,770	\$637,500	(\$43,730)	-6.9%
6 Customer deposit-services	\$260,000	\$119,619	\$108,333	\$11,285	10.4%
7 Late Payment Penalty Fees	\$415,000	\$210,315	\$172,917	\$37,398	21.6%
8 Connect Fees	\$160,000	\$66,737	\$66,667	\$70	0.1%
9 Services rendered to other depts.	\$5,890	\$0	\$2,454	(\$2,454)	-100.0%
10 Other revenues	\$387,220	\$194,883	\$161,342	\$33,541	20.8%
11 Federal Grants	\$3,500,000	\$0	\$1,458,333	(\$1,458,333)	-100.0%
12 State Grants	\$0	\$0	\$0	\$0	0.0%
13 Year-end cash adjustments	\$0	\$0	\$0	\$0	0.0%
14 TOTAL REVENUES & SOURCES	\$65,420,650	\$23,748,941	\$24,737,616	(\$988,674)	-4.0%
15 OPERATING EXPENSES:					
16 Hydro oper. & maint.	\$5,842,549	\$38,024	\$2,471,848	(\$2,433,824)	-98.5%
17 Purchased power	\$42,673,764	\$14,979,197	\$15,760,940	(\$781,743)	-5.0%
18 Distribution oper. & maint.	\$6,673,658	\$1,335,277	\$2,823,471	(\$1,488,194)	-52.7%
19 Customer Relations	\$1,305,442	\$367,823	\$552,302	(\$184,480)	-33.4%
20 Administration	\$841,837	\$235,497	\$356,162	(\$120,665)	-33.9%
21 Payment in-lieu-of taxes	\$4,120,990	\$1,550,180	\$1,648,396	(\$98,216)	-6.0%
22 1% for Arts Transfer	\$86,060	\$4,089	\$34,424	(\$30,335)	-88.1%
23 Services rendered-other depts.	\$2,184,721	\$942,071	\$910,300	\$31,770	3.5%
24 TOTAL OPERATING EXPENSES (excl depn)	\$63,729,021	\$19,452,157	\$24,557,843	(\$5,105,686)	-20.8%
25 NET OPERATING REVENUE/(LOSS) (excl depn)	\$1,691,629	\$4,296,785	\$179,773	\$4,117,012	\$0
26 CAPITAL EXPENDITURES:					
27 General Plant/Other Generation & Distribution	\$13,700,486	\$2,876,533	\$5,789,128	(\$2,912,595)	-50.3%
28 Aid-to-construction	\$1,530,000	\$457,269	\$647,308	(\$190,039)	-29.4%
29 Service installations	\$290,000	\$108,163	\$122,692	(\$14,529)	-11.8%
30 TOTAL CAPITAL EXPENDITURES	\$15,520,486	\$3,441,965	\$6,559,128	(\$3,117,163)	-47.5%
31 ENDING CASH BALANCE		\$21,250,161			
32 MINIMUM BAL. (15% of OPER EXP excl depn)		\$9,559,353			
33 OVER/(UNDER) MINIMUM BALANCE		\$11,690,808			
34 **RESTRICTED FUNDS**					
35 PIF Collections	\$2,741,830	\$1,015,362	\$685,458	\$329,904	48.1%
36 PIF Interest Income	\$45,850	\$13,575	\$11,463	\$2,112	18.4%
37 Water Loan Payback	\$913,050	\$796,620	\$913,050	(\$116,430)	-12.8%
38 Federal Grants	\$4,434,516	\$0	\$1,108,629	(\$1,108,629)	-100.0%
39 State Grants	\$0	\$0	\$0	\$0	0.0%
40 TOTAL REVENUES	\$8,135,246	\$1,825,556	\$2,718,599	(\$893,043)	-32.8%
41 PIF Feeders	\$2,800,000	\$467,031	\$753,846	(\$286,815)	-38.0%
42 PIF Substations	\$6,768,018	\$616,746	\$1,692,005	(\$1,075,259)	-63.5%
43 TOTAL EXPENDITURES	\$9,568,018	\$1,083,777	\$2,445,851	(\$1,362,074)	-55.7%
44 ENDING PIF CASH BALANCE		\$3,281,881			
45 TOTAL ENDING CASH BALANCE		\$24,532,042			

NOTE: YTD ACTUAL does NOT include encumbrances totalling \$10,678,199

46 Energy Purchased (in million kWh) from PRPA	742	285	291	(5)	1.3%
47 Energy Sold to Customers (in million kWh)	713	227	282	(54)	-19.3%



CITY OF LOVELAND
WATER & POWER DEPARTMENT

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AGENDA ITEM: 7

MEETING DATE: 6/15/2016

SUBMITTED BY: Larry Howard, Senior Civil Engineer *CD for LH*

TITLE: Water Supply Update

DESCRIPTION:

Projection for raw water supply in 2016.

SUMMARY:

Attachment A is the Snow–Water Equivalent chart for Bear Lake station as of June 15, 2016. Water Resources Staff generated this chart to show a range of low, median, and high years as well as the current year-to-date snow accumulation for the Bear Lake SNOTEL station in the Big Thompson Watershed. Snowpack for the Bear Lake station continues to chart along average or median values.

As you can see, 2016 was very close to an average year and had several storms that kept bolstering the snowpack. It has reached its peak for the year and melted off as it would have in an average year.

RECOMMENDATION:

Information item only. No action required.

REVIEWED BY DIRECTOR:

AB for SA

ATTACHMENTS:

- **Attachment A:** Snow–Water Equivalent Chart for Bear Lake SNOTEL Station

Snow - Water Equivalent at Bear Lake June 6, 2016

