LOVELAND UTILITIES COMMISSION
REGULAR MEETING
September 21, 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 – 8/17/2016**
NEW EMPLOYEE INTRODUCTION – Casey McDonald
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.

4:20 pm - **CONSENT AGENDA**

1. Contract Amendment to an Existing Carollo Engineering Contract for the Wastewater Treatment Plant Biological Nutrient Removal Improvements – Brian Gandy
2. Change Order for GE Construction Annual Substructure Projects for 2016 – Kent Aspinall
3. Change Order for Colorado Boring Annual Directional Boring Projects for 2016 – Kent Aspinall

4:25 pm - **REGULAR AGENDA**

4. 2017 Water & Power Schedule of Rates, Charges and Fees – Jim Lees
5. Acceptance of 1 share of the Louden Ditch to the Water Bank – Kim Frick
6. Addition of 2nd Transformer at Foothills Substation – Frank Lindauer

6:00 pm - 7. **COMMISSION / COUNCIL REPORTS**

- Water Treatment Plant Celebration – August 24, 2016
- Fort Collins Joint Meeting Agenda & Next Steps – Gene Packer

6:30 pm - 8. **DIRECTOR'S REPORT**

- Election of Officers
  - ✓ Chair
  - ✓ Vice Chair

6:45 pm - **INFORMATION ITEMS**

9. Financial Report Update – Jim Lees

6:45 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 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, Jennifer Gramling, Randy Williams

City Staff Members: Alicia Calderón, Allison Bohling, Alan Krcmarik, Christine Schraeder, Garth Silvernale, Gretchen Stanford, Jim Lees, John Beckstrom, Kim Frick, Kim O'Field, Larry Howard, Michelle Stalker, Roger Berg, Tracey Hewson

Guest Attendance: Mark Beauchamp via video conference

CALL TO ORDER: Gene Packer called the meeting to order at 4:03 pm.

APPROVAL OF MINUTES: Gene asked for a motion to approve the minutes of the July 27, 2016 meeting.
Motion: Dan Herlihey made the motion to approve the minutes of the July 27, 2016 meeting.
Second: Dave Schneider seconded the motion. The minutes were approved unanimously.

NEW EMPLOYEE INTRODUCTION – Travis Johnson

REGULAR AGENDA

Item 1: Target Minimum Cash Reserve and Self-Generating Rate Design – Jim Lees The purpose of this item is to get a recommendation from the Loveland Utilities Commission on a proposed new methodology for calculating a minimum target cash reserve for the Power Utility and get a recommendation on a proposed 2017 rate design for Residential Self-Generating customers.

Original Proposed Recommendation: Make a recommendation to City Council to approve the proposed change to the methodology for calculating the Minimum Target Cash Reserve, change the proposed rate increases in 2019 and 2020 from 3.0% per year to 4.0% per year and to approve the proposed rate design for 2017 Residential Self-Generating customers.

New Recommendation: Adopt a motion to support the recommendation made at the July, 27, 2016 LUC meeting. Which was to adopt a rate increase of 6.5% for 2017 to City Council.

Motion: Randy Williams made the motion.
Second: Dave Kavanagh seconded the motion.

Larry Roos, Gene Packer, Jennifer Grambling, Dan Herlihey abstained from the vote. Due to the tie-vote. This motion did not pass and a new recommendation was made.

New Recommendation: Adopt a motion to rescind the recommendation made at the July 27, 2016 LUC meeting to recommend a 6.5% rate increase for 2017 and make a new recommendation of a 5.7% rate increase for 2017 to City Council.

Motion: Gary Hausman made the motion.
Second: Larry Roos seconded the motion. The motion was approved unanimously

New Recommendation: Make a recommendation to City Council adopt the 2017 proposed cash reserve policy that was made by staff and Utility Financial Solutions.
(Please see the four-component approach by staff and Utility Financial Solutions below on how to determine the cash reserves for the electric utility.)

1) **A Percentage of Operating and Maintenance (O&M) Expenses Excluding Depreciation and Purchased Power Expense:** This typically varies between 30 days' worth of O&M expenses and 90 days' worth, depending on how frequently utility bills are generated. Since Loveland bills monthly, the percentage to apply here would be 30 days/365 days, or 8.2%.

2) **A Percentage of the Value of Assets:** This typically ranges from 1% - 3%, depending on the ages of the utility's system. Since Loveland's system is considered relatively new (< 50% depreciated), the percentage applied to the asset value is 1%.

3) **A Percentage of Operating and Maintenance (O&M) Expenses Excluding Depreciation and Purchased Power Expense:** This typically varies between 30 days' worth of O&M expenses and 90 days' worth, depending on how frequently utility bills are generated. Since Loveland bills monthly, the percentage to apply here would be 30 days/365 days, or 8.2%.

4) **A Percentage of the Value of Assets:** This typically ranges from 1% - 3%, depending on the ages of the utility's system. Since Loveland's system is considered relatively new (< 50% depreciated), the percentage applied to the asset value is 1%.

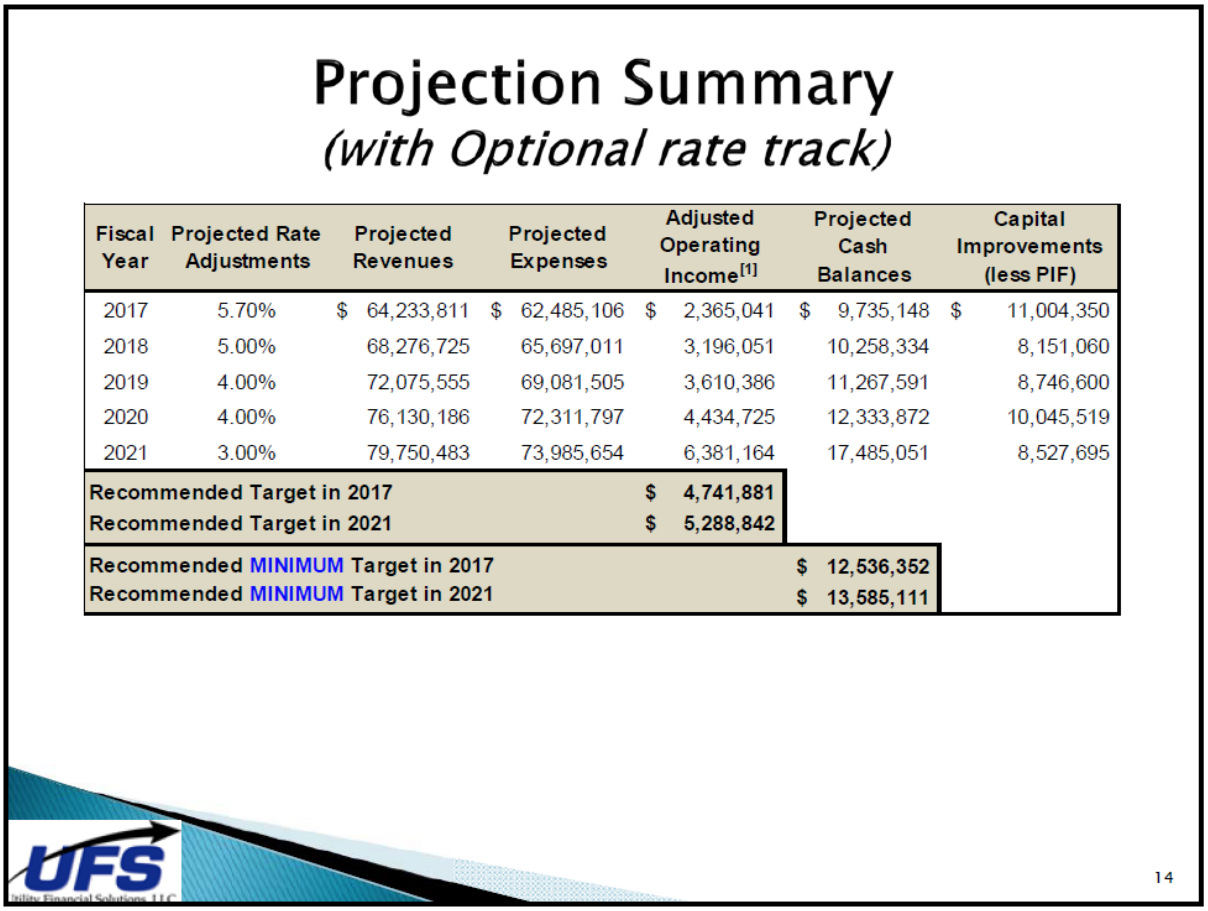
Motion: Larry Roos made the motion.
Second: Dave Schneider seconded the motion. The motion was approved unanimously.

New Recommendation: Adopt a motion to rescind the recommendation made at the July 27, 2016 LUC meeting and approve the new recommended projected rate increase as presented on slide 14 of Utility Financial Solutions' presentation. *(Page 14 of the presentation is shown below.)*

3) **A Percentage of Operating and Maintenance (O&M) Expenses Excluding Depreciation and Purchased Power Expense:** This typically varies between 30 days' worth of O&M expenses and 90 days' worth, depending on how frequently utility bills are generated. Since Loveland bills monthly, the percentage to apply here would be 30 days/365 days, or 8.2%.

4) **A Percentage of the Value of Assets:** This typically ranges from 1% - 3%, depending on the ages of the utility's system. Since Loveland's system is considered relatively new (< 50% depreciated), the percentage applied to the asset value is 1%.

5) **A Percentage of the Total of the Five-Year Capital Plan for Rehabilitation Capital Projects (excludes growth-related projects):** This typically is set to 20% of the five-year total of the CIP excluding growth-related projects. But, since Loveland has a second fund balance within the Power Utility (the Plant Investment Fee Fund Balance, for growth-related projects), Utility Finance Solutions is comfortable with setting this percentage at 10%.



Projection Summary
(with Optional rate track)

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income[1]	Projected Cash Balances	Capital Improvements (less PIF)
2017	5.70%	$ 64,233,811	$ 62,485,106	$ 2,365,041	$ 9,735,148	$ 11,004,350
2018	5.00%	68,276,725	65,697,011	3,196,051	10,258,334	8,151,060
2019	4.00%	72,075,555	69,081,505	3,610,386	11,267,591	8,746,600
2020	4.00%	76,130,186	72,311,797	4,434,725	12,333,872	10,045,519
2021	3.00%	79,750,483	73,985,654	6,381,164	17,485,051	8,527,695

Recommended Target in 2017	$ 4,741,881
Recommended Target in 2021	$ 5,288,842

Recommended MINIMUM Target in 2017	$ 12,536,352
Recommended MINIMUM Target in 2021	$ 13,585,111

Motion: Dave Schneider made the motion.
Second: Gary Hausman seconded the motion. The motion was approved unanimously.

New Recommendation: Adopt a motion to approve the proposed rate design for 2017 Residential Self-Generating customers.

Motion: Dave Schneider made the motion.
Second: Gary Hausman seconded the motion. The motion was approved unanimously.

Comments: Roos enquired if the projection summary minimum target values include Plant Investment Fees (PIF) values. Lees stated that they do not include the PIFs.

Lees provided an update to the board that as of Friday, July 12, 2016, Platte River Power Authority changed their electric wholesale rate from 4% to 3%. Roos asked why they are pushing out the cost. Gretchen Stanford stated that this is for new headquarters as well as to help with funding for the Windy Gap Firming Project.

Packer asked what our previous amount of cash reserve was. Lees stated that it was about 56 days or 15%, the increase proposed is about 22% or 80 days of operating reserves. The change from 15% of operating expenses to 22% would increase the minimum cash reserves by $3.2 million - $3.7 million.

Schneider asked about how the new amended proposed rate track would move LWP closer to true cost of service. Beauchamp stated that LWP is moving closer to true cost of service while minimizing impacts for our customers. Beauchamp also stated that because true cost of service rates change frequently, it is difficult to offer customers true cost of service, but LWP is very close to offering these

rates. Staff and board reviewed the pros and cons of the 5.7% increase versus the 6.5% including sensitivity and risk factors. Alicia Calderón mentioned that LWP has already passed the 6.5% increase and would need to amend LUC's original proposal.

Beauchamp asked for the board's thoughts on the proposed changes to the self-generation rate. Roos asked what our average residential customer produces in kilowatts (kW). Staff stated it is about 3.7 kW. Christine Schraeder reviewed the DC capacity of the solar units being installed by residents. Schneider expressed his opinions about self-generation. Roos asked how the generation rates are calculated, Beauchamp reviewed the formula and data taken into consideration.

Gretchen Stanford stated that net-metering has come a long way. LWP needs to revamp net-metering contracts and become more transparent to our customers and be able to compare current rates. Board and staff want customers to figure out what is right for them. Board and staff continued to discuss this topic and current communication challenges with our current customers.

Williams and Schneider mentioned they would like to see the previous recommendation of an increase of 6.5% stay so LWP can use the extra funding to increase our cash reserves. Kavanagh asked for clarification on slide four. Lees stated that the cost of service is based on 2017 projections. Kavanagh asked how that compares to the monthly electric financial statement. Lees reviewed the difference between the two values.

Item 2: Acceptance of 0.85 Shares of the Louden Ditch to Water Bank – Greg Dewey and Kim Frick
Request to deposit 0.85 shares of Louden Irrigating Canal and Reservoir into the City's Water Bank

Recommendation: Adopt a motion finding that the requirements set forth in City Code Section 19.04.080 have been met, and that acceptance of the Louden Irrigating Canal and Reservoir shares into the City of Loveland Water Bank is in the City's best interest and should be completed.

Motion: Randy Williams made the motion.
Second: Gary Hausman seconded the motion. The motion was approved unanimously.

Comments: Schneider asked when LWP would go to Water Court again. Larry Howard mentioned they would like to go in the next year or two. Frick mentioned the documents that have been reviewed. Staff reviewed who brought forth the share.

Item 3: Acceptance of 1 Share of the Louden Ditch to Water Bank – Greg Dewey and Kim Frick Request to deposit 1 share of Louden Irrigating Canal and Reservoir into the City's Water Bank.

Recommendation: Adopt a motion finding that the requirements set forth in City Code Section 19.04.080 have been met, and that acceptance of the Louden Irrigating Canal and Reservoir shares into the City of Loveland Water Bank is in the City's best interest and should be completed.

Comments: This item was tabled until the September 21, 2016 meeting.

STAFF REPORTS

Item 4: Terminal Raw Water Storage Discussion – Larry Howard The City can benefit from having downstream raw water storage to capture reusable effluents from the Wastewater Treatment Plant. This water may then be used to exchange upstream so it may be used in the Water Treatment Plant or to meet return flow obligations under the terms and conditions of the City's decrees.

Staff Report only. No action required.

Comments: Howard reviewed the clean-up process that took place at this location after the flood and that it is located about 1,000 feet below the Wastewater Treatment Plant. Schneider expressed his support. Howard reviewed the flexibility this option would provide LWP in the future.

Herlihey asked if this reservoir was identified in the reservoir study that was completed a few years back. Howard stated that no it was not; it was too small. Roos asked how expensive this project may be to complete. Howard reviewed the possible contributing factors in cost and estimated the project to cost about $8 million and informed the board that it would come from the Raw Water Fund. Lees defined what the Raw Water Fund is.

COMMISSION/COUNCIL REPORTS

Item 5: Commission/Council Reports

- Agenda Meeting Ideas for Fort Collins Joint Meeting & Next Steps – Gene Packer
- Alternate Member Discussion – Gene Packer

Packer asked for feedback from the board about possibly bringing on another alternate board member. Schneider mentioned that if there is a qualified candidate he is open to the idea. Stanford mentioned that if we have two qualified candidates we can bring one on as an alternate member, if the board votes in agreement. Kavanagh reviewed his positive feedback on his experience as an alternate board member.

The board passed around a handout from Roos regarding his thoughts on possible meeting topics for the joint meeting with the Fort Collins Energy Board. Stanford mentioned that she recommend a conference call for those staff and board members involved to flesh out the details and the goals of the meeting. Schneider expressed his opinions on the goals that would be relevant to include in the discussion in the meeting. Kavanagh asked if Fort Collins staff would attend the joint meeting. Stanford mentioned the goal was more for the boards to get together. Schneider mentioned it may be a good idea at some point to include the other surrounding cities in the future.

Hausman mentioned that it may be a good idea to have a meeting with all our partners in the future, something similar to what we do with the Tri-City Meeting. Packer asked the board for more feedback and he will bring that to the discussion to the meeting with our counterparts in Fort Collins. Stanford mentioned that it may be beneficial for LWP to make a list of what staff is currently partnering with Fort Collins on. Board and staff agreed to hold the regular LUC meeting if need be in addition to the joint meeting with Fort Collins.

Dan Herlihey: Nothing to report
Dave Kavanagh: Asked where public information can be found about broadband initiative. Stanford stated LWP is working to get this information available online as soon as possible.
Dave Schneider: Nothing to report
Gene Packer: Provided an update on John Rust's health condition. Roos summarized his recent discussions with Rust. Packer summarized his recent visit with Chris Matkins at the Fort Collins-Loveland Water District. Board and staff briefly discussed the history of the Fort Collins-Loveland Water District.
Gary Hausman: Nothing to report
Jennifer Gramling: Nothing to report
Larry Roos: Nothing to report
Randy Williams: Nothing to report

Council Report: On Councilor Troy Krenning's behalf, Gretchen Stanford 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 Regular Meeting – August 2, 2016
Windy Gap Firming Project Water Storage – a resolution to negotiate up to additional 3,000 AF of storage space. Administrative action item.

Howard provided a verbal update on potential next steps for LWP's participation in the Windy Gap Firming Project.

City Council Study Session – August 9, 2016
Nothing of interest to W&P.

City Council Regular Meeting – August 16, 2016
Approval of the Downtown Development Authority (DDA) Election & Ballot question.

DIRECTOR'S REPORT

Item 6: Director's Report – Gretchen Stanford

Comments: Stanford provide a verbal update on the recent staffing changes. Schneider expressed his thoughts on the recent changes. Howard reviewed the recent openings on Northern Water's board of directors.

INFORMATION ITEMS

Item 7: Financial Report Update – Jim Lees This item summarizes the monthly and year-to-date preliminary financials for July 2016.

Staff Report only. No action required.

ADJOURN The meeting was adjourned at 6:30 pm. The next LUC Meeting will be September 21, 2016 at 4:00 pm.

Respectfully submitted,
Allison Bohling
Recording Secretary
Loveland Utilities Commission

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WATER & POWER DEPARTMENT
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AGENDA ITEM: **1**
MEETING DATE: 9/21/2016
SUBMITTED BY: Brian Gandy, Special Projects Manager RB for BG

TITLE: Contract Amendment to an Existing Carollo Engineering Contract for the Wastewater Treatment Plant Biological Nutrient Removal Improvements

DESCRIPTION:
Per the Municipal Code, once a Contract exceeds $500,000 and 20% of the original value through previously approved amendments, all subsequent amendments must be approved by the Loveland Utilities Commission (LUC) regardless of the amount. As such, this contract amendment is being brought forward for LUC action.

SUMMARY:
This is a contract amendment for additional design services with Carollo Engineering related to the wastewater treatment plant (WWTP) improvements project. Specifically, this contract amendment is to provide additional hydraulic evaluation for the biological nutrient removal improvements (BNR) in the amount of $37,925. See attachment A and B for a detailed breakdown of the proposed scope of work and fee, respectively.

RECOMMENDATION:
Adopt a motion to approve the amendment to the contract for Design Services with Carollo Engineers in the amount of $37,925 and increase the not-to-exceed amount to $1,425,391.

REVIEWED BY DIRECTOR:
AB for GS
ATTACHMENTS:

- **Attachment A:** Hydraulic Evaluation Scope
- **Attachment B:** Hydraulic Evaluation Fee

1

Attachment A

EXHIBIT A

ENGINEERING AGREEMENT
SCOPE OF SERVICES
BIOLOGICAL NUTRIENT REMOVAL PROJECT

AMENDMENT No. 3

CITY OF LOVELAND (OWNER)
AND
CAROLLO ENGINEERS, INC. (ENGINEER)

PURPOSE

The purpose of this Amendment No. 3 is to provide additional hydraulic evaluation and conceptual design services as an amendment to the original contract dated July 2nd 2015, in connection with the City of Loveland (City) Wastewater Treatment Plant (WWTP) Biological Nutrient Removal Project (BNR Project or Project).

ENGINEER'S SERVICES

TASK 750 – ADDITIONAL HYDRAULIC EVALUATION

ENGINEER will extend the hydraulic model and profile developed under previous tasks for the secondary facility to encompass an entire plant hydraulic model (starting at Manhole A and extending to the downstream side of the effluent metering vault and manhole. The previously completed hydraulic model and profile under the preliminary design phase of the project was limited to the portion of the facility beginning at the aeration basin influent structure and extending to the UV disinfection system.

This task will include evaluation of the hydraulic capacity of the existing Influent Pumps and the Aeration Lift Pump Station, along with associated piping. Piping hydraulic constraints will be analyzed and summarized per pipeline segment in the model, profile, and Technical Memorandum (TM). Pump curves and pump station analyses of the two pump stations will be evaluated utilizing spreadsheet models developed based on the existing conditions. The model will incorporate hydraulic testing results for the ultraviolet (UV) disinfection system as scoped separately.

The OWNER will provide all available relevant data and past studies/designs regarding the hydraulic profile through the facility, including shop drawings and O&M manuals for the Influent Pumps and Aeration Lift Pump Station and record drawings of the associated piping and hydraulic structures. The ENGINEER will obtain hydraulic structure elevation data necessary for the hydraulic analysis via survey as previously budgeted under Task 740 in the Final Design Amendment. No additional survey work is budgeted under this task.

The following flow conditions shall be evaluated in the hydraulic model:

1. Peak Instantaneous Flow - To Be Defined, 24.3 to 26.0 mgd
2. Peak Hour Flow (PHF) - 20.3 mgd
3. Rated Average Day Maximum Month Flow (ADMMF) - 12 mgd

4. Current Average Flow – 6.5 mgd
5. Future Flow Conditions - 16 mgd ADMMF and 27 mgd PHF.

The hydraulic model output before and after proposed modifications per Task 760 below shall be conveyed to the OWNER in an electronic format. Water surface elevations from the ADMMF and PHF flow conditions shall be shown on the Adobe™ (PDF) and CAD drawings. A Technical Memorandum summarizing the hydraulic evaluation will be prepared.

TASK 760 – CONCEPTUAL DESIGN OF HYDRAULIC IMPROVEMENTS

This task is optional, pending direction from OWNER after completion and review of Task 750 results.

Based on the evaluation of hydraulic capacity for the Influent Pumps, Aeration Lift Pumps, and UV system, ENGINEER will prepare conceptual design recommendations for improvements to pump station layout, pumping capacity, and piping configuration to meet peak flow capacity necessary to achieve plant hydraulic rating associated with ADMMF condition of 12 mgd. The conceptual design will include figures and concepts to allow consideration of up to two (2) conceptual design alternatives for each system. Narrative discussion of considerations for expansion to 16 mgd as a buildout ADMMF capacity will be included. The conceptual design will not include detailed design. Preliminary and final design of identified improvements will be separate.

The hydraulic model will be modified to represent anticipated future modifications to these hydraulic conveyance facilities (Influent Pump Station, Aeration Lift Pump Station, piping hydraulic constraints, and UV Disinfection system) to achieve 12 mgd ADMMF capacity with associated peak flows.

A Project Memorandum (PM) summarizing proposed conceptual design recommendations in text and figures will be prepared.

DELIVERABLES

The ENGINEER'S additional deliverables for the Project will include:

- Technical Memorandum documenting hydraulic analysis and restrictions.
- Hydraulic model in Excel, PDF, and resultant hydraulic profile in CAD.
- One additional drawing as part of Final Design Deliverables scoped in the Final Design Amendment dated April 11, 2016. Drawing List modified as follows:

Drawing No.	Drawing Name
01G07	HYDRAULIC PROFILE - MANHOLE A TO AERATION BASINS

- Conceptual Design Project Memorandum summarizing recommendations for pump station and other hydraulic improvements.

ASSUMPTIONS

No analysis upstream of Manhole A will be conducted (Manhole A invert elevations and hydraulic evaluations will be included). OWNER will provide best available existing information on pump station capacity, design, and drawings of pump station and hydraulic components. Scope does not include preliminary or detailed design of identified hydraulic improvements.

TIME OF PERFORMANCE

ENGINEER shall complete all services identified in this Amendment by December 31, 2016 in accordance with the schedule outlined below:

- Technical Memorandum - Full Plant Hydraulic Analysis and Modeling — July 22, 2016
- Additional Hydraulic Model Drawing — Per Final Design Schedule
- Conceptual Design Project Memorandum — 4 Weeks after direction to proceed

This schedule assumes written authorization to proceed by June 15, 2016; schedule dates will be adjusted accordingly if authorization is issued after this date. Exact dates for interim deliverables, meetings, and site visits will be identified and adjusted in consultation with the OWNER as the project progresses.

PAYMENT

ENGINEER will perform the Scope of Services described in Task 750 and Task 760 for a not-to-exceed amount of $37,925 inclusive of all labor, expenses, and subcontract work on the project. The cost associated with each Task is summarized in the attached table and will be billed monthly per the Fee Schedule in the Agreement. Actual expenditures may vary from the task-level budgets, but in no case will the total fee for the project exceed the total not-to-exceed amount for all tasks unless specifically authorized in writing by the OWNER. The total amount for the project will be increased from the previous $1,387,466 to a revised total of $1,425,391.

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Attachment B

City of Loveland 02/08/16 Added Tasks 750 & 760 6/15/2016
Wastewater Treatment Plant
Biological Nutrient Removal Project - Final Design Phase

		John Fraser	Steve Walker	Jeff Berlin	Matt Larson Kevin Love John Luna	Becky Luna Tanja Rauch-Will.	Ron Burdick Mark Keller	Andrew Rex	Jason Till Tyler Dougherty Bryan Coday			Cynthia Pollard						
	Team Member	**Senior Professional - Technical Advisor**	**Lead Project Professional - Operations Lead**	**Project Professional - Project Manager**	**Professional - Project Engineer**	**Project Professional - Process Engineer**	**Project Professional - Lead Discipline Engineer**	**Professional - Discipline Engineer**	**Assistant Professional II - Engineer**	**Senior Technician - CAD**	**Technician - CAD**	**Document Processing/ Clerical**	**Carollo Hours**	**Carollo Labor Cost**	**PECE**	**Subconsultants**	**Carollo ODCs**	**Total Engineering Cost**
Task	**Description**	$ 245	$ 225	$ 195	$ 171	$ 195	$ 195	$ 171	$ 147	$ 162	$ 110	$ 96			$ 11.7			
750	Additional Hydraulic Evaluation	0	0	12	8	16	0	0	60	8	12	8	124	$ 19,032	$ 1,451	$ -	$ 120	**$ 20,603**
760	Conceptual Design of Hydraulic Improvements	0	0	16	32	8	0	0	20	8	12	4	100	$ 16,092	$ 1,170	$ -	$ 60	**$ 17,322**
	Subtotal Task 750 & 760 Hours	**0**	**0**	**28**	**40**	**24**	**0**	**0**	**80**	**16**	**24**	**12**	**224**					
	Subtotal Task 750 & 760 Costs	**$ -**	**$ -**	**$ 5,460**	**$ 6,840**	**$ 4,680**	**$ -**	**$ -**	**$ 11,760**	**$ 2,592**	**$ 2,640**	**$ 1,152**		**$ 35,124**	**$ 2,621**	**$ -**	**$ 180**	**$ 37,925**
																		$ 1,425,391

1

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AGENDA ITEM: 2
MEETING DATE: 9/21/2016
SUBMITTED BY: Kent Aspinall, Acting Distribution Designer Supervisor AB for KA

TITLE: Change Order for GE Construction Annual Substructure Projects for 2016

DESCRIPTION:
This item is the second change order brought to LUC this year to increase the annual substructure purchase order and contract for 2016. In accordance with Municipal Code 3.12.606B, this change order requires LUC approval since the revised contract amount exceeds $500,000 and since the increase exceeds 20% of the original contract amount.

SUMMARY:
Currently the Water & Power Department has a contract with GE Construction, Inc. to perform the substructure work for electric utility capital improvement projects. The 2016 contract is effective from January 1, 2016 for a total of $1,500,000 and set to expire on December 31, 2016. As of September 14, 2016 we have $78,038.29 remaining on this $1,500,000 contract.

LUC previously approved a $500,000 contract increase to bring the contract to the current amount of $1,500,000. The previous increase was to address the increase in development-driven and aid-to-construction projects in 2016. Since then we have substructure work required for current and upcoming unexpected projects which include:

- Substructure work for the Foothills project where additional conduit was planned in preparation of adding a second transformer in the substation
- Additional substructure work associated with Rio Blanco Ave.
- Highway 287 overhead to underground conversion project.
- The scope of some projects were changed to add additional conduit

We are requesting to add $900,000 to account for these projects which will increase the total contract amount to $2,400,000.

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 $2,400,000 and authorize the City Manager to sign the contract change order on behalf of the City.

REVIEWED BY DIRECTOR:
AB for JS

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AGENDA ITEM: 3
MEETING DATE: 9/21/2016
SUBMITTED BY: Kent Aspinall, Acting Distribution Designer Supervisor AB for KA

TITLE: Change Order for Colorado Boring Annual Directional Boring Projects for 2016

DESCRIPTION:
This item is the second change order brought to LUC this year to increase the annual boring purchase order and contract for 2016. In accordance with Municipal Code 3.12.606B, this change order requires LUC approval since the revised contract amount exceeds $500,000 and since the increase exceeds 20% of the original contract amount.

SUMMARY:
Currently the Water & Power Department has a contract with Jacobs Investments, LLC dba Colorado Boring Company to perform the directional boring work for electric utility capital improvement projects. The current 2016 contract is effective from January 1, 2016 for a total of $1,500,000 and set to expire on December 31, 2016. As of September 14, 2016 we have $415,538.38 remaining on this $1,500,000 contract.

LUC previously approved a $500,000 contract increase to bring the contract to the current amount of $1,500,000. This previous change order was to address the increase in development-driven and aid-to-construction projects in 2016. Since then, we have boring work required for some current and upcoming unexpected projects which include:

- An Xcel tie project out of Valley Substation
- Highway 287 overhead to underground conversion project
- Accelerated the 2016 project along County Rd 30 to serve the Larimer County Humane Society
- Several unexpected projects where we have to bore under driveways

We are requesting to add $750,000 to account for these projects which will increase the total contract amount to $2,250,000.

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 $2,250,000 and authorize the City Manager to sign the contract change order on behalf of the City.

REVIEWED BY DIRECTOR:
AB for JS

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: 9/21/2016
SUBMITTED BY: Jim Lees, Utility Accounting Manager JL

TITLE: 2017 Water & Power Schedule of Rates, Charges and Fees

DESCRIPTION:
The purpose of this item is to ask the Loveland Utilities Commission to adopt a motion recommending that City Council approve the proposed changes in the Water and Power Schedule of Rates, Charges and Fees for 2017.

SUMMARY:
An overall average rate increase of 5.7% is proposed for the Power Utility for 2017. This increase is made up of two components: 1) a wholesale power rate increase of 3.0% from Platte River Power Authority (PRPA) is planned for 2017, which, when passed through to customers, generates a 2.43% retail rate increase; and 2) a 3.27% rate increase that is proposed to address a large increase in health insurance costs, a large increase in cost allocations and additional rehabilitative capital needs.

An across-the-board rate increase of 9.0% is proposed for the Water Utility for 2017. This increase is to fund capital projects both at the Water Treatment Plant and for the distribution system in order to address aging infrastructure and improve reliability and redundancy.

An across-the-board rate increase of 11.0% is proposed for the Wastewater Utility for 2017. This increase is to fund capital projects both at the Wastewater Treatment Plant and for the collection system in order to address aging infrastructure, improve reliability and redundancy, and for regulatory compliance. The System Impact Fees (SIF) for Water and Wastewater, and the Plant Investment Fees (PIF) for Power are recalculated annually, so the new SIFs and PIFs are included with this update.

Power

To recap from the past three LUC meetings and discussion on the Power Cost-of-Service Rate Study, there are three rate setting components that Staff asked the LUC to weigh in on:

1) Increase the Monthly Base Charge to reflect cost of service.
   LUC Direction: Move halfway toward cost-of-service for the Small General Service class and go to cost of service for the other customer classes.

2) Implement full cost-of-service results for each customer class, regardless of what those rate increases or decreases might be, or put some limitations on how much each customer class will be adjusted for 2017.
LUC Direction: Take the overall average rate increase for 2017 of 5.7% and put a cap on how much each individual rate class would be adjusted in 2017 of + or – 1% of the 5.7% overall average increase.

3) Implement full cost-of-service results for each customer class, for the differential between the summer and non-summer seasons, regardless of what those rate increases or decreases might be, or, continue to gradually step toward full cost-of-service differential between summer and non-summer rates.
LUC Direction: Take a small step (using Utility Financial Solutions' (UFS) discretion) toward cost-of-service and continue the movement toward cost-of-service in succeeding years.

This direction was built into the rate design for 2017. The proposed overall average rate increase for 2017 is 5.7%, which is a combination of a pass-through of PRPA's estimated 3.0% wholesale power rate increase (which translates to a 2.43% retail rate increase) and an additional 3.27% increase to address increased in-house cost increases. The reasons cited by PRPA for the wholesale rate increase are as follows:

- Reduced surplus sales
- New solar generation project at Rawhide
- Expansion of energy efficiency programs
- Planned maintenance outages for Rawhide and Craig
- New debt financings for capital additions
- Increased depreciation expense
- Increased pension expense due to lower market returns
- Risk of soft load growth for the four cities

The primary drivers behind the 3.27% rate increase for in-house needs are:

- Increased health insurance expense (up $228,000 from 2016)
- Increased Cost Allocation expense for services provided to the Power Utility by other City departments (up $213,000 from 2016)
- Increased needs for non-growth related capital projects

The 3.0% increase is PRPA's best projection currently, and the hope is that it will be very close to or exactly what the actual wholesale rates will be for 2017.

The overall average rate increase for 2017 is 5.7%. Below are the proposed changes in the base, consumption and demand charges per rate class.

RATE CLASS	% Increase
Residential	5.55%
Small General Service (Small Commercial)	6.70%
Large General Service (Large Commercial)	5.70%
Primary Service with Customer-owned Transformer	6.58%

Taking into account the direction that was given by the LUC, here is a summary of the changes in the base, consumption and demand charges for the key rate classes for 2017.

POWER SUMMER MONTHS SUMMARY OF KEY CHANGES	July-Sept 2016	July-Sept Proposed 2017
Residential		
Base Charge (per month)	$13.36	$14.37
Consumption Charge (per kWh including PILT)	$0.08677	$0.09244
Small General Service		
Base Charge (per month)	$21.38	$25.38
Consumption Charge (per kWh including PILT)	$0.09027	$0.09668
Large General Service		
Base Charge (per month)	$96.10	$134.60
Consumption Charge (per kWh including PILT)	$0.04503	$0.05035
Demand Charge (per kW)	$14.26	$14.50
Primary Service (with Customer-owned Transformer)		
Base Charge (per month)	$105.07	$151.83
Consumption Charge (per kWh including PILT)	$0.04355	$0.04921
Demand Charge (per kW)	$13.73	$14.25

POWER: NON-SUMMER MONTHS SUMMARY OF KEY CHANGES	Jan-June Oct-Dec 2016	Jan-June Oct-Dec Proposed 2017
Residential		
Base Charge (per month)	$13.36	$14.37
Consumption Charge (per kWh including PILT)	$0.07326	$0.07639
Small General Service		
Base Charge (per month)	$21.38	$25.38
Consumption Charge (per kWh including PILT)	$0.08259	$0.08623
Large General Service		
Base Charge (per month)	$96.10	$134.60
Consumption Charge (per kWh including PILT)	$0.04594	$0.04717
Demand Charge (per kW)	$9.93	$10.50
Primary Service (with Customer-owned Transformer)		
Base Charge (per month)	$105.07	$151.83
Consumption Charge (per kWh including PILT)	$0.04417	$0.04638
Demand Charge (per kW)	$9.50	$10.00

If approved, the 5.7% rate increase would result in the following average monthly changes by rate class.

AVERAGE CHANGE IN MONTHLY POWER BILL	Overall Average Change	Summer Average Change	Non-Summer Average Change
Residential	$3.62	$5.37	$3.04
Small General Service	$12.47	$17.43	$10.82
Large General Service	$206.46	$324.93	$166.97

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

At the August 30, 2016 City Council Study Session, the results of the Power Cost-of-Service Rate Study were presented, and Council indicated support for the rates proposed for 2017.

Closing the Cost-of-Service Gap

At the August 30, 2016 Study Session there was concern regarding how large of a correction that was needed to get the Small General Service (SG) class to cost of service (COS) and how long it would take to get there. There was some confusion about this at the meeting, with some discussion on the fact that it might take 12 years to get to COS.

The rate study results indicated that the correction that is necessary to get the SG class to COS is 12.1%. The rate increase that is proposed for 2017 for the SG class is 6.7%, which leaves another 5.4% (12.1% - 6.7%) to address to get to COS. The rate track for Power that came out of the rate study is showing the need for an overall rate increase of 5% in 2018 and 4% in 2019. We're assuming that all rate classes would need to increase by those amounts in those two years. So, in order to gain ground on the 5.4% shortfall, we would need to give the SG class increases higher than 5% in 2018 and 4% in 2019. As an example, if we gave them an 8% increase in 2018, we would gain 3.0% toward COS, and if we followed that up with a 6.4% increase in 2019, we would gain 2.4% more, which would get us to COS in 2019. Or, theoretically, the LG class could be given a 10.4% increase in 2018, which would take the class to COS, but would be a rather big hit in one year. So when it comes time to set the rates for 2018, we will be looking for direction from the LUC again as to how much of that gap they recommend to close.

Update on Rate Design for Residential Self-Generating Customers

At the August 17, 2016 LUC meeting, Mark Beauchamp introduced a new methodology for billing Residential Self-Generating customers that will address a subsidy that the current rate design has generated of approximately $4,800 per year in favor of the Residential Self-Generating class. (Note: this subsidy was reported as $13,000 at last month's LUC meeting, but further analysis has yielded $4,800 as a more accurate estimate). To review, the new rate design will be true net metering, where a customer will be charged the retail rate for the energy they consume and will be given credit at the retail rate for the energy they generate back to the grid. They will be charged an additional amount on top of the normal Residential Monthly Base Charge. The additional amount will be $1.45 times the capacity of their solar generating unit, rounded to the nearest kW. Our current Residential Self-Generating customer have solar generating units that range from 1.4 kW to 9.7 kW in capacity. The additional charge that is necessary to fully address the subsidy is $2.89 per kW of unit capacity, so the remaining $1.44 per kW will be added to the unit capacity charge in 2018.

The LUC voted unanimously at the August 17, 2016 meeting to recommend that City Council adopt this new methodology, and City Council indicated support for this new methodology at their August 30, 2016 Study Session.

Water

In accordance with a resolution regarding a rate track that was adopted by City Council in September of 2015, there is a 9% across-the-board rate increase proposed for Water in 2017. This increase will be to fund capital projects both at the Water Treatment Plant and for the distribution system in order to address aging infrastructure and improve reliability and redundancy. The following table highlights some of the key proposed changes.

WATER SUMMARY OF KEY CHANGES (all based on 3/4" meter size)	2016	Proposed 2017
Single Family Residential		
Base Charge (per month)	$12.40	$13.52
Consumption Charge (per 1,000 gallons)	$2.53	$2.76
Multi-Family Residential		
Base Charge (per month)	$18.27	$19.91
Consumption Charge (per 1,000 gallons)	$2.32	$2.53
Commercial:		
Base Charge (per month)	$12.40	$13.52
Consumption Charge (per 1,000 gallons)	$2.42	$2.64
Irrigation:		
Base Charge (per month)	$12.40	$13.52
Consumption Charge (per 1,000 gallons)	$3.02	$3.29

If approved, these rate increases would result in the following average monthly changes per rate class.

AVERAGE CHANGE IN MONTHLY WATER BILL	Overall Average Change
Single-Family Residential	$2.89
Multi-Family Residential	$2.73
Commercial (3/4" tap)	$4.09
Irrigation (3/4" tap, avg. monthly change during irrigation season)	$14.08

Wastewater

In accordance with a resolution regarding a rate track that was adopted by City Council in September of 2015, there is an 11% across-the-board rate increase proposed for Wastewater in 2017. This increase is to fund capital projects both at the Wastewater Treatment Plant and for the collection system in order to address aging infrastructure, improve reliability and redundancy, and for regulatory compliance. The following table highlights some of the key proposed changes.

WASTEWATER SUMMARY OF KEY CHANGES		
(all based on 3/4" meter size)		
	2016	**Proposed 2017**
Single Family Residential		
Base Charge (per month)	$10.42	$11.57
Consumption Charge (per 1,000 gallons)	$3.44	$3.82
Multi-Family Residential		
Base Charge Per Dwelling Unit (per month)	$2.85	$3.16
Consumption Charge (per 1,000 gallons)	$3.55	$3.94
Commercial		
Base Charge (per month)	$10.42	$11.57
Consumption Charge (per 1,000 gallons)	$3.60	$4.00
Extra Strength Surcharge		
Biochemical Oxygen Demand (BOD)	$0.54	$0.60
Charge per pound (in Excess of Domestic Load)		
Total Suspended Solids (TSS)	$0.35	$0.39
Charge per pound (in Excess of Domestic Load)		

If approved, these rate increases would result in the following average monthly changes by rate class.

AVERAGE CHANGE IN MONTHLY WASTEWATER BILL	Overall Average Change
Single-Family Residential	$2.67
Multi-Family Residential (per dwelling unit)	$1.71
Commercial (3/4" tap)	$6.07

UTILITY IMPACT FEES

Each year Water, Wastewater and Power impact fees are recalculated based on changes in plant size, plant value and customer growth.

Power

The Power Plant Investment Fee (PIF) is proposed to increase on average by 4.1%. The PIF is collected in two ways: for residential, it is an up-front fee when a house is constructed, and for non-residential, it is collected monthly on a charge per kWh basis. The PIF for residential 150-amp service installations would increase from $1,450 to $1,510, and the PIF for residential service installations above 150-amps would increase from $1,860 to $1,940. A Small General Service (small commercial) customer with average consumption would see a monthly increase of $0.48, while a Large General Service (large commercial) customer with average consumption would see a monthly increase of $10.80 in the PIF component of their monthly utility bills.

The calculation for the PIF is based largely on current replacement costs for 600 amp feeders and substation equipment. The methodology for updating the PIF involves using

a utility cost index called the Handy-Whitman Index to bring original installed asset costs up to current replacement value. The most recent update of the Handy-Whitman Index was released in May of this year. It reflects costs as of the end of 2015, and shows changes ranging from a decrease of 1.9% to an increase of 2.2% in 2015 in the key cost component areas impacting the PIF calculation. In addition, in 2015, there were increases in the asset value for substations due to a new transformer and switchgear at Horseshoe Substation and a new switchgear at Valley Substation. There also was a $2.9 million increase in Work In Progress and an average increase in the customer count. The combination of these factors yielded the proposed PIF increase of 4.1% for 2017.

Wastewater

The residential wastewater system impact fee (SIF) is proposed to increase 3.5%, from $2,550 to $2.640 for a single-family detached residential unit. The Engineering News Record (ENR) Construction Cost Index was utilized to bring original installed asset costs up to current replacement value. The Index for the end of 2015 showed a 2.2% increase in the cost component areas impacting the SIF calculation. There also was an increase of $1.6 million in SIF Cash Balance. There was a modest increase in the customer count. The combination of these factors yielded the proposed residential SIF increase of 3.5% for 2017. The Wastewater commercial SIFs are proposed to increase between 4.9% and 7.5%, depending on the tap size. A key component of the commercial SIF calculation is called the usage ratio. The usage ratio establishes the usage of a ¾" residential tap as the standard usage (a usage ratio of 1.0), then compares the usage of all other tap sizes relative to the residential ¾" usage. For example, on average, a 1" commercial tap will have a lot more usage than a ¾" residential tap, so the usage ratio for a 1" commercial tap will be some multiple (e.g. 8.8) of the average residential usage. We are seeing an upward trend in these usage ratios that we need to recognize in our calculation.

Water

The residential water system impact fee (SIF) is proposed to increase 0.9%, from $4,860 to $4,880 for a single-family detached residential unit. The primary factors contributing to this minor increase in the fee is that an increase in Assets and Work In Progress was substantially offset by a decrease in the SIF Cash Balance. This is an example of why we include the WIP balance and SIF Cash Balance in the calculation – it allows for more gradual increases in the SIF over time instead of having a big spike when the project is completed and the asset is added to the calculation. In addition, there were increases in the indices for water construction costs ranging from 2.2% to 2.3% in 2015 in the key cost component areas impacting the SIF calculation. These increases were offset by a 0.9% increase in the Single Family Equivalent (SFE) customer count. The Water commercial and irrigation SIFs are proposed to increase between a range of 0.4% to 7.9%, depending on the tap size. The upward trend in usage ratios discussed in the Wastewater paragraph applies to Water, as well.

After deliberation at their August 24, 2016 meeting, the Construction Advisory Board unanimously recommended to City Council approval of all of the proposed changes to the impact fees.

Included in the PowerPoint slides are some comparisons between Loveland's rates and fees and those of surrounding communities. For rates, Power is overall third lowest between the four neighboring cities (with Fort Collins, Longmont and Greeley being the other three), Water is in the middle-to-lower tier in a comparison of 18 Northern Colorado

water providers, and Wastewater is in the middle tier of the 17 Northern Colorado wastewater providers. For impact fees, in looking at the three utilities combined for Residential, Loveland is the lowest of the four cities. For Commercial impact fees, in looking at combined fees for Water and Wastewater for the most common tap sizes, Loveland is second lowest of the four cities for the ¾" commercial tap (which makes up 56% of all of our commercial taps) and is the highest for the larger tap sizes. It is also important to note that these comparisons are looking at Loveland's 2017 proposed rates and fees compared to the 2016 rates and fees for the neighboring communities, so the comparisons will likely become more favorable once the 2016 figures for the neighboring communities are known.

RECOMMENDATION:
Adopt a motion recommending that City Council approve the proposed changes in the Water and Power Schedule of Rates, Charges and Fees for 2017.

REVIEWED BY DIRECTOR:
AB for GS
ATTACHMENTS

- **Attachment A:** PowerPoint Slides – 2017 Proposed W&P Rates, Charges & Fees
- **Attachment B:** PowerPoint Slides – 2017 Water & Power Impact Fees
- **Attachment C:** Proposed 2017 Water and Power Department Schedule of Rates, Charges and Fees

Attachment A

2017 Proposed W&P Rates, Charges & Fees

Loveland Utilities Commission Presentation

September 21, 2016

16

Presentation Overview

- Present proposed Power rate increase for 2017
  - Justifications for proposed increase
  - Impacts on typical customers' monthly bills
  - Compare typical customers' monthly bills with surrounding cities
- Present proposed Water rate increase for 2017
  - Justifications for proposed increase
  - Impacts on typical customers' monthly bills
  - Compare typical customers' monthly bills with surrounding cities
- Present proposed Wastewater rate increase for 2017
  - Justifications for proposed increase
  - Impacts on typical customers' monthly bills
  - Compare typical customers' monthly bills with surrounding cities
- Utility Impact Fees
- Questions/Discussions

17

Proposed Power Rate Increase

- 5.7% Power Rate Increase
  - Consistent with cost-of-service results, recommended by LUC and supported by City Council
  - Combination of PRPA pass-through and In-house needs
  - Rate increases vary by class depending on cost-of-service results

18

Reasons for Power Rate Increase

- PRPA Wholesale Power Rate Increase
  - 3.0%, translates to a 2.43% retail rate increase
  - Reduced surplus sales
  - New solar project at Rawhide
  - Expansion of energy efficiency programs
  - Planned maintenance outages for Rawhide and Craig
  - New debt financings for capital additions
  - Increased depreciation expense
  - Increased pension expense due to lower market returns
  - Risk of soft load growth for the four cities
- In-house Needs (3.27% rate increase)
  - Increase in health insurance expense (up $228K from 2016)
  - Increase in Cost Allocations (up $213K from 2016)
  - Increased needs for non-growth related capital projects

17

% Power Rate Increase By Customer Class

Customer Class	% Increase
Residential	5.55%
Small General Service (Small Commercial)	6.70%
Large General Service (Large Commercial)	5.70%
Primary Service with Customer-owned Transformer	6.58%

26

Typical Electric Bill Impacts – Based on Summer Rates

Customer	Monthly Consumption	Existing Bill	Proposed Bill	Total Change
Residential	700 kWh	$74.10	$79.08	$4.98
Commercial	2,000 kWh	$201.92	$218.74	$16.82

27

Electric Rate Comparisons- Residential

	Loveland 2017 Proposed	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Residential: 700 kWh/mo.; based on Summer rates				
Monthly Base Charge	$14.37	$5.37	$7.80	$10.40
Consumption Charge per kWh	$0.09244	$0.09222+	$0.09558+	$0.07550+
Total Monthly Bill	$79.08	$73.57	$84.86	$63.25
Rank (1=lowest)	3	2	4	1

28

Electric Rate Comparisons- Commercial

	Loveland 2017 Proposed	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Commercial: 2,000 kWh/mo.; based on Summer rates				
Monthly Base Charge	$25.38	$10.18	$12.42	$16.40
Consumption Charge per kWh	$0.09668	$0.10081	$0.11677	$0.07800
Total Monthly Bill	$218.74	$211.80	$245.96	$172.40
Rank (1=lowest)	3	2	4	1

29

Closing the Cost-of-Service Gap

- Topic came up at 8/30/16 City Council Study Session
  - Small General Service (SG) class needs a 12.1% increase to reach cost of service (COS)
  - SG class to have 6.7% rate increase in 2017
  - How long will it take to make up 5.4% gap?
- 5.0% and 4.0% overall rate increases projected for 2017 and 2018, respectively
  - 8.0% increase for SG in 2018 would gain 3.0% toward COS
  - 6.4% increase for SG in 2019 would gain 2.4% more, and take the class to COS in 2019
  - Or, 10.4% increase in 2018 would get to COS in 2018
- Staff will be looking to LUC for direction on this next year

17

Update on Rate Design for Residential Self-Generating Customers

- New rate design to address subsidy to class
  - All energy consumed and energy generated back onto grid will be billed and credited at retail rate
  - $1.45 per kW of capacity of solar unit will be added to Monthly Base Charge to step halfway to addressing subsidy
  - Another $1.44 per kW of capacity will be added to Monthly Base Charge in 2018 to address other half of subsidy
  - Easier administratively for Utility Billing
- This rate design supported by City Council at 8/30/16 Study Session

17

Proposed Water Rate Increase

- 9.0% Rate Increase
  - Consistent with Council-approved Water Enterprise rate track
  - To address aging infrastructure, reliability and redundancy
  - Rate increase across-the-board for all rate classes

18

Typical Water Bill Impacts

Customer	Monthly Water Use	Existing Bill	Proposed Bill	Total Change
Residential Inside City- ¾" tap size	7,700 gal	$31.88	$34.77	$2.89
Commercial Inside City- ¾" tap size	13,500 gal	$45.07	$49.16	$4.09

20

Water Rate Comparisons- Residential

	Loveland 2017 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Residential: 7,700 gallons/mo.; ¾" tap size; based on Summer rates				
Monthly Base Charge	$13.52	$16.33	$11.45	$6.07
Usage Charge per 1,000 Gallons	$2.76	$2.53+	$4.10	$2.40+
Total Bill	$34.77	$36.08	$43.02	$27.30
Rank (1=lowest)	2	3	4	1

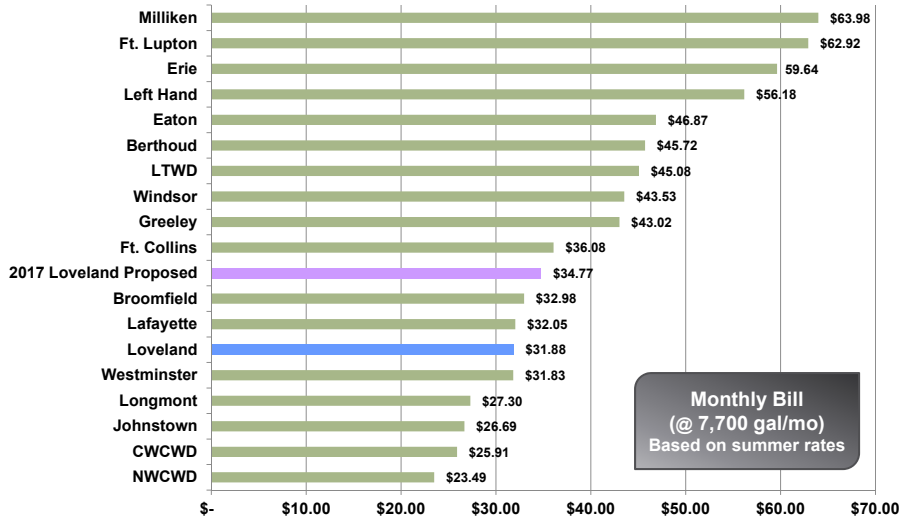
21

Water Rate Comparisons- Commercial

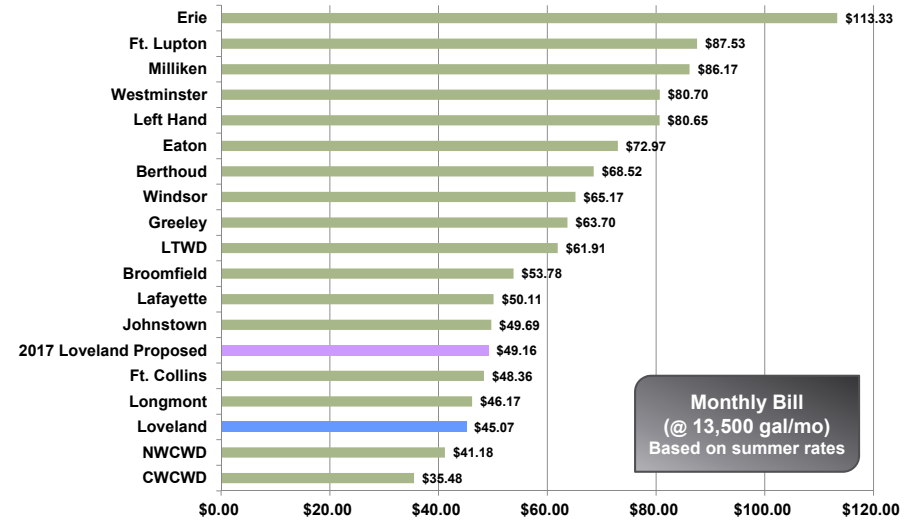
	Loveland 2017 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Commercial: 13,500 gallons/mo.; ¾" tap size; Summer rates				
Monthly Base Charge	$13.52	$14.45	$11.45	$6.07
Usage Charge per 1,000 Gallons	$2.64	$2.51	$3.87	$2.97
Total Bill	$49.16	$48.36	$63.70	$46.17
Rank (1=lowest)	3	2	4	1

22

2016 Water Average Residential Bill Comparison



2016 Water Average ¾" Commercial Bill Comparison



Proposed Wastewater Rate Increase

- 11.0% Rate Increase
  - Consistent with Council-approved Wastewater Enterprise rate track
  - To address aging infrastructure, reliability and redundancy and regulatory compliance
  - Rate increase across-the-board for all rate classes

18

Typical Wastewater Bill Impacts

Customer	Monthly Water Use	Existing Bill	Proposed Bill	Total Change
Residential Inside City- ¾" tap size	4,000 gal	$24.18	$26.85	$2.67
Commercial Inside City- ¾" tap size	12,300 gal	$54.70	$60.77	$6.07

20

Wastewater Rate Comparisons-Residential

	Loveland 2017 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Residential: 4,000 gallons/mo.				
Monthly Base Charge	$11.57	$18.15	$11.55	$10.50
Usage Charge per 1,000 Gallons	$3.82	$3.53	$1.89	$4.86
Total Bill	$26.85	$32.27	$19.11	$29.94
Rank (1=lowest)	2	4	1	3

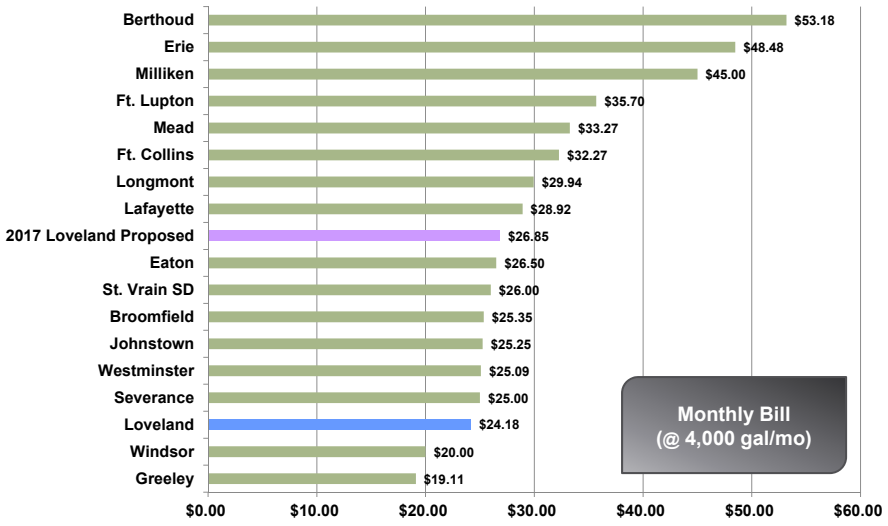
21

Wastewater Rate Comparisons-Commercial

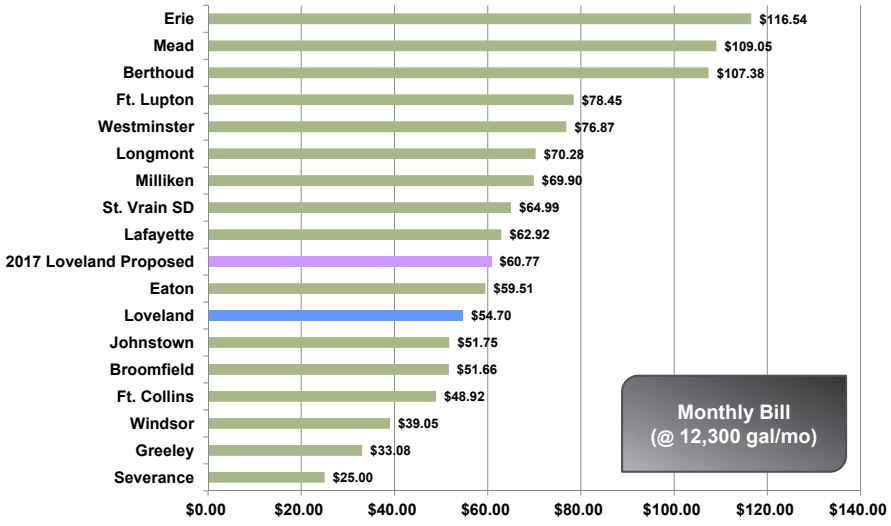
	Loveland 2017 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Commercial: 12,300 gallons/mo.				
Monthly Base Charge	$11.57	$9.30	$11.55	$10.50
Usage Charge per 1,000 Gallons	$4.00	$3.22	$1.75	$4.86
Total Bill	$60.77	$48.92	$33.08	$70.28
Rank (1=lowest)	3	2	1	4

21

2016 Wastewater Average Residential Bill Comparison



2016 Wastewater Average ¾" Commercial Bill Comparison



City of Loveland

2017 Water & Power Impact Fees

Utility Impact Fees

Each year, the utility impact fees are recalculated based on:

- Asset value 
- Customer growth 
- Usage patterns 

Electric Impact Fees (PIF)

$60

Single-family homes would increase 4.1%

Reasons For Increase

New switchgear at Valley Sub, new transformer and switchgear at Horseshoe Sub

Wastewater Impact Fees (SIF)

$90

Single-family homes would increase 3.5%

Reasons For Increase

An increase in the construction cost index coupled with an increase in SIF fund balance, offset by a modest increase in customer count.

Water Impact Fees (SIF)

$20

Single-family homes would increase 0.9%

Reasons For Increase

Increases in asset value and Work-In-Progress balance for work completed through end of 2015 on the Water Treatment Plant Expansion Project offset by a decrease in SIF fund balance.

Let's Compare…Residential

	Loveland Proposal	Ft Collins Current	Greeley Current	Longmont Current
Water				
Single Family	$4,880	$3,756	$10,800	$10,892
Wastewater (WW)				
Single Family	$2,640	$3,500	$5,450	$6,590
Electric				
Single Family	$1,510	$2,749	N/A	$619
Total Wtr, WW, Elec				
Single Family	$9,030	$10,005	$16,250	$18,101
Combined Rank (1=lowest)				
Single Family	1	2	3	4

Note: Greeley does not have its own electric utility

Let's Compare…Commercial

	Loveland Proposal	Ft Collins Current	Greeley Current	Longmont Current
Water				
¾ inch	$7,520	$7,180	$10,800	$15,770
1 inch	$23,420	$19,710	$18,100	$26,290
1.5 inch	$43,360	$42,220	$36,100	$52,580
Wastewater (WW)				
¾ inch	$7,200	$7,130	$5,450	$8,780
1 inch	$23,100	$17,200	$9,100	$14,640
1.5 inch	$40,100	$33,410	$18,150	$29,300
Total Water & WW				
¾ inch	$14,720	$14,310	$16,250	$24,550
1 inch	$46,250	$36,910	$27,200	$40,930
1.5 inch	$83,460	$75,630	$54,250	$81,880
Combined Rank (1=lowest)				
¾ inch	2	1	3	4
1 inch	4	2	1	3
1.5 inch	4	2	1	3

Through the Years…

SIF / PIF HISTORY: 2010-2017									
SINGLE FAMILY RESIDENTIAL	2010	2011	2012	2013	2014	2015	2016	Proposed 2017	8 Yr Avg. Change
WATER	$4,600	$4,480	$4,560	$4,670	$4,670	$4,580	$4,860	$4,880	
$ Change	$260	($120)	$80	$190	$0	($90)	$280	$20	
WASTEWATER	$2,590	$2,550	$2,560	$2,510	$2,410	$2,490	$2,550	$2,640	
$ Change	$230	($40)	$10	($40)	($100)	$80	$60	$90	
POWER (150 amp or less)	$1,160	$1,190	$1,250	$1,270	$1,270	$1,330	$1,450	$1,510	
$ Change	$310	$30	$60	$80	$0	$60	$120	$60	
TOTAL WTR, WW, PWR	$8,350	$8,220	$8,370	$8,450	$8,350	$8,400	$8,860	$9,030	
$ Change	$800	($130)	$150	$230	($100)	$50	$460	$170	$204
% Change	10.6%	-1.6%	1.8%	2.8%	-1.2%	0.6%	5.5%	1.9%	2.6%

Additional Questions? Comments!

Attachment C

CITY OF LOVELAND,

COLORADO

Water and Power Department

Schedule of Rates, Charges and Fees

Effective 1/1/16~~7~~7

TABLE OF CONTENTS

SUMMARY **1**

ELECTRIC RATES 1
ELECTRIC RATES CONT'D 2
WASTEWATER RATES 3
WATER RATES 4
PLANT INVESTMENT FEES - ELECTRIC 6
SYSTEM IMPACT FEES – WASTEWATER 6
CAPITAL RECOVERY SURCHARGE – WASTEWATER 6
SYSTEM IMPACT FEES – WATER 6
CAPITAL RECOVERY SURCHARGE - WATER 7
FIRE TAP PLANT INVESTMENT FEE 7
RAW WATER DEVELOPMENT FEE 8
RAW WATER CAPITAL RECOVERY SURCHARGE PER 1,000 GALLONS 8
ELECTRIC FEES 9
WASTEWATER FEES 11
WATER FEES 11
MISCELLANEOUS FEES 12

I. RATES - ELECTRIC **13**

RESALE OF ELECTRIC CURRENT PROHIBITED 13
SURCHARGE 13
RENEWABLE ENERGY PREMIUM 13
SELF-GENERATION RATE 15
RESIDENTIAL SERVICE ..... 20~~17~~
SCHEDULE R ..... 20~~17~~
RESIDENTIAL DEMAND SERVICE ..... 21~~18~~
SCHEDULE RD ..... 21~~18~~
SMALL GENERAL SERVICE ..... 22~~19~~
SCHEDULE SG ..... 22~~19~~
LARGE GENERAL SERVICE ..... 23~~20~~
SCHEDULE LG ..... 23~~20~~
PRIMARY SERVICE WITH TRANSFORMER ..... 24~~21~~
SCHEDULE PT ..... 24~~21~~
TRANSMISSION VOLTAGE SERVICE ..... 25~~22~~
SCHEDULE TS ..... 25~~22~~
COINCIDENT PEAK DEMAND SERVICE ..... 27~~24~~
AREA LIGHTING ..... 29~~26~~
SCHEDULE AL ..... 29~~26~~
FLAT RATE SERVICE ..... 30~~27~~
SCHEDULE FE ..... 30~~27~~
PUBLIC ELECTRIC VEHICLE CHARGING STATION SERVICE USER FEES ..... 31~~28~~

II. FEES - ELECTRIC ..... **32~~29~~**

APPLICATIONS FOR ELECTRIC SERVICE ..... 32~~29~~
PLANT INVESTMENT FEE ..... 32~~29~~
PLANT INVESTMENT FEE CONT'D ..... 33~~30~~
SERVICE TURN-ON FEE AT THE METER ..... 33~~30~~
DISCONNECT AND RECONNECT SERVICES ..... 34~~31~~
PERMANENT DISCONNECT AND REMOVAL OF SERVICE ..... 34~~31~~
CHARGES WHEN ACCESS DENIED ..... 34~~31~~
RESIDENTIAL SERVICE INSTALLATIONS AND UPGRADES FOR SINGLE FAMILY AND DUPLEX DWELLINGS ..... 35~~32~~
RESIDENTIAL SERVICE INSTALLATIONS AND UPGRADES FOR MULTIPLEX SERVICE INSTALLATIONS ..... 36~~33~~
FIELD ENGINEERING DEPOSITS ..... 36~~33~~
OTHER DEPOSITS ..... 38~~35~~

TEMPORARY EXTENSIONS 3936
AREA LIGHTING 3936
ENERGIZING OF ELECTRIC SERVICE TO SMALL DEVICES QUALIFYING FOR FLAT RATE SERVICE 3936
POLE ATTACHMENT FEE 3936
PUBLIC ELECTRIC VEHICLE CHARGING STATION SERVICE USER FEES 3936

III. FEES - MISCELLANEOUS 4037

AFTER HOURS 4037
FIRE HYDRANT AND FIRE PROTECTION TAP 4037
HYDRANT METER GUIDELINES 4037
HYDRANT METER GUIDELINES CONT'D 4138
HYDRANT METER GUIDELINES CONT'D 4239
SUMMARY OF HYDRANT METER FEES AND CHARGES 4239
NEW ACCOUNT OR REACTIVATION FEE AND NEW ACCOUNT METER READING FEE 4239

SUMMARY

Electric Rates

Annexation Surcharge	5%	
Renewable Energy Premium per 100 kilowatt-hour (kWh)	$~~2.70~~2.80	
	Jan.-June, Oct.-Dec.	July-Sept.
Residential (Schedule R)		
Base Charge per Month	$~~13.36~~14.37	$~~13.36~~14.37
Energy Charge per kWh	$~~0.06674~~0.06964	$~~0.07962~~0.08436
PILT per kWh	$~~0.00652~~0.00675	$~~0.00715~~0.00808
Residential Demand (Schedule RD) No new Schedule RD Customers accepted after Dec. 31, 2014		
Base Charge per Month	$~~21.23~~22.83	$~~21.23~~22.83
Energy Charge per kWh	$~~0.03802~~0.03963	$~~0.03696~~0.04161
PILT per kWh	$~~0.00505~~0.00596	$~~0.00562~~0.00652
Demand Charge per kW	$~~7.29~~7.35	$~~9.50~~9.70
Small General Service (Schedule SG)		
Base Charge per Month	$~~21.38~~25.38	$~~21.38~~25.38
Energy Charge per kWh	$~~0.07603~~0.07938	$~~0.08332~~0.08890
PILT per kWh	$~~0.00656~~0.00685	$~~0.00695~~0.00778
Plant Investment Fee per kWh	$~~0.00587~~0.00611	$~~0.00587~~0.00611
Large General Service (Schedule LG)		
Base Charge per Month	$~~96.10~~134.6	$~~96.10~~134.6
Energy Charge per kWh	$~~0.04069~~0.04170	$~~0.03907~~0.04378
PILT per kWh	$~~0.00525~~0.00547	$~~0.00596~~0.00657
Plant Investment Fee per kWh	$~~0.00587~~0.00611	$~~0.00587~~0.00611
Demand Charge per kW	$~~9.93~~10.50	$~~14.26~~14.50
Primary Service with Customer Owned Transformer (Schedule PT)		
Base Charge per Month	$~~105.07~~151.83	$~~105.07~~151.83
Energy Charge per kWh	$~~0.03965~~0.04169	$~~0.03854~~0.04377
PILT per kWh	$~~0.00452~~0.00469	$~~0.00501~~0.00544
Plant Investment Fee per kWh	$~~0.00570~~0.00593	$~~0.00570~~0.00593
Demand Charge per kW	$~~9.50~~10.00	$~~13.73~~14.25

Electric Rates Cont'd

Coincident Peak Demand Service (see page ~~24~~27)	
Transmission Voltage by Contract (Schedule TS – see pg 25)	
	Jan.-Dec.
Area Lighting (Schedule AL)	
Rate per watt of bulb	$~~0.05618~~0.05882
PILT per watt of bulb	$~~0.00427~~0.00447
Flat Rates (Schedule FR)	Jan.-Dec.
Signal Amplifiers	$~~33.11~~34.67
PILT	$~~2.52~~2.64
Automatic Sprinkler Controls	$~~4.92~~5.15
PILT	$~~0.36~~0.38
Bus Shelters	$~~20.35~~21.31
PILT	$~~1.54~~1.61

Wastewater Rates

Monthly Flat Rate	Inside City	Outside City
Single-family residential	$~~23.22~~25.79	$~~34.84~~38.69
Multi-family residential per unit	$~~13.68~~15.18	$~~20.55~~22.77
Non-residential property (Commercial or Industrial)	$~~129.41~~143.78	$~~194.11~~215.67
Metered Water Service		
Monthly base charge – single-family residential	$~~10.42~~11.57	$~~15.63~~17.36
Monthly base charge – multi-family residential per dwelling unit	$~~2.85~~3.16	$~~4.28~~4.74
Monthly base charge – commercial	$~~10.42~~11.57	$~~15.63~~17.36
Volume charge per 1,000 gallons – single-family residential	$~~3.44~~3.82	$~~5.16~~5.73
Volume charge per 1,000 gallons – multi-family residential	$~~3.55~~3.94	$~~5.33~~5.91
Volume charge per 1,000 gallons – commercial	$~~3.60~~4.00	$~~5.40~~6.00
High Strength Surcharge		
BOD charge per pound when discharge is greater than 276 mg/l	$~~0.54~~0.60	$~~0.81~~0.90
TSS charge per pound when discharge is greater than 207 mg/l	$~~0.35~~0.39	$~~0.53~~0.59

Water Rates

Metered Rates

The monthly service charge shall be the sum of the base charge and the use fee per 1,000 gallons as set forth below:

Single-Family Residential Base Charge

Tap Size (in inches)	Inside City	Outside City
0.75	$~~12.40~~13.52	$~~18.60~~20.28
1.00	$~~15.98~~17.42	$~~23.97~~26.13
1.50	$~~19.53~~21.29	$~~29.30~~31.94
2.00	$~~29.36~~32.00	$~~44.04~~48.00
3.00	$~~101.65~~110.80	$~~152.48~~166.20
4.00	$~~128.43~~139.99	$~~192.65~~209.99
6.00	$~~190.91~~208.09	$~~286.37~~312.14

Multi-Family Residential Base Charge

Tap size (in inches)	Inside City	Outside City
0.75	$~~18.27~~19.91	$~~27.41~~29.87
1.00	$~~21.83~~23.79	$~~32.75~~35.69
1.25	$~~23.62~~25.74	N/A
1.50	$~~25.40~~27.69	$~~38.10~~41.54
2.00	$~~35.22~~38.39	$~~52.83~~57.59
3.00	$~~107.45~~117.12	$~~161.18~~175.68
4.00	$~~134.20~~146.28	$~~201.30~~219.42
6.00	$~~196.63~~214.33	$~~294.95~~321.50

Commercial Base Charge

Tap size (in inches)	Inside City	Outside City
0.75	$~~12.40~~13.52	$~~18.60~~20.28
1.00	$~~15.98~~17.42	$~~23.97~~26.13
1.50	$~~19.53~~21.29	$~~29.30~~31.94
2.00	$~~29.36~~32.00	$~~44.04~~48.00
3.00	$~~101.65~~110.80	$~~152.48~~166.20
4.00	$~~128.43~~139.99	$~~192.65~~209.99
6.00	$~~190.91~~208.09	$~~286.37~~312.14

Water Rates Cont'd

Irrigation Base Charge

Tap size (in inches)	Inside City	Outside City
0.75	$~~12.40~~13.52	$~~18.60~~20.28
1.00	$~~15.98~~17.42	$~~23.97~~26.13
1.50	$~~19.53~~21.29	$~~29.30~~31.94
2.00	$~~29.36~~32.00	$~~44.04~~48.00
3.00	$~~101.65~~110.80	$~~152.48~~166.20
4.00	$~~128.43~~139.99	$~~192.65~~209.99
6.00	$~~190.91~~208.09	$~~286.37~~312.14

Charges for larger taps will be set by City Council.

Use Fee per 1,000 gallons	Inside City	Outside City
Single-Family Residential	$~~2.53~~2.76	$~~3.80~~4.14
Multi-Family Residential	$~~2.32~~2.53	$~~3.48~~3.80
Commercial	$~~2.42~~2.64	$~~3.63~~3.96
Irrigation	$~~3.02~~3.29	$~~4.53~~4.94

~~Hidden Valley Monthly Base Charge for 0.75 inch tap~~ ~~149.94~~

Excess Water Use – Surcharge per 1,000 gallons	$~~1.01~~1.10
Fire Hydrant Charge per month	
Residential	$2.70
Commercial	$6.60
Fire Protection Tap Service Fee per month	$1.90
Tank and Hydrant Rate per 300 gallons	$~~1.31~~1.43

Hidden Valley Monthly Base Charge for 0.75 inch tap	~~149.94~~159.94	149.94

Hidden Valley Water Availability of Service Fee:
This fee applies to all water taps applied for on or after January 1, 2010 to serve lots authorized pursuant to Resolutions #R-35-2004 and #R-83-2005. Payment of this fee shall be due upon application for the water tap. The fee shall be calculated as follows: A x B x C = fee.
A = Number of months from Jan 1, 2007 to the Availability of Service Fee due date
B = $67.00 per month
C = *Engineering News Record* 20 Cities Construction Cost Index (used to inflate the construction costs to current dollars)

Plant Investment Fees - Electric

Residential Service	
Residential over 150 amp service	$~~1,860.00~~1,940.00
Residential 150 amp service or less	$~~1,450.00~~1,510.00
Non-Residential per kWh	
Small General Service	$~~0.00587~~0.00611
Large General Service	$~~0.00587~~0.00611
Primary Service w/customer equipment	$0.~~00570~~0.00593

Coincident Peak Customers see page ~~25~~27

System Impact Fees – Wastewater

	Inside City	Outside City
Detached one-family dwelling	$~~2,550.00~~2,640.00	$~~3,830.00~~3,960.00
Attached one-family dwelling, per unit	$~~2,260.00~~2,340.00	$~~3,390.00~~3,510.00
Two-family dwelling, per unit	$~~2,260.00~~2,340.00	$~~3,390.00~~3,510.00
Multifamily dwelling containing 3-8 dwelling units, per unit	$~~2,260.00~~2,340.00	$~~3,390.00~~3,510.00
Multifamily dwelling containing 9 or more dwelling units, per unit	$~~1,760.00~~1,830.00	$~~2,640.00~~2,750.00

Nonresidential

Tap size (in inches)	Inside City	Outside City
0.75	$~~6,700.00~~7,200.00	$~~10,050.00~~10,800.00
1.00	$~~21,740.00~~23,100.00	$~~32,610.00~~34,650.00
1.50	$~~38,210.00~~40,100.00	$~~57,320.00~~60,150.00

Nonresidential taps above 1.5-inch pays the capital recovery surcharge

Capital Recovery Surcharge – Wastewater

Inside City per 1,000 gallons of sewer billed	$~~0.757~~0.784
Outside City per 1,000 gallons of sewer billed	$~~1.136~~1.176

System Impact Fees – Water

	Inside City	Outside City
Detached one-family dwelling	$~~4,860.00~~4,880.00	$~~7,290.00~~7,320.00

Attached one-family dwelling, per unit	$~~2,920.00~~2,940.00	$~~4,380.00~~4,410.00
Two-family dwelling, per unit	$~~2,920.00~~2,940.00	$~~4,380.00~~4,410.00
Multifamily dwelling containing 3-8 dwelling units, per unit	$~~2,920.00~~2,940.00	$~~4,380.00~~4,410.00
Multifamily dwelling containing 9 or more dwelling units, per unit	$~~2,400.00~~2,430.00	$~~3,600.00~~3,650.00

Nonresidential

Tap size (in inches)	Inside City	Outside City
0.75	$~~7,000.00~~7,520.00	$~~10,500.00~~11,280.00
1.00	$~~21,870.00~~23,420.00	$~~32,810.00~~35,130.00
1.50	$~~40,420.00~~43,360.00	$~~60,630.00~~65,040.00

Irrigation

Tap size (in inches)	Inside City	Outside City
0.75	$~~14,810.00~~15,070.00	$~~22,220.00~~22,610.00
1.00	$~~41,600.00~~44,570.00	$~~62,400.00~~66,860.00
1.50	$~~107,490.00~~115,350.00	$~~161,240.00~~173,030.00
2.00	$~~116,960.00~~117,440.00	$~~175,440.00~~176,160.00
3.00	$~~332,020.00~~355,550.00	$~~498,030.00~~533,330.00

Tap sizes larger than 3-inch shall be established by City Council. The impact fee for taps larger than 1.5 inch applies only to irrigation meters. Nonresidential taps above 1.5 inch pay the capital recovery surcharge.

~~**Hidden Valley Water Tap Activation Fee:**~~
~~This fee applies to all water taps applied for on or after January 1, 2010 to serve lots authorized pursuant to Resolutions #R-35-2004 and #R-83-2005. Payment of this fee shall be due upon application for the water tap. The fee shall be calculated as follows: A x B x C = fee.~~
~~A = Number of months from July 1, 2005 to the activation fee due date~~
~~B = $67.00 per month~~
~~C = *Engineering News Record* 20 Cities Construction Cost Index (used to inflate the construction costs to current dollars)~~

Capital Recovery Surcharge - Water

Inside City per 1,000 gallons of water	$~~0.750~~0.753
Outside City per 1,000 gallons of water	$~~1.125~~1.130

Fire Tap Plant Investment Fee

Fire Tap Plant Investment Fee (outside City only)	$553.00

Raw Water Development Fee

Detached One-Family Dwelling	$1,026.00
Attached One-Family Dwelling, per unit	$1,026.00
Multifamily dwelling containing 2-24 dwelling units, per unit	$642.00
Multifamily dwelling containing 25 or more dwelling units, per unit	$126.00

Nonresidential

Tap size (in inches)	
0.75	$1,026.00
1.00	$1,744.00
1.50	$3,386.00
2.00	$5,438.00
3.00	$10,260.00

Tap sizes larger than 3-inch shall be established by City Council. The impact fee for taps larger than 1.5 inch applies only to irrigation meters. Commercial taps above 1.5 inch pay the capital recovery surcharge.

Raw Water Capital Recovery Surcharge Per 1,000 Gallons

Raw Water Capital Recovery Surcharge Per 1,000 Gallons	$0.154

Electric Fees

Service Turn-On at the meter	$35.00
Service Turn-On at the meter – After Hours	$100.00
Service Turn-Off at the meter resulting from an unauthorized Service Turn-On	$30.00
Disconnect/Reconnect Services	$200.00
Disconnect/Reconnect Services with Engineering	$320.00
Permanent Service Connect (No Disconnect Needed)	$200.00
Permanent Disconnect of Service	$200.00
Charges When Access Denied	
Appointment or Special Trip to Read the Meter	$20.00
Appointment or Special Trip to Read the Meter After Hours	$40.00
Appointment or Special Trip to Change the Meter	$75.00
Appointment or Special Trip to Change Meter After Hours or Weekends	$100.00
Service is disconnected at the junction box or the overhead pole	$200.00
When access to the pole is denied, actual costs will be billed	
Residential Service Installations	
Typical Underground with 1/0 CIC	$600.00
Typical Underground with 4/0 CIC	$810.00
Typical Overhead	$295.00
Multiplex 3-6 Units	$735.00
Multiplex 7 or More Units (deposit, to be billed on actuals)	$810.00

Electric Fees Cont'd

Field Engineering Deposits	
Residential and duplex single phase installations, 1-2 lots	$830.00
Single commercial buildings, transformer upgrades, raising, lowering, or removing existing power	$1,350.00
Residential subdivision of 3-25 lots, commercial subdivision of 2-10 lots, raising, lowering, or removing existing power	$1,755.00
Residential subdivision of more than 25 lots, commercial subdivision of more than 10 lots, malls, shopping centers, hospitals	$3,310.00
Other Deposits – See Section Fees – Electric "Other Deposits"	
Temporary Residential Connections	$200.00
Termination and energizing electric services to small devices	$270.00
Installation of Area Light	$320.00
Electric Vehicle Charging Station	$1.00/hour
Pole Attachment Fee per attachment	$11.93

Wastewater Fees

Pretreatment Inspection Fee	$75.00
Pretreatment Significant Industrial User (SIU) Laboratory Analysis	Actual Cost Plus $70.00
Pretreatment SIU Public Notification of Violation	$88.00
Tapping Fees 4 inch or 6 inch Tap	$265.00
4 inch Saddle and Stainless Strap	$65.00
6 inch Saddle and Stainless Strap	$85.00

Water Fees

Construction Water Fee	
Tap size (in inches)	
0.75	$39.00
1.00	$64.00
1.50	$129.00
2.00	$205.00
3.00	$383.00
4.00	$638.00
Above 4.00 inch tap will be negotiated with the Water and Power Department	
Water Turn-on Fee – Regular Hours	$35.00
Water Turn-on Fee – After Regular Hours	$100.00
Water Turn-off Fee for Unauthorized Service Turn-on	$30.00
Water Meter Appointment Fee – Regular Hours	$20.00
Water Meter Appointment Fee – After Regular Hours	$30.00
Raw Water Cash-in-lieu Fee per Acre-Foot (City Code Sec.19.04.040)	Set by Loveland Utilities Commission
Native Raw Water Storage Fee per Acre-Foot	
Barnes Ditch	$5,900.00
Big Thompson Ditch & Manufacturing Co.	$3,620.00
Buckingham Irrigation Co. (Geo. Rist Ditch)	$7,590.00
Chubbuck Ditch	$7,590.00
Louden Irrigating Canal and Reservoir Co.	$7,030.00
South Side Ditch Company	$6,950.00

Water Fees Cont'd

Construction Hydrant Meter Deposit	$1,000.00
Hydrant Meter Rental	
Daily Rental	$5.00
Install Fee	$45.00
Remove Fee	$45.00
Moving Meter Fee	$45.00
Water Use	$~~1.31~~1.43/300 gallons
Meter Fees	
0.75 inch Meter and Readout	$185.00
1.00 inch Meter and Readout	$255.00
Install Meter and Inspection	
Meter inspect	$45.00
Meter install	$70.00
Water Tapping Fee	
0.75 inch	$295.00
1.00 inch	$310.00
1.50 inch	$315.00
2.00 inch	$325.00
Above 2.00 inch	$400.00

Miscellaneous Fees

Late Payment Penalty	$15.00
Field Collection Fee	$18.00
New Account Fee	$11.00
Reactivation Fee	$10.00
New Account Meter Reading Fee	$10.00
Interfering or Tampering with a Meter – electric or water	$100.00
Return Check (Insufficient Funds) Charge	$25.00
Filing Fee for Unpaid Bills	$80.00

I. Rates - Electric

Resale of Electric Current Prohibited

It is unlawful for any consumer who purchases electric service from the City to sell such service to others.

Surcharge

There is imposed a surcharge in the amount of five percent of base charges plus charges for energy, demand, payment-in-lieu-of-taxes (PILT) for the sale of electric power to services that come into existence in all areas annexed to the City after January 31, 1987, which areas were formerly a part of an exclusive service territory granted to a cooperative electric association by the Public Utilities Commission. Such surcharge shall expire ten years after the effective date of annexation of each such area.

Renewable Energy Premium

Availability
The renewable energy premium is available as an option to all residential, commercial, and industrial customers served under Schedules R, RD, SG, LG, PS, PT, and Coincident Peak Demand Service. The renewable energy premium is not available to Transmission Voltage Service, Area Light or Flat Rate customers served under Schedules TS, AL or FE.

Monthly Rate
Premium per each 100 kWh increment of energy .....$~~2.70~~2.80
This charge is in addition to all other regular charges the customer incurs for electric service.

Monthly Minimum
The minimum bill shall be $~~2.70~~2.80 for each 100 kWh increment requested by the customer in the service agreement, plus the minimum bill as identified in the principal rate schedule for the customer.

Conditions
Service Restrictions – The supply of renewable energy is limited to the resources made available to the department by its power supplier, Platte River Power Authority (PRPA), and is therefore subject to all terms and conditions identified in PRPA's tariff for Renewable Energy Service.

Service Agreement
The renewable energy premium is an optional charge and requires the customer to sign a service agreement with Loveland Water and Power.

Service Agreement Period
The renewable energy premium for all eligible rate schedules shall be available for a minimum initial period of 12 consecutive months and then continuing month to month thereafter until terminated. After the minimum period, the obligation to purchase or provide renewable energy may be terminated upon 30 day notice by either party. Termination of the principal service shall also terminate the agreement unless the customer chooses to advance the agreement to the new service address.

Service Agreement Amount
Customer may request renewable energy in 100 kWh increments. The billable monthly renewable energy premium will be the number of 100 kWh increments requested by the customer in the service agreement. The actual kilowatt-hours used by the customer in any given month may be more or less than the average.

Self-Generation Rate

Availability

~~The Self-Generation Rate is available as an option to all electric service customers who own, operate and maintain their own generation equipment.~~

~~**Monthly Rate – System Size 1-50 kW**~~

	~~**Jan. – June, Oct. – Dec.**~~	~~**July – Sept.**~~
~~**Residential**~~		
~~Base charge~~	~~$13.36~~	~~$13.36~~
~~Energy charge per kWh~~	~~$0.06674~~	~~$0.07962~~
~~Buyback charge per kWh~~	~~$0.03980~~	~~$0.04666~~
~~Monthly minimum bill~~	~~$13.36~~	~~$13.36~~
~~System size range limitation~~	~~1-50 kW~~	~~1-50 kW~~
~~PILT per kWh~~	~~$0.00652~~	~~$0.00715~~
~~**Small General**~~		
~~Base charge~~	~~$21.38~~	~~$21.38~~
~~Energy charge per kWh~~	~~$0.07603~~	~~$0.08332~~
~~Buyback charge per kWh~~	~~$0.03980~~	~~$0.04666~~
~~Monthly minimum bill~~	~~$21.38~~	~~$21.38~~
~~System size range limitation~~	~~1-50 kW~~	~~1-50 kW~~
~~PILT per kWh~~	~~$0.00656~~	~~$0.00695~~
~~Plant Investment Fee per kWh~~	~~$0.00587~~	~~$0.00587~~
~~**Large General**~~		
~~Base charge~~	~~$96.10~~	~~$96.10~~
~~Energy charge per kWh~~	~~$0.04069~~	~~$0.03907~~
~~Demand per kW~~	~~$9.93~~	~~$14.26~~
~~Buyback charge per kWh~~	~~$0.03980~~	~~$0.04666~~
~~Monthly minimum bill~~	~~$96.10~~	~~$96.10~~
~~System size range limitation~~	~~1-50 kW~~	~~1-50 kW~~
~~PILT per kWh~~	~~$0.00525~~	~~$0.00596~~
~~Plant Investment Fee per kWh~~	~~$0.00587~~	~~$0.00587~~

~~Self-Generation Rate Cont'd~~

~~**Conditions**~~

~~The city will net meter all energy consumed by the customer and produced by the customer's generation system. Net metering shall be, for billing purposes, the net consumption as measured at the service meter on a monthly basis. Consumption will be measured monthly and in the event net metering is negative in a given month, such that the customer's generation system production is greater than the customer's consumption, there will not be a monthly cash credit for such production. All such excess energy, expressed in kilowatt-hours, shall be carried forward from month to month and credited against the customer's energy consumption, expressed in kilowatt-hours, in subsequent months. In the event that a negative net consumption balance remains after twelve consecutive months following the effective date of customer's commencing on the Self Generation Rate, or any annual anniversary thereafter, the City will pay the customer for such negative balances at the Self Generation Buyback Charge Rate.~~

~~**Monthly Rate – System Size 51 – 400 kW**~~

~~**Large General Service**~~	~~**Jan. – Jun.**~~ ~~**Oct. – Dec.**~~	~~**July – Sept.**~~
~~Base Energy~~	~~$96.10~~	~~$96.10~~
~~Energy Charge per kWh~~	~~$0.04069~~	~~$0.03907~~
~~PILT per kWh~~	~~$0.00525~~	~~$0.00596~~
~~Plant Investment Fee per kWh~~	~~$0.00587~~	~~$0.00587~~
~~Demand per kW~~	~~$9.93~~	~~$14.26~~
~~Buyback charge per kWh~~	~~$0.05062~~	~~$0.06658~~
~~Monthly Minimum Bill~~	~~$96.10~~	~~$96.10~~
~~System Size Range Limitation~~	~~51-400 kW~~	~~51-400 kW~~

~~The Self-Generating customer must be in compliance with the technical specifications and requirements contained in the Standard for Interconnecting Distributed Resources with the City of Loveland Electric Power System as found in the City's Municipal Code, Section 13.12.240 and must enter into a contract with the City.~~

Self-Generation Rate

Availability

The Self-Generation Rate is available as an option to all electric service customers who own, operate and maintain their own generation equipment.

Residential – Monthly Rate

Residential Base Charge

Capacity of Self-Generating Unit (in kilowatts (kW))	Jan. – Dec.
Up to 1.49	$15.82
1.50 – 2.49	$17.27
2.50 – 3.49	$18.72
3.50 – 4.49	$20.17
4.50 – 5.49	$21.62
5.50 – 6.49	$23.07
6.50 – 7.49	$24.52
7.50 – 8.49	$25.97
8.50 – 9.49	$27.42
9.50 – 10.49	$28.87

	Jan. – June, Oct. – Dec.	**July – Sept.**
Residential		
Energy charge per kWh	$0.06964	$0.08436
PILT charge per kWh	$0.00675	$0.00808
Buyback credit per kWh	$0.06964	$0.08436
Buyback PILT credit per kWh	$0.00675	$0.00808
Monthly minimum bill	See Residential Base Charge Table Above	See Residential Base Charge Table Above

Non-Residential – Monthly Rate

Conditions

The city will net meter all energy consumed by the customer and produced by the customer's generation system. Net metering shall be, for billing purposes, the net consumption as measured at the service meter on a monthly basis. Consumption will be measured monthly and in the event net metering is negative in a given month, such that the customer's generation system production is greater than the customer's consumption, there will not be a monthly cash credit for such production. All such excess energy, expressed in kilowatt-hours, shall be carried forward from month to month and credited against the customer's energy consumption, expressed in kilowatt-hours, in subsequent months. In the event

Self-Generation Rate Cont'd

that a negative net consumption balance remains after twelve consecutive months following the effective date of customer's commencing on the Self Generation Rate, or any annual anniversary thereafter, the City will pay the customer for such negative balances at the Self Generation Buyback Credit Rate.

Monthly Rate – System Size 1-50 kW

	Jan. – June, Oct. – Dec.	**July – Sept.**
Small General Service		
Base charge	$25.38	$25.38
Energy charge per kWh	$0.07938	$0.08890
PILT charge per kWh	$0.00685	$0.00778
Buyback credit per kWh	$0.04282	$0.04282
Monthly minimum bill	$25.38	$25.38
System size range limitation	1–50 kW	1-50 kW
Plant Investment Fee per kWh	$0.00611	$0.00611
Large General Service		
Base charge	$134.60	$134.60
Energy charge per kWh	$0.04170	$0.04378
PILT charge per kWh	$0.00547	$0.00657
Demand charge per kWh	$10.50	$14.50
Buyback credit per kWh	$0.04282	$0.04282
Monthly minimum bill	$134.60	$134.60
System size range limitation	1-50 kW	1-50 kW
Plant Investment Fee per kWh	$0.00611	$0.00611

Self-Generation Rate Cont'd

Monthly Rate – System Size 51-400 kW

	Jan. – June, Oct. – Dec.	July – Sept.
Small General Service		
Base charge	$25.38	$25.38
Energy charge per kWh	$0.07938	$0.08890
PILT charge per kWh	$0.00685	$0.00778
Buyback credit per kWh	$0.05486	$0.05486
Monthly minimum bill	$25.38	$25.38
System size range limitation	51–400 kW	51-400 kW
Plant Investment Fee per kWh	$0.00611	$0.00611
Large General Service		
Base charge	$134.60	$134.60
Energy charge per kWh	$0.04170	$0.04378
PILT charge per kWh	$0.00547	$0.00657
Demand charge per kWh	$10.50	$14.50
Buyback credit per kWh	$0.05486	$0.05486
Monthly minimum bill	$134.60	$134.60
System size range limitation	51-400 kW	51-400 kW
Plant Investment Fee per kWh	$0.00611	$0.00611

The Self-Generating customer must be in compliance with the technical specifications and requirements contained in the Standard for Interconnecting Distributed Resources with the City of Loveland Electric Power System as found in the City's Municipal Code, Section 13.12.240 and must enter into a contract with the City.

Residential Service
Schedule R

Availability
Residential Service is available for single-family dwelling units and individually metered multi-family dwelling units at any location within the area served by Loveland Water and Power. Single-family dwelling units and individually metered multi-family dwelling units shall mean those buildings or units used solely as residences and not used in part for any other purpose. This rate is applicable to existing and new residential customers. Service will be delivered through a single meter per dwelling unit, at one point of delivery.

Monthly Rate
The rate for Residential Service shall consist of the sum of the base charge, energy charge, and PILT in accordance with the following table:

Monthly Rate
The rate for Residential Service shall consist of the sum of the base charge, energy charge, and PILT in accordance with the following table:

	Jan. – June, Oct. – Dec.	**July – Sept.**
Base charge	$~~13.36~~14.37	$~~13.36~~14.37
Energy charge per kWh	$~~0.06674~~0.06964	$~~0.07962~~0.08436
PILT charge per kWh	$~~0.00652~~0.00675	$~~0.00715~~0.00808
Monthly minimum bill	$~~13.36~~14.37	$~~13.36~~14.37

Residential Demand Service
Schedule RD

No new customers will be added to Schedule RD after December 31, 2014

Availability
Residential Demand Service is available for single-family dwelling units and individually metered multi-family dwelling units at any location within the area served by Loveland Water and Power. Single-family dwelling units and individually metered multi-family units shall mean those buildings or dwelling units used solely as residences and not used in part for any other purpose. Existing accounts may elect service under this schedule by making application to Loveland Water and Power. Service will be delivered through a single meter per dwelling unit, at one point of delivery.

Monthly Rate
The rate for Residential Demand Service shall consist of the sum of the base charge, energy charge, demand charge and PILT in accordance with the following table:

	Jan. – June, Oct. – Dec.	**July – Sept.**
Base charge	$~~21.23~~22.83	$~~21.23~~22.83
Energy charge per kWh	$~~0.03802~~0.03963	$~~0.03696~~0.04161
PILT charge per kWh	$~~0.00505~~0.00596	$~~0.00562~~0.00652
Demand charge per kW	$~~7.29~~7.35	$~~9.50~~9.70
Monthly minimum bill	$~~21.23~~22.83	$~~21.23~~22.83

Billing Demand
The demand shall be the highest rate of use in kilowatts during any 15 minute interval of the billing period.

Power Factor Charge
Power factor charge of one hundred percent of the power factor charge incurred by the City on account of and attributable to service to the customer may be billed to the customer.

Small General Service
Schedule SG

Availability
Small General Service is required for all non-residential customers with a monthly average demand over a consecutive 12-month period of less than or equal to 50 kW. This also includes temporary power for non-permanent non-residential customers (for example: firework stands and holiday lights).

Monthly Rate
The rate for Small General Service shall consist of the sum of the base charge, energy charge and PILT in accordance with the following table:

	Jan. – June, Oct. – Dec.	**July – Sept.**
Base charge	$~~21.38~~25.38	$~~21.38~~25.38
Energy charge per kWh	$~~0.07603~~0.07938	$~~0.08332~~0.08890
PILT charge per kWh	$~~0.00656~~0.00685	$~~0.00695~~0.00778
Plant Investment Fee per kWh	$~~0.00587~~0.00611	$~~0.00587~~0.00611
Monthly minimum bill	$~~21.38~~25.38	$~~21.38~~25.38

Conditions
A. Whenever metered demand exceeds a monthly average 50 kW in a consecutive 12-month period, Loveland Water and Power will notify the customer and further service provided to such customer shall be furnished at the Large General Service Rate. The department may install such meters as it deems necessary in order to determine the metered demand.
B. For single-phase, three-wire service, the customer's equipment shall be connected so that the current carried by the neutral conductor shall be not greater than 15 percent of the maximum current in either of the two conductors. For three-phase wye or delta service, the customer's equipment shall be connected so that the current carried by any one-phase conductor shall be no greater than 115 percent of the current in either of the two-phase conductors.

Large General Service
Schedule LG

Availability
Large General Service is required for all non-residential customers with a monthly average demand over a consecutive 12-month period exceeding 50 kW.

Continuation for Certain Customers
Customers on the Large General Service rate on January 31, 1999, with a monthly average demand over a consecutive 12-month period of 50 kW will be grandfathered into the LG rate.

Monthly Rate
The rate for Large General Service shall consist of the sum of the base charge, energy charge, demand charge and PILT in according with the following table:

	Jan. – June, Oct. – Dec.	**July – Sept.**
Base charge	$~~96.10~~134.60	$~~96.10~~134.60
Energy charge per kWh	$~~0.040690~~0.04170	$~~0.039070~~0.04378
PILT charge per kWh	$~~0.005250~~0.00547	$~~0.005960~~0.00657
Plant Investment Fee per kWh	$~~0.005870~~0.00611	$~~0.005870~~0.00611
Demand charge per kW	$~~9.93~~10.50	~~$14.26~~14.50
Monthly minimum bill	$~~96.10~~134.60	$~~96.10~~134.60

Billing Demand
The demand shall be the highest rate of use in kilowatts during any 15-minute interval of the billing period.

Power Factor Charge
Power factor charge of one hundred percent of the power factor charge incurred by the City on account of and attributable to service to the customer may be billed to the customer.

Primary Service with Transformer
Schedule PT

Availability
Primary Service is available to all non-residential customers with a monthly average demand over a consecutive 12-month period exceeding 50 kW where service is delivered and metered at the available primary voltage and all serving facilities on the customer's side of the metering point are owned, operated and maintained by the customer.

Monthly Rate
The rate for Primary Service where the customer owns the transformers shall consist of the sum of the base charge, energy charge, demand charge and PILT in accordance with the following table:

	Jan. – June, Oct. – Dec.	**July – Sept.**
Base charge	$~~105.07~~151.83	$~~105.07~~151.83
Energy charge per kWh	$~~0.03965~~0.04169	$~~0.03854~~0.04377
PILT charge per kWh	$~~0.00452~~0.00469	$~~0.00501~~0.00544
Plant Investment Fee per kWh	$~~0.00570~~0.00593	$~~0.00570~~0.00593
Demand charge per kW	$~~9.50~~10.00	$~~13.73~~14.25
Monthly minimum bill	$~~105.07~~151.83	$~~105.07~~151.83

Billing Demand
The demand shall be the highest rate of use in kilowatts during any 15-minute interval of the billing period.

Power Factor Charge
A power factor charge of one hundred percent of the power factor charge incurred by the City on account of and attributable to service to the customer may be billed to the customer.

Conditions
Transformer ownership and maintenance is the responsibility of the customer receiving service under this rate schedule. The customer requesting this rate schedule is solely responsible for all costs associated with the installation and maintenance of the primary metering equipment and facilities. See the Water and Power Department's *Contractor Construction Standards* for equipment specifications.

Transmission Voltage Service
Schedule TS

Eligibility Requirements
Transmission Voltage Service is available to any customer: (i) whose load is of sufficient magnitude or of an unusual nature such that it cannot be served from the distribution system; and (ii) whose premises are adjacent to transmission lines that are, or by contract can become, lines that supply wholesale power to the city's system; and (iii) who meets the criteria for large user service as set forth in Platte River Power Authority's Tariff 9, or applicable successor tariff.

Character of Service
The power furnished under Schedule TS shall be three phase alternating current and approximately 60 hertz, and delivered at approximately 115kV, or at other voltages subject to conditions as agreed upon, metered at each delivery point.

Charges for Service
The charges for service under Schedule TS shall be determined based on the unique load characteristics and service requirements of the customer. The rate for service delivered under Schedule TS shall at a minimum be sufficient to recover the city's cost of service, including, without limitation, wholesale rates and the city's projected operating and maintenance costs. In addition, the customer shall be responsible for all wholesale charges and fees incurred by the city in providing service under Schedule TS to the customer, including, without limitation, power factor charges.

Conditions of Service
In order to receive service under Schedule TS, the customer must meet the eligibility requirements set forth above and enter into an electric service agreement with the city. All such agreements must meet the requirements of this Schedule TS, protect the integrity of the City's electric system, protect against interference with other city electric customers, and shall address, at a minimum, the following material terms:

- term of the agreement, including initial date of service;
- charges for service, including rate adjustments;
- metering, including configuration, ownership, and maintenance;
- infrastructure, including ownership and maintenance;
- load factor, including any penalties for failure to comply;
- nature and frequency of interruptions (if service is provided on an interruptible basis), including any penalties for failure to comply;
- any other terms and conditions required to be addressed pursuant to Platte River Power Authority's Tariff 9, or applicable successor tariff.

In addition, the agreement must include a waiver of all liability for the city and Platte River Power Authority for actual and consequential damages resulting from interruptions in accordance with the agreement.

Transmission Voltage Service Cont'd

The city manager shall be authorized to negotiate all such agreements, in consultation with Platte River Power Authority, and to execute such agreements on behalf of the city.

Coincident Peak Demand Service

Availability

1) Coincident Peak Demand Service is required for non-residential customers where the monthly average distribution facilities demand exceeds 1,400 kW over 12 consecutive months. For a customer with two or more meters located on a campus, the average monthly distribution facilities demand will be determined by adding the distribution facilities demand for each meter on the campus.
2) The Coincident Peak Demand rate classification will be applicable to all new customers without an annual billing history based on the following:

    a. The new customer must present sufficient information to the City indicating that the operating schedule and electrical equipment are such that the monthly distribution facilities demand would qualify it for the rate.
    b. The City reserves the right to analyze and verify all information provided. If the City is satisfied that the monthly distribution facilities demand of the new customer will exceed 1,400 kW, such customer will be placed on the Coincident Peak Demand rate.
    c. If the monthly distribution facilities demand during the first two months indicate that the customer does not qualify for the Coincident Peak Demand rate, the City will immediately transfer such new customer to the appropriate rate classification.

3) Once qualified, each such customer shall remain on the Coincident Peak Demand rate for a minimum of twelve consecutive months. After twelve months, the City will use the twelve-month running average distribution facilities demand to determine applicability of the Coincident Peak Demand rate.

Monthly Rate

Rates shall be developed for each individual customer subject to the Coincident Peak Demand rate classification. The rates shall be based on the cost of service to each individual customer and will apply only to such customer. Rates will be updated annually to reflect the cost of service to the individual customer, and shall include the following:

1. Base Charge: Based on customer cost of service and energy usage profile.
2. Energy Charge: All kWh consumed, per kWh, based on customer cost of service and energy usage profile.
3. Coincident Demand Charge: All coincident demand, per kW, based on customer cost of service and energy usage profile.
4. Distribution Facilities Demand Charge: All distribution facilities demand, per kW, based on customer cost of service and energy usage profile
5. Plant Invest Fee: $~~0.00570~~0.00593 per kWh for customers whose service is delivered at the available primary voltage and all serving facilities on the customer's side of the metering point are owned, operated and maintained by the customer. $~~0.00587~~0.00611 per kWh for all other customers.

Coincident Peak Demand Service Cont'd

The Water and Power Department Director shall be authorized to develop the rate for each individual customer subject to the Coincident Peak Demand rate classification in accordance with this rate definition.

Power Factor Charge
Power factor charge of one hundred percent of the power factor charge incurred by the City on account of and attributable to service to the customer may be billed to the customer.

For the purposes of the Coincident Peak Demand Rate, the following definitions shall apply:

1. Campus:
   One parcel, or two or more contiguous parcels, where each parcel is owned or leased by a single customer.

2. Coincident Demand:
   The 60 minute integrated demand recorded during the Platte River Power Authority's system peak hour and day in the billing period.

3. Distribution Facilities Demand:
   The highest rate of use in kilowatts during any 15-minute interval of the billing period.

Area Lighting
Schedule AL

Availability
Area lights will be furnished to customers who request this service for the purpose of lighting private property or alleys or other areas where City street lighting would normally not be installed. Decisions for location of the lights shall be in the discretion of the City. Applications for area lights should be made at the City of Loveland Water and Power Department.

Monthly Rate (Jan.-Dec.)
The rate per watt for area lights shall be……$~~0.05618~~0.05882
The PILT charge per watt for area lights shall be……..……$~~0.00427~~0.00447

Conditions
All area lights shall be high pressure sodium vapor units.

Flat Rate Service
Schedule FE

Availability
Small devices attached to the City's electric distribution system for the purpose of amplifying cable TV and telephone signals or operating automatic sprinkler controls in remote locations after June 1, 1992, will not require metering and will be billed on a flat monthly rate. Accounts existing prior to June 1, 1992, shall continue to be metered and billed at their present rate unless the customer requests conversion to the flat rate set forth in this schedule.

Monthly Rates (Jan.-Dec.)

Signal amplifiers	$~~33.11~~34.67
Signal amplifiers PILT charge	$~~2.52~~2.64
Automatic sprinkler controls	$~~4.92~~5.15
Automatic sprinkler controls PILT charge	$~~0.36~~0.38
Bus shelters	$~~20.35~~21.31
Bus shelters PILT charge	$~~1.54~~1.61

Conditions
A. Signal amplifiers can be no greater than 5 amps per device.
B. Automatic sprinkler controls can be no greater than 1.0 amp per device.
C. The department may randomly install meters as it deems necessary in order to monitor the actual consumption.
D. A customer with multiple device locations existing prior to June 1, 1992, requesting a conversion of said devices to the Flat Rate Schedule, must convert all devices existing prior to June 1, 1992, to the Flat Rate Schedule.

Public Electric Vehicle Charging Station Service User Fees

Availability
Designated electric vehicle charging stations will be made available by the City for public use within the corporate limits of the City at the user fees set forth below. The fees set forth below shall apply to all public electric vehicle charging stations owned and operated by the City.

User Fees
Public electric vehicle charging station service user fees (including payment in lieu of taxes and franchise) will be provided and billed on a session basis as follows:

Level 2 – 240 Volt Charging: $1.00 per hour of charging. The minimum charge is $1.00.

Payment of Fees
Payment for electric vehicle charging station services will be collected directly from the customer at the point of service (the charging station) through credit card or other electronic payment processing service.

II. Fees - Electric

Applications for Electric Service

Every person desiring a supply of electric current from the City, or an upgrade or other change in existing service, shall make application therefore to the City upon forms furnished for that purpose.

Plant Investment Fee

Plant Investment Fees provide for the additional electric transmission, substation and distribution facilities made necessary by the extension of electric service to new connections. The Plant Investment Fee provided herein shall be, in addition to, all of the rates and charges made in connection with the furnishing by the City of electric service, and shall be payable as provided for in this section.

A. Schedule R – Residential Service and Schedule RD – Residential Demand Service. At the time application is made for any dwelling unit to be built within the corporate boundaries of the City, or at the time of application for electric service for any dwelling unit to be built outside the corporate boundaries of the City, there shall be paid to the City a Plant Investment Fee in the amount of $~~1,860.00~~1,940.00 for each electric meter to be installed in connection with the dwelling unit with a service size of greater than 150 amps and $~~1,450.00~~1,510.00 for each electric meter to be installed in connection with the dwelling unit with a service size of 150 amps or less. (Each dwelling unit within a structure containing more than one dwelling unit shall be separately metered). No energization of a permanent connection to any dwelling unit served by the City shall occur unless and until the Plant Investment Fee is paid.

For the purpose of this section, "dwelling unit" means one or more rooms and a kitchen area designed for or occupied as a unit for living and cooking purposes, which is located within a single family, multiple family or mobile home, but excluding congregate care facilities, as those terms are defined in Municipal Code Chapter 18.04. A congregate care facility may receive service under Schedules R, RD, SG, LG, PT, or Coincident Peak Demand Service

Upon application, the Water and Power Department may allow a single meter to serve a multiple family dwelling if such multiple family dwelling is a federally assisted and federally supervised project and the project sponsor is required by the federal agency having jurisdiction thereof to include the provision of electric service within the rent structure for the project. Such project may receive service under Schedules R, RD, SG, LG, PT, or Coincident Peak Demand Service. If any such projects should cease to be federally supervised, then the project shall revert to the requirement of individual metering, the Plant Investment Fee for residential service shall be paid and a credit shall be applied against such Plant Investment Fee in the amount of the Plant Investment Fees paid while receiving service under another class.

Plant Investment Fee Cont'd

B. Schedule SG – Small General Service. The Plant Investment Fee for accounts receiving small general service shall be collected in each billing period. The amount of the Plant Investment Fee to be billed in each period shall be equal to $~~0.00587~~0.00611 per kWh used by the account during the billing period.

In establishing the Plant Investment Fees in 1979, customers served prior to May 1, 1979, are exempt from the Plant Investment Fee at the existing location only. Customers who have paid the five-year Plant Investment Fee for a particular location are exempt from the fee at the location covered.

C. Schedule LG – Large General Service. The amount of Plant Investment Fee to be billed in each billing period shall be equal to $~~0.00587~~0.00611 per kWh used by the account during the billing period.

D. Schedule PT– Primary Service with Transformer. The amount of Plant Investment Fee to be billed in each billing period shall be equal to $~~0.00570~~0.00593 per kWh used by the account during the billing period.

E. Coincident Peak Demand Service. The amount of Plant Investment Fee to be billed in each billing period shall be equal to $~~0.00570~~0.00593 per kWh used by the account during the billing period for customers whose primary voltage and all serving facilities on the customer's side of the metering point are owned operated and maintained by the customer. A Plant Investment Fee of $~~0.00587~~0.00611 per kWh to be billed in each billing period for all other customers.

F. Discontinuance of Service. In addition to all of the remedies available to the City, electric service may be discontinued for failure to pay the Plant Investment Fee provided for in this section, and such discontinuance shall be in accordance with the notice procedures set forth in Municipal Code Section 13.02.070.

Service Turn-On Fee at the Meter

During regularly scheduled work hours, there is imposed a fee in the amount of $35.00 for each service turn-on where power is energized at the meter.

After regularly scheduled work hours, there is imposed a fee in the amount of $100.00 for each service turn on where the power is energized at the meter.

After hours fees apply to all requests received during non-business hours Monday through Friday, anytime Saturday or Sunday, and all holidays observed by the City of Loveland. Regular business hours are Monday through Friday 7 a.m. to 4 p.m.

Disconnect and Reconnect Services

Water and Power will perform a typical service disconnect/reconnect where power is energized or de-energized on the line side of the meter, on a flat fee basis.

There is imposed a fee in the amount of $200.00 for each typical service disconnect/reconnect and $320.00 for each typical service disconnect/reconnect with engineering.

A typical service disconnect/reconnect is defined as one where there is no increase in wire size or length and the disconnect/reconnect service is performed during regular business hours between 7 a.m. and 4 p.m. Monday through Friday.

All other service disconnect/reconnects will be billed at Water and Power's actual cost.

Permanent Disconnect and Removal of Service

Where a request for permanent disconnection and removal of single-phase service has been requested, there is imposed a flat fee of $200.00.

Where a request for permanent termination of three-phase service has been requested, charges will be billed at Water and Power's actual cost.

Charges When Access Denied

There is imposed a charge as set forth in this section, that shall be due and payable when billed, to cover the additional costs and expenses incurred by the City whenever clear access to the meter location is denied. Clear access shall be deemed to be denied whenever, because of locked gates, animals confined in the same space as the meter location, or for any other reason, and after making a reasonable attempt to locate a person upon the premises to gain access, an authorized representative of the City is unable to read the meter, change the meter, or perform such other function as such representative is lawfully authorized to perform. The amount of such charge shall be as follows (regular business hours defined as 7 a.m. to 4 p.m. Monday through Friday, off-duty hours defined as hours outside of this regular business hours and all holidays observed by The City of Loveland):

A. When clear access is denied for two successive meter readings, and an appointment is made with the consumer or a special trip is made for reading the meter, a charge of $20.00 is imposed for such appointment or special trip occurring during regular business hours, and $40.00 for such appointment occurring during off-duty hours and weekends.
B. When clear access is denied and a special trip is made to change a meter during regular business hours, on the department's regular maintenance program, a $75.00 charge is imposed, and $100.00 for such appointment occurring during off-duty hours.
C. When service is disconnected at the junction box or overhead pole, a charge of $200.00 is imposed. When clear access is denied for the purpose of disconnecting service, actuals will be charged.
D. When clear access is denied for the purpose of disconnecting service at the junction box or overhead pole, the actual costs will be billed.

Residential Service Installations and Upgrades for Single Family and Duplex Dwellings

A. A typical new residential service installation will be performed by the Water and Power Department on a flat fee basis. A typical new underground service is defined as having a trench length of 100 feet or less; trenching to be performed in normal soil conditions.
   1. For a service using 1/0 triplex CIC with a panel size of 150 amps or less, the fee is $600.00 and the Plant Investment Fee, as described in the Resolution Schedule of Rates, Charges and Fees as adopted by City Council, shall also be collected.
   2. For a service using 4/0 triplex CIC with a panel size of 200 amps, the fee is $810.00 and the Plant Investment Fee, as described in the Resolution Schedule of Rates, Charges and Fees as adopted by City Council, shall also be collected.

   A typical new overhead service is defined as a service length of 80 feet of less, does not require setting a pole or transformer, is #2 triplex with a panel size of 150 amps or less, or 1/0 triplex with panel size of 200 amps. The fee for such service is $295.00.

   A service not meeting the above criteria shall be billed at the Water and Power Department's actual cost of installation.

   Within the city limits of the City of Loveland, the fees shall be collected by the department issuing the building permit for the residence. If outside the city limits, the fee will be collected by the Water and Power Department before work can proceed.

B. Residential service upgrades resulting in services larger than 150 amps and no larger than 200 amps shall require a deposit of $300.00 for overhead, and $800.00 for underground. This deposit will be applied to the actual costs billed by the Water and Power Department upon completion of work performed.

Residential Service Installations and Upgrades for Multiplex Service Installations

A. For purposes of this Resolution, a "multiplex" is defined as a structure containing not less than three and not more than six dwellings.

B. A "typical" multiplex electric service installation will be provided by and installed by the contractor per National Electric Code. It will be energized by the Water and Power Department on a flat fee basis.

A 3-6 unit multiplex service installation will be provided by the contractor in which an electrical secondary source is already in existence. The fee for installation of an electric service in a 3-6 unit multiplex project is $735.00 for the project and the Plant Investment Fee, as described in the current Schedule of Rates, Charges and Fees as adopted by the City Council, shall also be collected for each unit.

A 7 unit or more multiplex service termination and meter set service installation requires a deposit of $810.00 to be made at the Water and Power Department. The contractor is to provide and install all materials. This deposit will be applied to the actual costs billed by the Water and Power Department upon completion of work performed.

Multiplexes requiring an underground service in an overhead service area will have an underground service provided by and installed by the contractor per National Electric Code. They will be billed the actual costs incurred by the Water and Power Department.

If there is no existing source for electric service and an extension of secondary power is necessary, the customer shall pay the actual costs incurred by the Water and Power Department to extend the secondary power source.

Requests for overhead multiplex service installations will be evaluated for feasibility by the Water and Power Department. If overhead service is deemed appropriate, it will be installed and billed at the actual cost incurred by the Water and Power Department.

All services to multiplexes will be installed as described in the National Electric Code pertaining to commercial services. NOTE: Duplexes will be billed as outlined in the "Residential Service Installations and Upgrades for Single and Duplex Dwellings" section in the current Schedule of Rates and Charges – Electric.

Field Engineering Deposits

A customer requesting a new or modified electric service, relocation of facilities, or other work requiring engineering and construction, must make a deposit with the department. If the project is cancelled, the deposit will be applied to the actual charges incurred, any resulting credit or debit will be

refunded or billed to the customer. Upon completion of engineering, the customer will deposit with the department the total deposit required.

ENGINEERING DEPOSITS

A. Residential and duplex single phase installations, 1-2 lots.....$830.00
B. Single commercial buildings, transformer upgrades, raising, lowering, or removing existing power.....$1,350.00
C. Residential subdivision of 3-25 lots, commercial subdivision of 2-10 lots, raising, lowering, or removing existing power.....$1,755.00
D. Residential subdivision of more than 25 lots, commercial subdivision of more than 10 lots, malls, shopping centers, hospitals $3,310.00

Other Deposits

The following jobs are standard in nature, and specific deposits have been established for them. In all cases actual costs will be tracked and any resulting credit or debit will be refunded or billed to the customer.

A. Install and terminate secondary riser up to 100 feet (no transformer required)
   - Residential to 200 amps $1,060.00
   - Commercial (cable supplied and installed by customer) $680.00

B. Open transformer to pull in secondary and terminate cable up to 130' $535.00

C. Single phase padmount transformer upgrade (no other customers)
   - Upgrade one transformer size $1,925.00
   - Upgrade two transformer sizes $2,470.00
   - Upgrade three transformer sizes $3,015.00

D. Single phase padmount transformer upgrade (other customers)
   - Upgrade one transformer size $2,455.00
   - Upgrade two transformer sizes..... $3,000.00
   - Upgrade three transformer sizes $3,280.00

E. Single phase overhead transformer upgrade (no other customers)
   - Upgrade one transformer size $1,625.00
   - Upgrade two transformer sizes $2,135.00

F. Single phase overhead transformer upgrade (other customers)
   - Upgrade one transformer size $2,155.00
   - Upgrade two transformer sizes $2,665.00

Note: Work tickets (not work orders) will be opened for these jobs and the actual costs will be billed. The cutoff for work tickets is $1,000.00 except for transformer upgrades.

Temporary Extensions

The following requirements apply to all temporary extensions/connections necessary to serve customers such as transient shows, carnivals, fairs, circuses, concessions, residential construction work, or others of a temporary nature, excluding commercial development construction as defined in the *Contractor Construction Standards*.

A. The customer shall pay a flat rate of $200.00 for the cost of installation and removal of the temporary extension as defined in the *Contractor Construction Standards*, under "Temporary Construction Service". Customers with extensions not meeting these standards will be billed for the actual costs.
B. The customer shall pay for electric consumption monthly under the applicable rate.
C. No temporary service shall continue beyond the time of building occupancy, or eighteen months from connection of such temporary service, whichever occurs sooner, without the consent of the City.
D. The City may refuse to connect additional customers to temporary extensions until the temporary extensions have become permanent.

Area Lighting

A 100-watt high pressure sodium vapor fixture will be furnished and installed by the City at a fixed one time charge. Any fixture other than a 100-watt fixture, poles, secondary conductor and other apparatus, if required, will be provided at an additional charge based on actual costs incurred by the Water and Power Department. Decisions for location of the lights shall be at the discretion of the City. Applications for area lights should be made at the City of Loveland Water and Power Department. The fee for the installation of a 100-watt high pressure sodium vapor fixture is $320.00.

Energizing of Electric Service to Small Devices Qualifying for Flat Rate Service

There will be a flat fee for the energizing of electric service to small devices attached to the City's electric distribution system for the purpose of amplifying cable TV and telephone signals or operating automatic sprinkler controls in remote locations. A fee of $270.00 shall be charged to the customer for the actual installation of the service. No outlets will be permitted, nor shall there be lighting of any kind connected to this type of service. If there is no existing source and an extension of secondary power is necessary, the customer will pay for actual costs to energize the device

Pole Attachment Fee

Each attachment by a non-City utility to a City of Loveland power pole will be charged $11.93 per year.

Public Electric Vehicle Charging Station Service User Fees

Level 2 – 240 Volt Charging: $1.00 per hour of charging.

III. Fees - Miscellaneous

After Hours

After hours fees apply to all requests received after 4:00 p.m. Monday through Friday, anytime Saturday or Sunday, and all holidays observed by the City of Loveland.

Fire Hydrant and Fire Protection Tap

A charge of $2.70 per residence and $6.60 per business per month shall be paid by water users outside the city who are located within one thousand feet of a fire hydrant, measured along roads or streets, and $6.60 per month per tap for each fire protection tap serving premises outside the city. If fire protection tap service is the only city utility service received by the premises, an administrative fee of $1.90 per month shall also be paid.

Hydrant Meter Guidelines

General: Fire hydrants are installed for the main purpose of fire protection. Whenever a hydrant meter is placed on a hydrant, that hydrant is, for all practical purposes, out of service and the chances of causing damage to that hydrant are increased. For these reasons and the potential for problems involved with providing hydrant meters on a rental basis, it has become necessary to establish more clearly defined guidelines for the use of hydrant meters.

Intent: The use of fire hydrant meters is intended for only those situations when a large volume of water is needed in a short period of time. These meters shall not be used as a temporary substitute for a permanent water service connection or a permanent irrigation tap. Examples of acceptable and unacceptable uses are as follows:

Acceptable:

- Providing water for increasing moisture during earthmoving.
- Filling swimming pools.
- Filling tanks on water truck (No chemicals allowed in tank).

Unacceptable

- Masonry work
- Car washes
- Irrigation
- Water for concrete saws
- Washing streets or parking lots

Hydrant Meter Guidelines Cont'd

Guidelines & Procedures: The following guidelines shall be used for regulating the use of fire hydrant meters:

1. Requests for hydrant meters must be received a minimum of 48 hours prior to the time needed. All requests should be made by contacting the Water and Power Department at 970-962-3701. The applicant must sign the Hydrant Meter Request Form at the Water and Power Department, 200 N. Wilson Avenue, and post a deposit of $1,000.00 (money order or cashier's check) before the meter will be set. The deposit shall be held until all costs associated with the hydrant rental are paid in full and may be used to offset any such costs not paid within 30 days of issuance of the final invoice.
2. Each request will be reviewed to determine if the proposed use meets the intent of these guidelines. The use of the water from a hydrant meter for other than the stated purposes or misrepresentation of that use will result in the loss of the convenience of obtaining water in this manner.
3. The City will determine on a case-by-case basis whether or not a particular hydrant is acceptable for the installation of a meter. Not all hydrants are available for use with a meter. If the requested hydrant is not available, alternate hydrants will be suggested.
4. Water Utility personnel will install the meter, secure it to the hydrant, and operate the hydrant. Customer shall control flow of water with valve provided on meter assembly. Customer is responsible for securing this valve to prevent the unauthorized use of water by others. Removal of the handle or hand wheel from the control valve is not an acceptable method of securing the valve. ONLY trained City employees will be authorized to operate fire hydrants.
5. During the winter months, hydrant meters will be issued only on a day-to-day basis when outside temperatures are above freezing and are expected to remain above freezing for most of the day. Meters will be installed as soon after 8:00 a.m. as practical, and will be picked up at approximately 3:00 p.m. or earlier if outside temperatures drop below freezing, or if requested.
6. Meters will be issued with a male 2½" National Standard thread connection. No hoses or adapters will be provided.
7. Customer is responsible for all rental fees and other charges. A copy of the current fees is attached. These fees will include charges for all water use.
8. Customer is responsible for any and all damage to the meter and/or fire hydrant while meter is installed. If damage occurs, an invoice will be issued to cover all repair or replacement costs, and customer shall promptly pay the invoiced amount.
9. Number of hydrant meters is limited; therefore the meters are available on a first-come/first-served basis. A separate request form must be submitted for each location and/or time period requested.
10. In accordance with the City Code, it is unlawful to waste water. Every effort should be made to conserve this valuable resource. Wasteful uses will not be allowed.
11. Failure to comply with these guidelines, or illegally obtaining water from, or in any way tampering with a fire hydrant, is in violation of the City Code, and upon conviction is punishable by a fine or imprisonment.

Hydrant Meter Guidelines Cont'd

Alternate Source of Water: For building construction projects, water is also available through permanent water taps at a construction billing rate. This source of water is handled by the Building Division, 500 E. 3rd Street, 962-2504, and typically issued along with a building permit.

Summary of Hydrant Meter Fees and Charges

Installation of meter	$45.00*
Moving meter	$45.00*
Removal of meter	$45.00*
Meter rental	$5.00/day
Water used	$1.31/300 gallons

*After hour services (normal hours are Monday through Friday, 7:30 a.m. to 4:00 p.m.) will be charged for overtime labor rates in addition to the $45.00 charge.

New Account or Reactivation Fee and New Account Meter Reading Fee

Connection fees in the following amounts are hereby imposed, to be collected with the first utility bill rendered after utility service has been established or a customer account or utility service is reactivated following voluntary or involuntary termination:

Activation or establishment of a customer account for a service address $11.00
Meter reading charge for service address if read by Utility Billing Division.....$10.00
Reactivation of a customer account for a service address $10.00
Interfering or Tampering with a Meter $100.00
Please see Section 13.02.130 of the Loveland Municipal Code for more information on additional fines regarding interfering or tampering with utility meters.

CITY OF LOVELAND
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200 North Wilson • Loveland, Colorado 80537
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AGENDA ITEM: **5**
MEETING DATE: 9/21/2016
SUBMITTED BY: Kim Frick, Staff Engineer KF

TITLE: Acceptance of 1 share of the Louden Ditch to the Water Bank

DESCRIPTION:
This is a request to deposit 1 share of Louden Irrigating Canal and Reservoir into the City's Water Bank.

SUMMARY:
The City of Loveland has received a request to deposit 1 share Louden Irrigating Canal and Reservoir into the City's Water Bank. The water has historically been used within Louden Irrigating Canal and Reservoir system, and the City's policy has been to accept shares from this ditch company.

The Municipal Code in Section19.04.080 requires that the Loveland Utilities Commission consider and accept water rights upon satisfaction of each of the following requirements:

1. Evidence of the applicant's ownership of the ditch water rights in a form satisfactory to the City Attorney;
2. A Water Bank Agreement executed by the applicant and, if applicable, other documentation, such as a Statement of Historical Use and Dry-up Covenant, in a form approved by the City Attorney; and
3. A finding by the Loveland Utilities Commission that it is in the City's best interests to accept the ditch water rights.

In this instance, staff and legal counsel have reviewed the submitted documents and recommend accepting this water into the City's Water Bank.

The following is a summary of how requirements from Section 19.04.080 have been or will be met:

1. Evidence of the Applicant's ownership of the ditch water rights in a form satisfactory to the City Attorney. *This will be provided in the form of a special warranty deed to the City of Loveland as well as an issuance of the stock certificate in the name of the City of Loveland. The Applicant has supplied a copy of the current stock certificate that is in good standing, and in the Applicant's name.*

2. A Water Bank Agreement executed by the Applicant and, if applicable, other documentation, such as a Statement of Historical Use and Dry-up Covenant, in a form

approved by the City Attorney. *The Applicant submitted a Water Bank Agreement and Statement of Historical Use and dry-up covenant which city staff and legal counsel have reviewed.*

3. A finding by the Loveland utilities commission that it is in the city's best interests to accept the ditch water rights. *Staff recommends that this water be accepted into the water bank as in the best interest of the city because it is important to maintain a balance of water sources from the east slope and the west slope.*

RECOMMENDATION:
Adopt a motion finding that the requirements set forth in City Code Section 19.04.080 have been met, and that acceptance of the Louden Irrigating Canal and Reservoir shares into the City of Loveland Water Bank is in the city's best interest and should be completed.

REVIEWED BY DIRECTOR:
AB for JS

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AGENDA ITEM: **6**
MEETING DATE: 9/21/2016
SUBMITTED BY: Frank Lindauer, Electrical Engineer FL

TITLE: Addition of 2nd Transformer at Foothills Substation

DESCRIPTION:
Authorize a change order to the contract awarded for project 2016-14, Foothills Substation Transformer T1, to Virginia Transformer Corporation (VTC) to provide a second power transformer for the Foothills Substation project.

SUMMARY:
The Foothills Substation project is currently estimated to finish under budget based upon the difference between the original project cost estimate provided to the Federal Emergency Management Agency (FEMA) and our most recent cost projection, see Attachment A. This project is under budget due to a combination of factors including, reduced engineering design costs, lower than estimated material costs compared to past projects and a high initial project budget.

The Department of Water & Power has planned and budgeted for the addition of a second transformer to the Foothills Substation in 2019, however, given the current project cost estimate we would like to add this second transformer project to the FEMA Alternate project scope of work. Adding a second transformer to the Foothills Substation project would allow us to maximize the use of the eligible FEMA Alternate funds while accelerating the retirement of the West Substation, see Attachment B. The location of the Foothills Substation is in close proximity to the current service territory of West Substation which will make the transition of load easier, see Attachment C. We have money allocated in the 2017 & 2018 Capital Improvement Plan to extend conduit banks and conductor into the distribution system from Foothills Substation.

Adding a second transformer will not impact the overall project construction schedule. VTC is in the process of building the first transformer for the Foothills Substation in their Pocatello, ID factory with an anticipated delivery date in February, 2017. VTC has the capacity to add a second transformer into their production schedule while maintaining an anticipated delivery date in February, 2017 for both transformers. VTC has committed to providing the second transformer for the same price as the first, $615,814.00, which is 12% below our initial budget for this piece of equipment.

RECOMMENDATION:

Adopt a motion recommending that the LUC board approve the change order to the contract for a second power transformer with Virginia Transformer Corporation to increase the not-to-exceed amount to $1,231,628.00 and authorize the City Manager to sign the change order on behalf of the City.

REVIEWED BY DIRECTOR:

AB for JS

ATTACHMENTS:

- **Attachment A:** Expense Analysis for Foothills Substation Project
- **Attachment B:** Reasons to Accelerate the Retirement of West Substation
- **Attachment C:** Service Area of West Substation

Attachment A

Expense Analysis for Foothills Substation Project

FEMA Alternate Project - Foothills Substation		
Current Reimbursement Amount	**$**	**4,340,000.00**
Encumbered Expenses		
Transformer F1	$	615,814.00
Switchgear B1 & B2	$	1,278,937.00
Block Wall	$	496,711.00
Encumbered Expenses Total	**$**	**2,391,462.00**
Estimated Remaining Expenses		
Security	$	150,000.00
Gates	$	25,000.00
Control cable	$	15,000.00
Station service conductor	$	10,000.00
Yard lighting	$	15,000.00
Conduit	$	15,000.00
Trench and install conduit	$	25,000.00
Grounding platform install	$	1,000.00
Grounding platform	$	1,000.00
Transformer F1 foundation	$	80,000.00
Transformer F1 oil containment	$	20,000.00
Transformer F1 water discharge pump	$	5,000.00
Grounding for City equipment	$	5,000.00
Below grade grounding	$	130,000.00
Surface Rock	$	80,000.00
Telecomm equipment	$	65,000.00
Remote terminal unit	$	45,000.00
Unforseen additional expenses	$	100,000.00
Estimated Remaining Expenses	**$**	**787,000.00**
Estimated Total Project Cost	**$**	**3,178,462.00**
Estimated Remaining Reimbursement Funds	**$**	**1,161,538.00**
Expenses Associated with Transformer 2		
Transformer F2	$	615,814.00
Transformer F2 foundation	$	80,000.00
Transformer F2 oil containment	$	20,000.00
Transformer F2 water discharge pump	$	5,000.00
Trenching / Conduit / Control Cable	$	10,000.00
Estimated Total Expenses for Transformer 2	**$**	**730,814.00**
Remaining Reimbursement Funds after Transformer 2	**$**	**430,724.00**

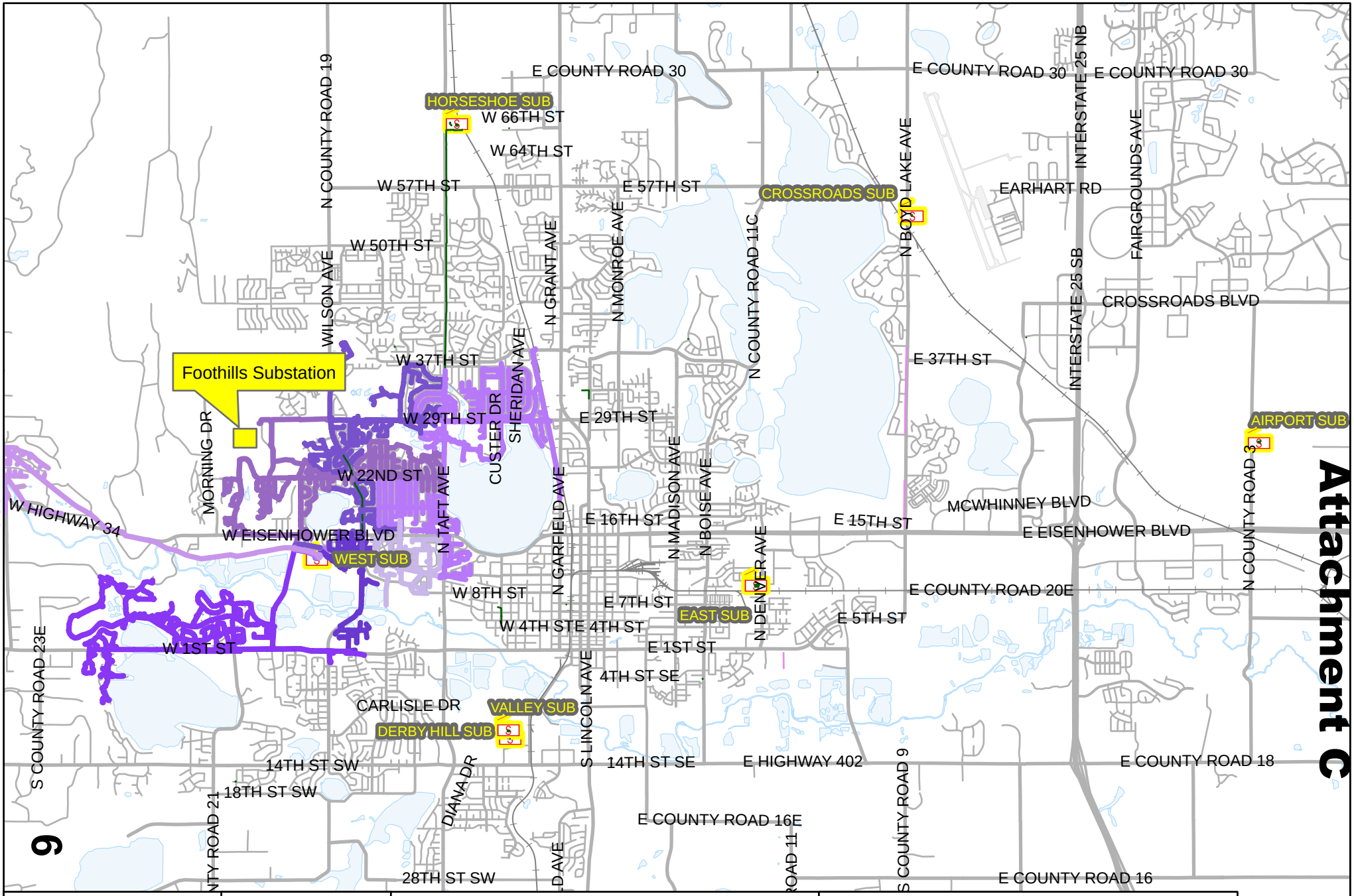
(to be applied to Foothills Solar project)

Attachment B

Reasons to Accelerate the Retirement of West Substation

- West Substation, located north of the Big Thompson River on Namaqua Road, was affected during the flood of September, 2013 and had to be shut down due to the following reasons:
    - The access road to the substation was flooded by the Big Barnes Ditch which runs parallel to the access road on the north.
    - The Big Thompson flood waters rose to within 15 feet of the substation even though it is not in the 500 year flood plain.

- West Substation is the only City substation that connects directly to the bulk electric system which requires additional monitoring and reporting to national regulatory agencies.
- West Substation has the oldest average equipment age of all City substations. Design standards and requirements have changed since the original construction and upgrades would be extensive.
- Transformer 1 at West has had less than acceptable test results intermittently over the past several years indicating a problem inside the main tank which could lead to transformer failure.
- West Substation is ‘boxed-in’ by private landowners, the Big Barnes Ditch, and the floodplain making expansion of the site to accommodate needed upgrades difficult



Attachment C

This document was prepared for internal use by the City of Loveland, CO. The city makes no claim as to the accuracy or completeness of the data contained hereon.

Due to security concerns, the city requests that you do not post this document on the internet or otherwise make it available to persons unknown to you.

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City of Loveland

City of Loveland

Department of Water & Power

Loveland, Colorado

Service Area of West Substation

Created By: gisview

Date Created: 9/14/2016

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AGENDA ITEM: 7
MEETING DATE: 9/21/2016
SUBMITTED BY: Gretchen Stanford, Interim Director AB for GS

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.

- Water Treatment Plant Celebration – August 24, 2016
- Fort Collins Joint Meeting Agenda & Next Steps – Gene Packer

RECOMMENDATION:
Commission/Council report only.

REVIEWED BY DIRECTOR:
AB for GS

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AGENDA ITEM: 8
MEETING DATE: 9/21/2016
SUBMITTED BY: Gretchen Stanford, Interim Director AB for GS

TITLE: Director's Report

SUMMARY:

- **South Platte Forum —** The 2016 South Platte Forum will be held in Loveland, Colorado at the Embassy Suites on October 26-27, 2016. Please let Allison Bohling know if you are interested in attending. For a copy of the preliminary conference schedule please visit southplatteforum.org/

- **Broadband Update —** Work continues on the Broadband Assessment and Feasibility Analysis with Denver-based consulting specialist Magellan Advisors. During the week of September 5, 2016, the City and Magellan conducted one-on-one meetings with key community stakeholders. We also conducted two business community focus group meetings on Wednesday, September 7, 2016. All of these meetings were well attended and provided excellent community feedback. Magellan is compiling this information which will be included in their final analysis. An update will be given to City Council at the study session on October 25, 2016 and again in mid-December. We expect to present the final analysis results, which will include several broadband business model options to City Council in the first quarter of 2017.

  The Broadband Task Force, comprised of representation from local business and community members with an interest in the broadband initiative held their monthly meeting on Thursday, September 1, 2016. This meeting was hosted by Platte River Power Authority. The next meeting will be October 6, 2016, hosted by the Loveland Chamber of Commerce. John Fogle will represent Loveland City Council at these meetings as the appointed liaison to the Broadband Task Force.

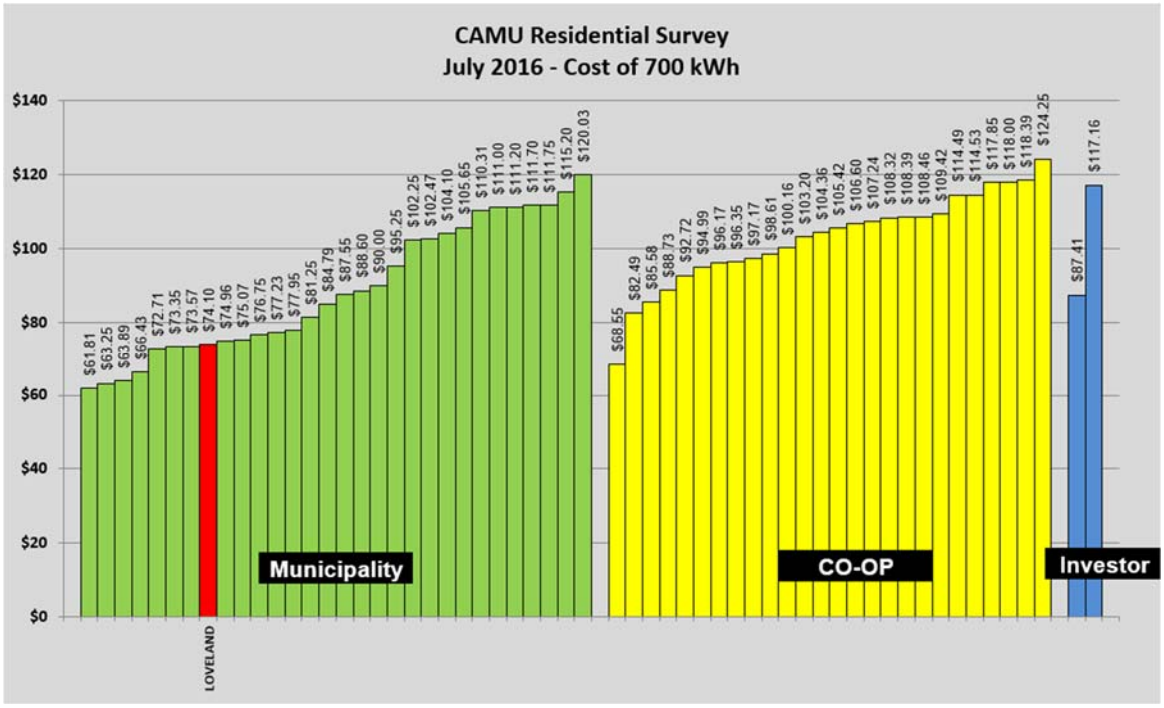
  Regional cooperation meetings continue to be held between Loveland, Estes Park, Fort Collins, Longmont and Larimer County on a reoccurring basis. The next meeting is scheduled in October. These meetings focus on discussing the broadband objectives in these respective communities.

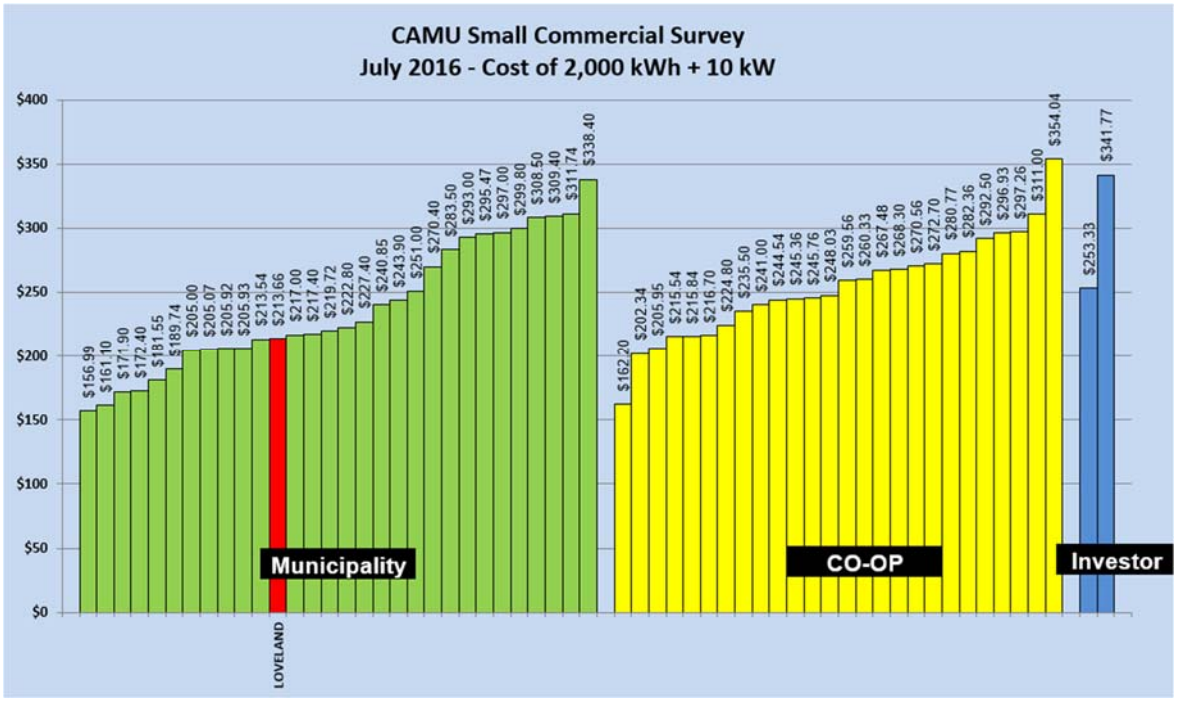
  For additional information on Loveland's broadband initiative please refer to the City's website at www.cityofloveland/broadband – Kim O'Field

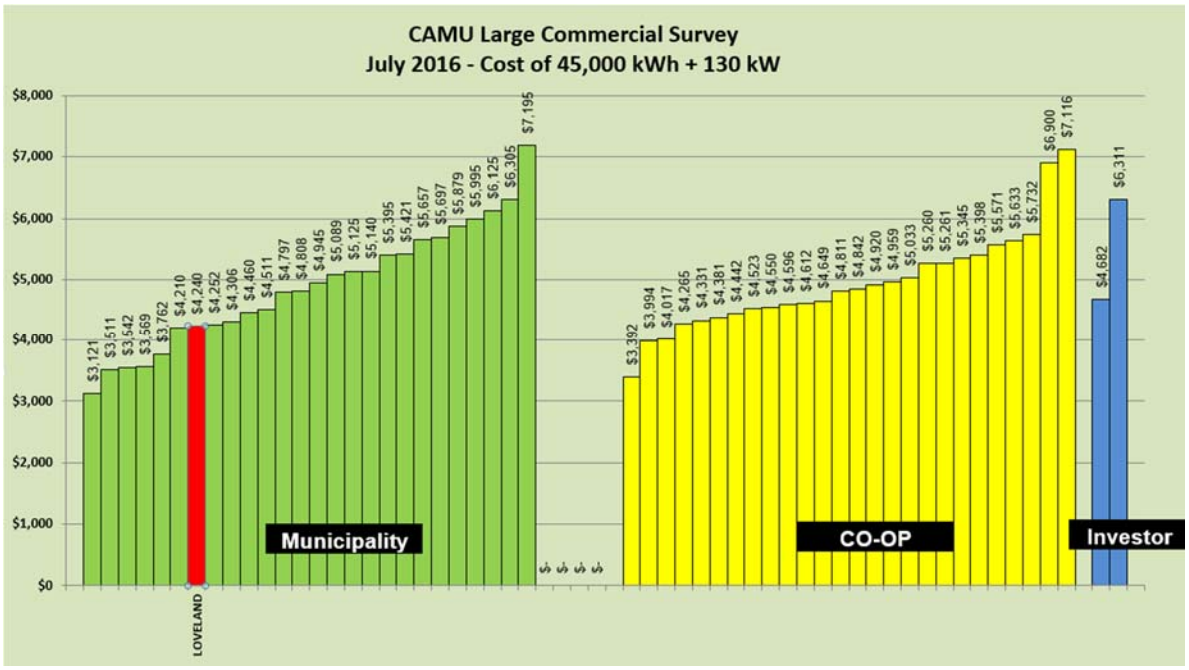
- **FEMA Alternate Project Update —** Namaste has completed the drilling and post driving at the solar site. Both inverters have been set and the transformers for the solar facility should be delivered and set mid-September. Namaste is targeting to begin commissioning the site in mid-October. LUC approved the bid for the substation transformer in May and approved the bids for the substation block wall and switchgear in July. Construction for the substation wall is expected to begin mid-October and the substation transformer is expected to be

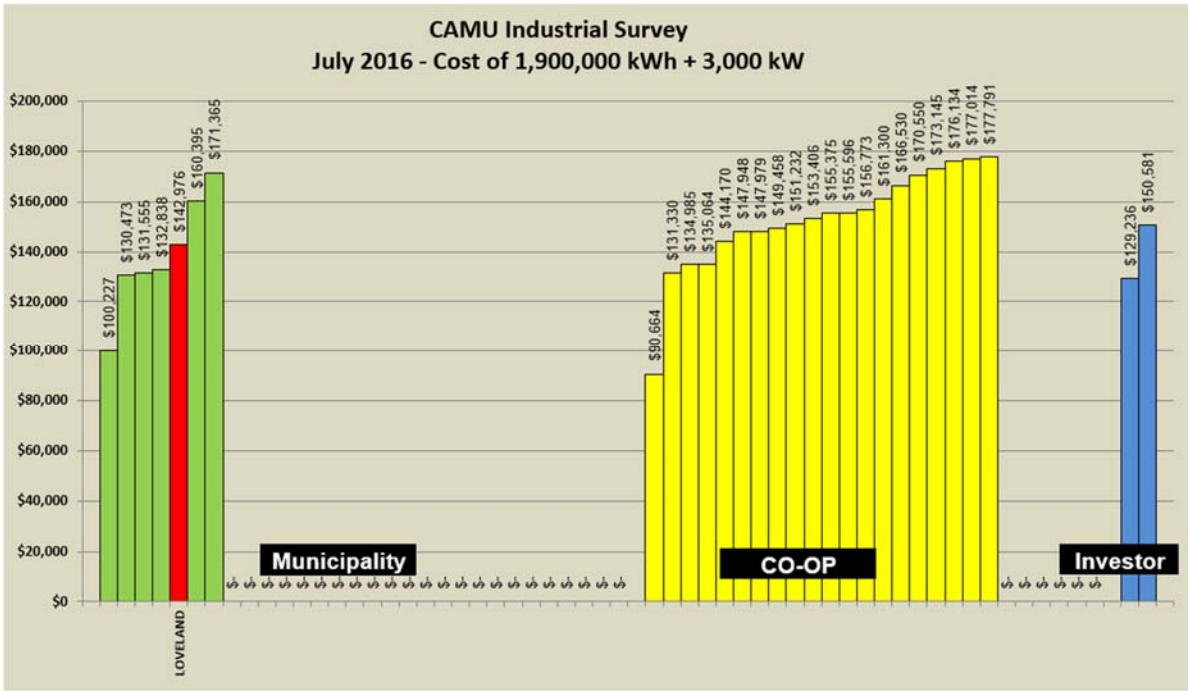
delivered in February of next year. The substation project is still projected to complete by September of 2017. Lastly, the curb and gutters are being completed on Rio Blanco Ave. this week. – Kim O'Field

- **CAMU 2015 Rate Comparison –** CAMU members participate is bi-annual rate surveys. These surveys detail current rates for residential, small commercial, large commercial and industrial electric services for participating public power, rural electric and investor-owned utilities in Colorado. Below are the results from the July 2016 survey. – Kim O'Field









- **2017 Budget Update on the 10-Year Capital Improvement Programs (CIP) —** City Council received a staff presentation on the entire 10-year CIP at the August 9, 2016 City Council Study Session and had a Study Session on the 2017 Proposed Budget on September 13, 2016 . – Jim Lees

Significant upcoming dates for the budget process are:

- October 18, 2016: First Reading of 2017 City Budget
- November 1, 2016: Second Reading of 2017 City Budget

- **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:
  - October 11, 2016 – The City of Loveland's General Permit (Stormwater)
  - November 15, 2016 – Healthy Homes
  - December 13, 2016 – Introduction to Rain Barrels

- **Slow the Flow Update –** As of August 31, 2016 the Slow the Flow, irrigation assessment program is complete for the year. All new requests will be waitlisted for 2017. In total, 123 residents and 1 large property participated in the program in 2016. – Lindsey Bashline

- **Rawhide Flats Tour at Rawhide –** You will be receiving an invitation for a VIP tour at the 30 MW solar field at PRPA's Rawhide facility. Details still to be determined. We hope that you will be able to join us. – Gretchen Stanford

- **Water Attorney Posting –** The City has recently posted for a Water Attorney which will be a new FTE for the City's Legal Department. This position will be spending 60% of his or her time with Loveland Water and Power staff. In addition, we will be paying for 60% of his or her time. We are looking forward to this person helping us with future water issues that the department faces. – Gretchen Stanford

- **Water Treatment Plant Expansion Project Overview Video –** Staff would like to show the LUC the video completed in partnership with Shadow Play Films that depicts an overview of the Water Treatment Plant Expansion Project. – Allison Bohling

- **Algae Bloom Video –** Staff would like to share LWP's most recent video discussing the seasonal algae bloom with the LUC. Please share this with our customers that might have questions. You can find the video on www.cityofloveland.org/waterquality. – Allison Bohling

RECOMMENDATION:
Director's report only.

REVIEWED BY DIRECTOR:
AB for GS

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WATER & POWER DEPARTMENT
200 North Wilson • Loveland, Colorado 80537
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AGENDA ITEM: 9
MEETING DATE: 9/21/2016
SUBMITTED BY: Jim Lees, Utility Accounting Manager JL

TITLE: Financial Report Update

DESCRIPTION:
This item summarizes the monthly and year-to-date Preliminary financials for August 2016.

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

	August				August Year-To-Date			
	2016	2015	$ Ovr/(Und) vs. 2015	% Ovr/(Und) vs. 2015	2016	2015	$ Ovr/(Und) vs. 2015	% Ovr/(Und) vs. 2015
WATER								
Sales	$2,018,311	$1,705,600	$312,712	18.3%	$8,970,725	$7,395,712	$1,575,013	21.3%
Operating Expenses	$1,018,420	$790,170	$228,250	28.9%	$7,677,904	$7,272,063	$405,841	5.6%
Capital (Unrestricted)	$411,768	$942,885	($531,118)	-56.3%	$3,408,943	$6,351,782	($2,942,838)	-46.3%
WASTEWATER								
Sales	$919,339	$820,112	$99,227	12.1%	$6,629,048	$5,967,305	$661,744	11.1%
Operating Expenses	$721,588	$511,593	$209,994	41.0%	$4,152,477	$3,996,506	$155,972	3.9%
Capital (Unrestricted)	$305,597	$49,092	$256,505	522.5%	$1,811,080	$2,039,674	($228,594)	-11.2%
POWER								
Sales	$6,277,768	$6,062,016	$215,751	3.6%	$39,474,945	$37,405,256	$2,069,689	5.5%
Operating Expenses	$5,620,241	$5,560,172	$60,069	1.1%	$36,585,551	$35,509,042	$1,076,510	3.0%
Capital (Unrestricted)	$704,058	$320,633	$383,425	119.6%	$5,337,125	$3,825,611	$1,511,514	39.5%

RECOMMENDATION:
Staff report only. No action required.

REVIEWED BY DIRECTOR:
AB for GS

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 08/31/2016

		TOTAL BUDGET FYE 12/31/2015	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1	**REVENUES & SOURCES**					
2	Hi-Use Surcharge	52,500	25,719	35,040	(9,321)	-26.6%
3	Raw Water Development Fees/Cap Rec Surcharge	337,610	292,573	240,020	52,553	21.9%
4	Cash-In-Lieu of Water Rights	250,000	173,079	166,640	6,439	3.9%
5	Native Raw Water Storage Fees	5,000	181,007	3,340	177,667	5319.4%
6	Loan Payback from Water	134,000	41,745	33,500	8,245	24.6%
7	Raw Water 1% Transfer In	396,080	269,122	260,810	8,312	3.2%
8	Interest on Investments	237,270	130,378	158,160	(27,782)	-17.6%
9	**TOTAL REVENUES & SOURCES**	**1,412,460**	**1,113,623**	**897,510**	**216,113**	**24.1%**
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)	257,600	(8,958,570)	9,216,170	-102.9%
15	RAW WATER CAPITAL EXPENDITURES	2,620,820	1,118,956	1,620,760	(501,804)	-31.0%
16	**ENDING CASH BALANCES**					
17	Total Available Funds		11,689,246			
18	Reserve - Windy Gap Cash		1,710,487			
19	Reserve - 1% Transfer From Rates		5,357,201			
20	Reserve - Native Raw Water Storage Interest		1,597,917			
21	**TOTAL RAW WATER CASH**		**20,354,851**			
22	MINIMUM BALANCE (15% OF OPER EXP)		1,478,412			
23	OVER/(UNDER) MINIMUM BALANCE		18,876,439			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 319,702

City of Loveland
Financial Statement-Water
For Period Ending 08/31/2016

		TOTAL BUDGET FYE 12/31/2015	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1	****UNRESTRICTED FUNDS****					
2	**REVENUES & SOURCES**					
3	Water Sales	13,202,610	8,970,725	8,693,280	277,445	3.2%
4	Raw Water Transfer Out	(396,080)	(269,122)	(260,810)	(8,312)	3.2%
5	Wholesale Sales	137,200	106,868	93,050	13,818	14.8%
6	Meter Sales	51,530	72,622	32,320	40,302	124.7%
7	Interest on Investments	88,560	53,131	59,040	(5,909)	-10.0%
8	Other Revenue	1,415,760	305,048	1,518,000	(1,212,952)	-79.9%
9	Federal and State Grants	1,560,135	940,691	1,560,135	(619,444)	-39.7%
10	Internal Loan Monies Received	1,753,832	750,000	1,502,992	(752,992)	-50.1%
11	External Loan Monies Received	2,793,406	2,993,406	2,793,406	200,000	7.2%
12	**TOTAL REVENUES & SOURCES**	**20,606,953**	**13,923,369**	**15,991,413**	**(2,068,044)**	**-12.9%**
13	**OPERATING EXPENSES**					
14	Source of Supply	3,296,290	981,890	2,515,635	(1,533,745)	-61.0%
15	Treatment	2,888,161	1,745,459	1,782,431	(36,972)	-2.1%
16	Distribution Operation & Maintenance	3,480,906	1,992,683	2,177,815	(185,132)	-8.5%
17	Administration	584,335	265,047	351,229	(86,182)	-24.5%
18	Customer Relations	339,276	157,299	217,960	(60,661)	-27.8%
19	PILT	896,460	609,112	599,766	9,346	1.6%
20	1% for Arts Transfer	61,019	29,992	43,507	(13,515)	-31.1%
21	Services Rendered-Other Departments	1,147,987	710,570	767,045	(56,475)	-7.4%
22	Internal Loan Debt Expense	817,500	796,620	817,500	(20,880)	-2.6%
23	External Loan Debt Expense	292,151	389,231	292,151	97,080	33.2%
24	**TOTAL OPERATING EXPENSES**	**13,804,085**	**7,677,904**	**9,565,039**	**(1,887,135)**	**-19.7%**
25	NET OPERATING REVENUE/(LOSS)(excl depr)	6,802,868	6,245,465	6,426,374	(180,909)	-2.8%
26	CAPITAL EXPENDITURES	5,472,010	3,408,943	4,824,652	(1,415,709)	-29.3%
27	ENDING CASH BALANCE		**9,502,525**			
28	WATER DEBT FUNDS ENDING CASH BALANCE		**23,278**			
29	MINIMUM BALANCE (15% OF OPER EXP)		2,070,613			
30	**OVER/(UNDER) MINIMUM BALANCE**		**7,431,912**			
31	****RESTRICTED FUNDS****					
32	**REVENUES & SOURCES**					
33	SIF Collections	2,079,620	1,713,490	1,103,450	610,040	55.3%
34	SIF Interest Income	52,670	10,823	35,440	(24,617)	-69.5%
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**	**2,245,004**	**10,076,330**	**(7,831,326)**	**-77.7%**
38	SIF Capital Expenditures	4,418,493	3,460,859	4,150,843	(689,984)	-16.6%
39	1% for Arts Transfer	97,229	33,804	61,997	(28,193)	-45.5%
40	Internal Loan Debt Expense	0	0	0	0	0.0%
41	**SIF ENDING CASH BALANCE**		**1,472,184**			
42	**TOTAL ENDING CASH BALANCE**		**10,974,710**			
	NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING:		3,474,998			
43	Water Treated at WTP (in million gallons)		3,261			
44	Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales)	3,795	2,456	2,499	(43)	-1.7%

City of Loveland-LIVE

Financial Statement-Wastewater

For Period Ending 08/31/2016

		TOTAL BUDGET FYE 12/31/2016	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1	****UNRESTRICTED FUNDS****					
2	**REVENUES & SOURCES**					
3	Sanitary Sewer Charges	10,142,610	6,629,048	6,780,420	(151,372)	-2.2%
4	High Strength Surcharge	358,330	278,004	247,940	30,064	12.1%
5	Interest on Investments	103,760	69,830	69,200	630	0.9%
6	Other Revenue	127,160	99,237	94,070	5,167	5.5%
7	Bond Proceeds	16,000,000	0	0	0	0.0%
8	Federal Grants	148,787	26,084	148,787	(122,703)	-82.5%
9	State Grants	1,174,501	738,408	1,007,861	(269,453)	-26.7%
10	**TOTAL REVENUES & SOURCES**	**28,055,148**	**7,840,610**	**8,348,278**	**(507,667)**	**-6.1%**
11	**OPERATING EXPENSES**					
					0	0.0%
12	Treatment	3,600,906	1,982,419	2,299,475	(317,056)	-13.8%
13	Collection System Maintenance	2,656,101	1,148,883	1,689,921	(541,038)	-32.0%
14	Administration	385,758	161,308	195,867	(34,559)	-17.6%
15	Customer Relations	40,822	23,780	25,230	(1,450)	-5.7%
16	PILT	735,070	483,494	488,193	(4,699)	-1.0%
17	1% for Arts Transfer	176,935	10,124	134,025	(123,902)	-92.4%
18	Services Rendered-Other Departments	749,891	342,470	500,559	(158,089)	-31.6%
19	**TOTAL OPERATING EXPENSES**	**8,345,483**	**4,152,477**	**5,333,270**	**(1,180,793)**	**-22.1%**
20	NET OPERATING REVENUE/(LOSS)(excl depr)	19,709,665	3,688,133	3,015,008	673,125	22.3%
21	CAPITAL EXPENDITURES	19,819,871	1,811,080	10,524,070	(8,712,990)	-82.8%
22	ENDING CASH BALANCE		**11,788,591**			
23	MINIMUM BALANCE (15% OF OPER EXP)		1,251,822			
24	OVER/(UNDER) MINIMUM BALANCE		10,536,769			
25	****RESTRICTED FUNDS****					
26	**REVENUES & SOURCES**					
27	SIF Collections	1,517,660	1,056,926	908,710	148,216	16.3%
28	SIF Interest Income	108,410	52,513	72,240	(19,727)	-27.3%
29	SIF Bond Proceeds	8,900,000	0	0	0	0.0%
30	**TOTAL SIF REVENUES & SOURCES**	**10,526,070**	**1,109,440**	**980,950**	**128,490**	**13.1%**
31	SIF Capital Expenditures	10,949,788	671,200	5,373,699	(4,702,499)	-87.5%
32	1% for Arts Transfer	98,104	3,219	62,524	(59,305)	-94.9%
33	**SIF ENDING CASH BALANCE**		**8,531,491**			
	TOTAL ENDING CASH BALANCE		**20,320,082**			
	NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING		2,998,373			
34	Wastewater Treated at WWTP (in million gallons)	N/A	1,668	N/A		
35	Wastewater Billed To Customers (in million gallons)	1,806	1,144	1,205	(61)	-5.1%

City of Loveland
Financial Statement-Power
For Period Ending 7/31/2016

		TOTAL BUDGET		YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
	****UNRESTRICTED FUNDS****						
1	REVENUES & SOURCES:						
2	Electric revenues	$58,665,860		$39,474,945	$39,250,830	$224,115	0.6%
3	Wheeling charges	$240,000		$189,011	$160,000	$29,011	18.1%
4	Interest on investments	$256,680		$131,525	$171,120	($39,595)	-23.1%
5	Aid-to-construction deposits	$1,530,000		$672,908	$1,020,000	($347,092)	-34.0%
6	Customer deposit-services	$260,000		$199,149	$173,333	$25,816	14.9%
7	Late Payment Penalty Fees	$415,000		$330,672	$276,667	$54,005	19.5%
8	Connect Fees	$160,000		$119,576	$106,667	$12,909	12.1%
9	Services rendered to other depts.	$5,890		$0	$3,927	($3,927)	-100.0%
10	Other revenues	$387,220		$309,057	$258,147	$50,911	19.7%
11	Federal Grants	$3,500,000		$1,396	$2,333,333	($2,331,937)	-99.9%
12	State Grants	$0		$233	$0	$233	0.0%
13	Year-end cash adjustments	$0		$0	$0	$0	0.0%
14	**TOTAL REVENUES & SOURCES**	**$65,420,650**		**$41,428,472**	**$43,754,023**	**($2,325,551)**	**-5.3%**
15	OPERATING EXPENSES:						
16	Hydro oper. & maint.	$5,842,549		$61,438	$4,044,842	($3,983,404)	-98.5%
17	Purchased power	$42,673,764		$29,001,542	$29,345,904	($344,362)	-1.2%
18	Distribution oper. & maint.	$6,673,658		$2,355,399	$4,620,225	($2,264,826)	-49.0%
19	Customer Relations	$1,305,442		$513,292	$903,768	($390,476)	-43.2%
20	Administration	$841,837		$388,544	$582,810	($194,267)	-33.3%
21	Payment in-lieu-of taxes	$4,120,990		$2,733,981	$2,756,942	($22,961)	-0.8%
22	1% for Arts Transfer	$86,060		$25,046	$57,574	($32,529)	-56.5%
23	Services rendered-other depts.	$2,184,721		$1,506,311	$1,456,481	$49,830	3.4%
24	**TOTAL OPERATING EXPENSES (excl depn)**	**$63,729,021**		**$36,585,551**	**$43,768,545**	**($7,182,994)**	**-16.4%**
25	NET OPERATING REVENUE/(LOSS) (excl depn)	$1,691,629		$4,842,921	($14,522)	$4,857,443	$0
26	CAPITAL EXPENDITURES:						
27	General Plant/Other Generation & Distribution	$13,700,486		$4,256,573	$9,456,024	($5,199,451)	-55.0%
28	Aid-to-construction	$1,530,000		$889,190	$1,059,231	($170,041)	-16.1%
29	Service installations	$290,000		$191,362	$200,769	($9,407)	-4.7%
30	**TOTAL CAPITAL EXPENDITURES**	**$15,520,486**		**$5,337,125**	**$10,716,024**	**($5,378,899)**	**-50.2%**
31	**ENDING CASH BALANCE**			**$21,200,042**			
32	MINIMUM BAL. (15% of OPER EXP excl depn)			$9,559,353			
33	OVER/(UNDER) MINIMUM BALANCE			$11,640,688			
34	****RESTRICTED FUNDS****						
35	PIF Collections	$2,741,830		$1,870,138	$1,827,887	$42,251	2.3%
36	PIF Interest Income	$45,850		$18,389	$30,567	($12,178)	-39.8%
37	Water Loan Payback	$913,050		$796,620	$913,050	($116,430)	-12.8%
38	Federal Grants	$4,434,516		$49,907	$2,956,344	($2,906,437)	-98.3%
39	State Grants	$0		$8,318	$0	$8,318	0.0%
40	**TOTAL REVENUES**	**$8,135,246**		**$2,743,372**	**$5,727,847**	**($2,984,475)**	**-52.1%**
41	PIF Feeders	$2,800,000		$1,813,784	$1,938,462	($124,678)	-6.4%
42	PIF Substations & Solar	$6,768,018		$6,091,130	$4,512,012	$1,579,118	35.0%
43	**TOTAL EXPENDITURES**	**$9,568,018**		**$7,904,914**	**$6,450,474**	**$1,454,440**	**22.5%**
44	**ENDING PIF CASH BALANCE**			**$2,105,388**			
45	**TOTAL ENDING CASH BALANCE**			**$23,305,429**			

NOTE: YTD ACTUAL does NOT include encumbrances totalling $5,449,245.

46	Energy Purchased (in million kWh) from PRPA	742		497	498	(0)	4.4%
47	Energy Sold to Customers (in million kWh)	713		476	476	(1)	-0.1%