



LOVELAND UTILITIES COMMISSION REGULAR MEETING

December 14, 2016 - 4:00 p.m.
Service Center Board Room
200 North Wilson Avenue
AGENDA



CALL TO ORDER

RECOGNITION PRESENTATION - John Rust Jr.

APPROVAL OF MINUTES – 11/16/2016

CITIZENS REPORTS Anyone in the audience may address the LUC on any topic relevant to the commission. If the topic is a Consent Agenda item, please ask for that item to be removed from the Consent Agenda; pulled items will be heard at the beginning of the Regular Agenda. If the topic is a Regular Agenda item, members of the public will be given an opportunity to speak to the item during the Regular Agenda portion of the meeting before the LUC acts upon it. If the topic is a Staff Report item, members of the public should address the LUC during this portion of the meeting; 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.

INFORMATION ITEMS

1. Financial Report Update – Jim Lees
2. Water Supply Update – Larry Howard

REGULAR AGENDA

3. 2017 Annual Sub-Structure Contract – Brieana Reed-Harmel
4. 2017 Annual Directional Bore Contract – Brieana Reed-Harmel
5. 2017 Annual Concrete Contract for Electric Duct Banks – Brieana Reed-Harmel

STAFF REPORT

6. **COMMISSION / COUNCIL REPORTS**
7. **DIRECTOR'S REPORT** – Separate Document

ADJOURN

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

Commission Members Present: Dan Herlihey (Vice Chair), Dave Kavanagh, David Schneider, Gary Hausman (Chairman), Gene Packer (arrived at 4:03 pm), Larry Roos, John Butler, Randy Williams

Commission Members Absent: Jennifer Gramling (excused)

Council Liaison: Troy Krenning (absent)

City Staff Members: Alan Krcmarik, Alicia Calderón, Bob Miller, Brian Gandy, Brieana Reed-Harmel, Christine Schraeder, Garth Silvernale, Greg Dewey, Gretchen Stanford, Jim Lees, John Beckstrom, Kim Frick, Kim O'Field, Larry Howard, Michelle Erickson, Roger Berg (arrived at 4:13 pm), Tanner Randall, Tom Greene, Tracey Hewson

Guest Attendance: Dick Mallot, Paul Davis (Platte River Power Authority), and Eric Wilkenson (Northern Water) who arrived at 4:40 pm

CALL TO ORDER: Gary Hausman called the meeting to order at 4:00 pm.

NEW BOARD MEMBER INTRODUCTION: John Butler

APPROVAL OF MINUTES: Hausman asked for a motion to approve the minutes of the September 21, 2016 LUC meeting and the joint October 27, 2016 meeting.

Motion: Dan Herlihey made the motion.

Second: David Schneider seconded the motion. The minutes were approved unanimously.

CITIZEN REPORTS: Dick Mallot introduced himself from Protect our Loveland which aims to try to prevent fracking and supports renewable energy sources.

CONSENT AGENDA

Dave Schneider pulled item 3 and Larry Roos pulled item 2 from the consent agenda and they were moved to the beginning of the regular agenda.

Item #1: Southside Lift Station Improvements Project Contract – Tanner Randall This is for the approval of the construction contract for the recently bid rehabilitation work to occur at the Southside (Sanitary Sewer) Lift Station (Project #: W1255G).

Recommendation: Adopt a motion to approve the Construction Contract with Hydro Construction in the amount of \$1,133,745 (includes bid alternate) and authorize the City Manager to sign the contract on behalf of the City.

Item #4: Contract Amendment for Carollo Engineering for the Wastewater Treatment Plant Biological Nutrient Removal Improvements – Brian Gandy This is a contract amendment for additional design services with Carollo Engineering related to the wastewater treatment plant improvements project.

Recommendation: Adopt a motion recommending that Loveland Utilities Commission approve the amendment to the contract for Design Services with Carollo Engineers in the amount of \$245,222 and increase the not-to-exceed amount to \$1,632,688.

Item #5: Dedication of Right-of-Way to Larimer County on North County Road 29 – Tom Greene The purpose of this item is to deed a small portion of land to Larimer County to allow them to expand the right-of-way an additional 2,816 square feet of land along North County Road 29 near the Loveland Water Treatment Plant for \$10.

Recommendation: Support and recommend that City Council adopt an ordinance to deed the 2,816 square feet of land referenced in the attached deed of dedication along North County Road 29 near the Loveland Water Treatment Plant to Larimer County for \$10.

Item #6: Wastewater Treatment Plant Bonding – Alan Krcmarik On November 22, 2016, staff will be presenting to City Council the financial transaction to provide \$24,900,000 of proceeds to improve and renovate the Wastewater Treatment plant. This process began over a year ago with the cost of services study, the identification of improvements needed at the plant, review of multiple funding options, and the eventual funding strategy.

Recommendation: Support and recommend that City Council pursue 20-year fixed-rate financing through NBH Bank for the Wastewater Treatment Plant Improvements.

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

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

REGULAR AGENDA

Item #2: 2016 3rd Quarter Goal Updates – Gretchen Stanford This is a quarterly review of our progress on our 2016 utility goals.

Recommendation: Accept the 2016 3rd Quarter Goal updates.

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

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

Item #3: Change Order for Ditesco's, Services During Construction (SDC) for the WTP Phase II Expansion Project – Tom Greene This is a contract amendment to adjust contract cost for the construction phase services to Ditesco's existing contract for the Water Treatment Plant Phase II Expansion Project, W1300D.

Recommendation: Adopt a motion to approve the Contract Amendment for Construction Phase services with Ditesco to increase the not-to-exceed amount to \$1,199,055 and authorize the City Manager to sign the contract amendment on behalf of the City.

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

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

Item #7: 10-Year Lease of Water to the Town of Firestone – Kim Frick Water Resources is bringing forward a lease agreement with the Town of Firestone for LUC consideration. The proposed lease will provide Firestone with up to 300 acre-feet (AF) of Windy Gap water annually for a 10-year lease period at a lease price of \$850/AF, with an annual escalation of 3%. This water will provide a bridge supply for Firestone while the Northern Integrated Supply Project (NISP) project is being developed. Currently it is not being used by the City of Loveland. The City retains the ability to use this water in case of a drought.

Recommendation: Adopt a motion to recommend to City Council to make a motion to direct the City Manager to approve and execute the lease as may be amended by Water Counsel per the discussion that has occurred here amongst this commission in the name of City.

Motion: Dan Herlihey made the motion.

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

Item #8: Foothills Solar Purchase Power Agreement with Platte River Power Authority – Christine Schraeder This is for the approval of a Purchase Power Agreement (PPA) with Platte River Power Authority (PRPA) for the Foothills Solar Facility.

Recommendation: Adopt a motion recommending City Council approve the Purchase Power Agreement and supporting resolution for the Foothills Solar facility between the City and PRPA.

Motion: Dan Herlihey made the motion.

Second: Larry Roos seconded the motion. The motion was approved unanimously.

STAFF REPORTS

Item #9: Colorado River Compact Discussion – Larry Howard The General Manager of Northern Water, Eric Wilkinson, provided LUC with an update of the circumstances surrounding the Colorado River Compact and possible actions that may affect Colorado River water users.

Staff Report only. No action required.

Item #10: Boards and Commissions Overview – Alicia Calderón This will be a legal overview of applicable municipal code and charter requirements regarding conflicts of interest and gifts to public officials.

Staff Report only. No action required.

COMMISSION/COUNCIL REPORTS

Item #11: Commission/Council Reports

Board members reviewed and gave individual reports as well as discussed the activities that they attended since the last regular LUC meeting on September 21, 2016.

- Raw Hide Solar Project – September 29, 2016
- 2016 South Platte Forum – October 26-27, 2016
- Joint Meeting with the Fort Collins Energy Board – October 27, 2016
 - o *What went well? What can we improve?* General feedback included: Would like more time for discussion and open dialogue rather than filling the schedule with reports and presentations. Suggested that we may want to have a board member attend each other's meetings every once in a while, perhaps quarterly to present to each other. Try to focus on the areas in which we can do joint efforts.
- Northern Water Fall Water User's Meeting – November 9, 2016

The December LUC Meeting: Discuss whether to move the December LUC meeting from December 21, 2016 to December 14, 2016 or to cancel the meeting if it is not needed.

Recommendation: Move the December LUC meeting from December 21, 2016 to December 14, 2016.

Motion: David Schneider made the motion.

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

Council Report: Gretchen Stanford gave on Troy Krenning's behalf

City Council meeting – November 15, 2016

- Downtown Colorado Inc. 2016 Governor's Award for the Fire and Ice Festival
- City received a Community Development Block Grant – Disaster Recovery for the Viestenz-Smith Mountain Park Reconstruction Project. This project is expected to cost \$4M of which approximately \$500,000 will be reimbursed.
- The City will be allowed to use agricultural terms for street naming in Millennium NW 8th Subdivision which is a proposed mixed use development theme around water working farm and a farm to table restaurant.

City Council Study Session – November 8, 2016

- Nothing of interest to Water and Power

City Council Regular Meeting – November 1, 2016

- John Butler was appointed to LUC
- Power Plant Investment Fee Internal Loan from Power Enterprise Fund to Power Plant Investment Fee (PIF) is a proposed bridge loan for \$4M.

City Council Study Session – October 25, 2016

- Water and Power Broadband Update presented by Brieana Reed-Harmel and John Honker. Overview of the broadband environment in Loveland and results of public outreach. Overview of broadband business model possibilities.

City Council Regular Meeting – October 18, 2016

- Acting City Attorney and Possible Executive Session
- Supplemental appropriation for Namaqua West Open Lands

DIRECTOR'S REPORT

Item #12: Director's Report – Gretchen Stanford

INFORMATION ITEMS

Item #13: October Financial Report Update – Jim Lees This item summarizes the monthly and year-to-date Preliminary financials for October 2016.

Staff Report only. No action required.

ADJOURN The meeting was adjourned at 7:13 pm. The next LUC Meeting will be December 14, 2016 at 4:00 pm.

Respectfully submitted,

Michelle Erickson
Recording Secretary
Loveland Utilities Commission



AGENDA ITEM: 1

MEETING DATE: 12/14/2016

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 November 2016.

SUMMARY:

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

		November				November Year-To-Date			
		2016	2015	\$ Ovr/(Und)	% Ovr/(Und)	2016	2015	\$ Ovr/(Und)	% Ovr/(Und)
		vs. 2015	vs. 2015					vs. 2015	vs. 2015
WATER									
Sales	\$902,712	\$820,123	\$82,589	10.1%		\$13,247,997	\$11,270,707	\$1,977,290	17.5%
Operating Expenses	\$839,331	\$708,797	\$130,534	18.4%		\$10,662,159	\$10,038,256	\$623,903	6.2%
Capital (Unrestricted)	\$421,847	\$669,284	(\$247,437)	-37.0%		\$4,540,063	\$8,409,476	(\$3,869,413)	-46.0%
WASTEWATER									
Sales	\$782,480	\$730,218	\$52,262	7.2%		\$9,202,024	\$8,297,233	\$904,791	10.9%
Operating Expenses	\$602,303	\$450,222	\$152,080	33.8%		\$6,010,563	\$5,516,878	\$493,684	8.9%
Capital (Unrestricted)	\$8,817	\$39,805	(\$30,988)	-77.9%		\$2,344,471	\$2,203,974	\$140,497	6.4%
POWER									
Sales	\$4,070,590	\$4,140,811	(\$70,221)	-1.7%		\$53,789,271	\$51,563,785	\$2,225,486	4.3%
Operating Expenses	\$3,895,544	\$3,788,308	\$107,236	2.8%		\$48,996,278	\$47,744,964	\$1,251,314	2.6%
Capital (Unrestricted)	\$1,768,348	\$332,952	\$1,435,395	431.1%		\$8,499,855	\$5,211,224	\$3,288,631	63.1%

RECOMMENDATION:

Staff report only. No action required.

REVIEWED BY DIRECTOR: ME 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 11/30/2016

	* TOTAL BUDGET * FYE 12/31/2015	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	OVER VARIANCE
1 REVENUES & SOURCES					
2 Hi-Use Surcharge	* 52,500	* 72,355	48,180	24,175	50.2%
3 Raw Water Development Fees/Cap Rec Surcharge	* 336,920	* 463,027	312,530	150,497	48.2%
4 Cash-In-Lieu of Water Rights	* 250,000	* 514,329	229,130	285,199	124.5%
5 Native Raw Water Storage Fees	* 5,000	* 331,691	4,590	327,101	7126.4%
6 Loan Payback from Water	* 134,000	* 41,745	50,250	(8,505)	-16.9%
7 Raw Water 1% Transfer In	* 396,080	* 397,440	374,510	22,930	6.1%
8 Interest on Investments	* 237,270	* 190,394	217,470	(27,076)	-12.5%
9 TOTAL REVENUES & SOURCES	* 1,411,770	* 2,010,982	1,236,660	774,322	62.6%
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)	* (8,444,310)	* 1,154,959	(8,619,420)	9,774,379	-113.4%
15 RAW WATER CAPITAL EXPENDITURES	* 2,620,820	* 1,464,300	2,114,190	(649,890)	-30.7%
16 ENDING CASH BALANCES					
17 Total Available Funds	* *	* 12,087,259			
18 Reserve - Windy Gap Cash	* *	* 1,715,686			
19 Reserve - 1% Transfer From Rates	* *	* 5,502,110			
20 Reserve - Native Raw Water Storage Interest	* *	* 1,602,774			
21 TOTAL RAW WATER CASH	* *	* 20,907,828			
22 MINIMUM BALANCE (15% OF OPER EXP)	* *	* 1,478,412			
23 OVER/(UNDER) MINIMUM BALANCE	* *	* 19,429,416			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 13500

City of Loveland
Financial Statement-Water
For Period Ending 11/30/2016

	TOTAL BUDGET		OVER <UNDER>		
	* FYE 12/31/2015	* YTD ACTUAL	YTD BUDGET		VARIANCE
1 **UNRESTRICTED FUNDS**					
2 REVENUES & SOURCES					
3 Water Sales	13,202,610	13,247,997	12,483,370	764,627	6.1%
4 Raw Water Transfer Out	(396,080)	(397,440)	(374,510)	(22,930)	6.1%
5 Wholesale Sales	137,200	154,985	135,080	19,905	14.7%
6 Meter Sales	51,530	99,962	44,860	55,102	122.8%
7 Interest on Investments	88,560	82,555	81,180	1,375	1.7%
8 Other Revenue	1,415,760	482,287	1,843,980	(1,361,693)	-73.8%
9 Federal and State Grants	1,560,135	1,092,621	1,560,135	(467,514)	-30.0%
10 Internal Loan Monies Received	1,753,087	750,000	1,690,347	(940,347)	-55.6%
11 External Loan Monies Received	2,793,406	2,993,406	2,793,406	200,000	7.2%
12 TOTAL REVENUES & SOURCES	20,606,208	18,506,374	20,257,848	(1,751,474)	-8.6%
13 OPERATING EXPENSES					
14 Source of Supply	3,072,290	1,434,674	2,904,997	(1,470,323)	-50.6%
15 Treatment	2,890,881	2,536,834	2,564,823	(27,989)	-1.1%
16 Distribution Operation & Maintenance	3,538,186	2,737,777	3,068,170	(330,393)	-10.8%
17 Administration	584,335	337,832	461,627	(123,795)	-26.8%
18 Customer Relations	339,276	256,378	305,894	(49,516)	-16.2%
19 PILT	896,460	899,539	845,794	53,745	6.4%
20 1% for Arts Transfer	62,725	40,233	53,963	(13,730)	-25.4%
21 Services Rendered-Other Departments	1,147,987	978,700	1,051,915	(73,215)	-7.0%
22 Internal Loan Debt Expense	817,500	796,620	817,500	(20,880)	-2.6%
23 External Loan Debt Expense	292,151	643,571	292,151	351,420	120.3%
24 TOTAL OPERATING EXPENSES	13,641,791	10,662,159	12,366,834	(1,704,676)	-13.8%
25 NET OPERATING REVENUE/(LOSS)(excl depr)	6,964,417	7,844,215	7,891,014	(46,798)	-0.6%
26 CAPITAL EXPENDITURES	5,634,304	4,540,063	5,306,386	(766,323)	-14.4%
27 ENDING CASH BALANCE		10,483,282			100
28 WATER DEBT FUNDS ENDING CASH BALANCE		362,290			100
29 MINIMUM BALANCE (15% OF OPER EXP)		2,046,269			
30 OVER/(UNDER) MINIMUM BALANCE		8,437,013			
31 **RESTRICTED FUNDS**					
32 REVENUES & SOURCES					
33 SIF Collections	2,075,550	2,605,940	1,666,020	939,920	56.4%
34 SIF Interest Income	52,670	14,395	47,640	(33,245)	-69.8%
35 SIF Federal and State Grants	937,440	635,595	937,440	(301,845)	-32.2%
36 Internal Loan Monies Received	8,000,000	0	8,000,000	(8,000,000)	-100.0%
37 TOTAL SIF REVENUES & SOURCES	11,065,660	3,255,930	10,651,100	(7,395,170)	-69.4%
38 SIF Capital Expenditures	4,418,493	3,890,761	4,282,913	(392,152)	-9.2%
39 1% for Arts Transfer	97,229	38,012	79,617	(41,605)	-52.3%
40 Internal Loan Debt Expense	0	0	0	0	0.0%
41 SIF ENDING CASH BALANCE		2,018,916			100
42 TOTAL ENDING CASH BALANCE		12,502,198			
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING:		1,573,529			
43 Water Treated at WTP (in million gallons)		4,411			
44 Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales)	3,795	3,721	3,640	81	2.2%

City of Loveland-LIVE
Financial Statement-Wastewater
For Period Ending 11/30/2016

	TOTAL BUDGET	OVER			
	* FYE 12/31/2016	* YTD ACTUAL	YTD BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**					
3 Sanitary Sewer Charges	10,142,610 *	9,202,024	9,339,110	(137,086)	-1.5%
4 High Strength Surcharge	358,330 *	399,324	338,070	61,254	18.1%
5 Interest on Investments	103,760 *	103,759	95,150	8,609	9.0%
6 Other Revenue	126,990 *	106,274	119,980	(13,706)	-11.4%
7 Bond Proceeds	16,000,000 *	0	0	0	0.0%
8 Federal Grants	148,787 *	32,415	148,787	(116,371)	-78.2%
9 State Grants	1,174,501 *	739,464	1,132,871	(393,407)	-34.7%
10 TOTAL REVENUES & SOURCES	28,054,978 *	10,583,259	11,173,968	(590,709)	-5.3%
11 OPERATING EXPENSES					
12 Treatment	3,602,256 *	2,761,246	3,206,181	(444,935)	-13.9%
13 Collection System Maintenance	2,446,731 *	1,852,382	2,241,378	(388,996)	-17.4%
14 Administration	385,758 *	208,235	267,534	(59,299)	-22.2%
15 Customer Relations	40,842 *	31,330	35,924	(4,594)	-12.8%
16 PILT	735,070 *	672,094	674,479	(2,385)	-0.4%
17 1% for Arts Transfer	176,935 *	13,115	155,595	(142,480)	-91.6%
18 Services Rendered-Other Departments	749,891 *	472,160	686,916	(214,756)	-31.3%
19 TOTAL OPERATING EXPENSES	8,137,483 *	6,010,563	7,268,007	(1,257,444)	-17.3%
20 NET OPERATING REVENUE/(LOSS)(excl depr)	19,917,495 *	4,572,697	3,905,961	666,736	17.1%
21 CAPITAL EXPENDITURES					
22 ENDING CASH BALANCE		11,950,294			100
23 MINIMUM BALANCE (15% OF OPER EXP)		1,220,622			
24 OVER/(UNDER) MINIMUM BALANCE		10,729,672			
25 **RESTRICTED FUNDS**					
26 REVENUES & SOURCES					
27 SIF Collections	1,516,790 *	1,635,258	1,446,370	188,888	13.1%
28 SIF Interest Income	108,410 *	77,076	99,330	(22,254)	-22.4%
29 SIF Bond Proceeds	8,900,000 *	0	0	0	0.0%
30 TOTAL SIF REVENUES & SOURCES	10,525,200 *	1,712,334	1,545,700	166,634	10.8%
31 SIF Capital Expenditures					
32 1% for Arts Transfer	10,949,788 *	929,773	9,497,920	(8,568,147)	-90.2%
33 SIF ENDING CASH BALANCE		8,838,883			100
TOTAL ENDING CASH BALANCE		20,789,177			

NOTE: YTD ACTUAL DOES NOT INCLUDE
ENCUMBRANCES TOTALING 1,993,896

34 Wastewater Treated at WWTP (in million gallons)	*	N/A *	2,215	N/A	
35 Wastewater Billed To Customers (in million gallons)	*	1,806 *	1,596	1,661	(65)

City of Loveland
Financial Statement-Power
For Period Ending 11/30/2016

	* TOTAL BUDGET	* YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
UNRESTRICTED FUNDS					
1 REVENUES & SOURCES:					
2 Electric revenues	* \$58,665,860	* \$53,789,271	\$53,945,130	(\$155,859)	-0.3%
3 Wheeling charges	* \$240,000	* \$244,107	\$220,000	\$24,107	11.0%
4 Interest on investments	* \$256,680	* \$189,196	\$235,290	(\$46,094)	-19.6%
5 Aid-to-construction deposits	* \$1,530,000	* \$1,031,542	\$1,402,500	(\$370,958)	-26.4%
6 Customer deposit-services	* \$260,000	* \$268,710	\$238,333	\$30,377	12.7%
7 Late Payment Penalty Fees	* \$415,000	* \$468,357	\$380,417	\$87,940	23.1%
Loan to Power PIF	\$0	(\$1,000,000)	(\$1,000,000)	\$0	0.0%
8 Connect Fees	* \$160,000	* \$167,506	\$146,667	\$20,839	14.2%
9 Services rendered to other depts.	* \$5,890	* \$0	\$5,399	(\$5,399)	-100.0%
10 Other revenues	* \$387,220	* \$397,985	\$354,952	\$43,033	12.1%
11 Federal Grants	* \$3,500,000	* \$1,396	\$3,208,333	(\$3,206,937)	-100.0%
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	* \$55,558,303	\$59,137,021	(\$3,578,718)	-6.1%
15 OPERATING EXPENSES:					
16 Hydro oper. & maint.	* \$5,842,549	* \$117,543	\$5,393,122	(\$5,275,579)	-97.8%
17 Purchased power	* \$42,673,764	* \$38,206,809	\$39,101,742	(\$894,933)	-2.3%
18 Distribution oper. & maint.	* \$6,673,658	* \$3,277,934	\$6,160,300	(\$2,882,366)	-46.8%
19 Customer Relations	* \$1,305,442	* \$964,316	\$1,205,023	(\$240,707)	-20.0%
20 Administration	* \$841,837	* \$583,987	\$777,080	(\$193,094)	-24.8%
21 Payment in-lieu-of taxes	* \$4,120,990	* \$3,725,109	\$3,770,706	(\$45,597)	-1.2%
22 1% for Arts Transfer	* \$86,060	* \$45,000	\$78,745	(\$33,745)	-42.9%
23 Services rendered-other depts.	* \$2,184,721	* \$2,075,581	\$2,002,661	\$72,920	3.6%
24 TOTAL OPERATING EXPENSES (excl depn)	* \$63,729,021	* \$48,996,278	\$58,489,379	(\$9,493,101)	-16.2%
25 NET OPERATING REVENUE/(LOSS) (excl depn)	* \$1,691,629	* \$6,562,025	\$647,642	\$5,914,383	\$0
26 CAPITAL EXPENDITURES:					
27 General Plant/Other Generation & Distribution	* \$13,700,486	* \$6,867,906	\$12,639,371	(\$5,771,465)	-45.7%
28 Aid-to-construction	* \$1,530,000	* \$1,358,826	\$1,412,308	(\$53,482)	-3.8%
29 Service installations	* \$290,000	* \$273,123	\$267,692	\$5,431	2.0%
30 TOTAL CAPITAL EXPENDITURES	* \$15,520,486	* \$8,499,855	\$14,319,371	(\$5,819,516)	-40.6%
31 ENDING CASH BALANCE		* \$19,905,042			
32 MINIMUM BAL. (15% of OPER EXP excl depn)	*	*	\$9,559,353		
33 OVER/(UNDER) MINIMUM BALANCE	*	*	\$10,345,688		
34 **RESTRICTED FUNDS**					
35 PIF Collections	* \$2,741,830	* \$2,721,348	\$2,513,344	\$208,004	8.3%
36 PIF Interest Income	* \$45,850	* \$13,526	\$42,029	(\$28,503)	-67.8%
37 Water Loan Payback	* \$913,050	* \$796,620	\$913,050	(\$116,430)	-12.8%
Loan from Power General	\$0	\$1,000,000	\$1,000,000	\$0	0.0%
38 Federal Grants	* \$4,434,516	* \$3,150,905	\$4,064,973	(\$914,069)	-22.5%
39 State Grants	* \$0	* \$525,151	\$0	\$525,151	0.0%
40 TOTAL REVENUES	* \$8,135,246	* \$8,207,550	\$8,533,396	(\$325,847)	-3.8%
41 PIF Feeders	* \$2,800,000	* \$2,122,419	\$2,584,615	(\$462,197)	-17.9%
42 PIF Substations & Solar	* \$6,768,018	* \$6,364,133	\$6,204,017	\$160,117	2.6%
43 TOTAL EXPENDITURES	* \$9,568,018	* \$8,486,552	\$8,788,632	(\$302,080)	-3.4%
44 ENDING PIF CASH BALANCE		* \$1,472,288			
45 TOTAL ENDING CASH BALANCE	*	*	\$21,377,329		

NOTE: YTD ACTUAL does NOT include encumbrances totalling \$5,949,053

46 Energy Purchased (in million kWh) from PRPA	* 742	* 668	676	(8)	2.3%
47 Energy Sold to Customers (in million kWh)	* 713	* 645	653	(7)	-1.1%



AGENDA ITEM: **2**

MEETING DATE: 12/14/2016

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

TITLE: Water Supply Update

DESCRIPTION:

Raw water supply update.

SUMMARY:

Attachment A is the Snow–Water Equivalent chart for Bear Lake station as of December 2, 2016. Water Resources Staff generated this chart to show a range of low, median, and high years as well as the current year-to-date snow accumulation for the Bear Lake SNOTEL station in the Big Thompson Watershed.

Snowpack for the Bear Lake station is starting off very low, mirroring the 2002 low snowpack, which was a record drought year. This is still very early in the overall accumulation for the snowpack.

Attachment B is the composite snowpack for the Big Thompson Watershed for Bear Lake, Lake Irene and Willow Park. You can see in this composite chart, that the snowpack is just getting started.

These low values are not what we wish to see, of course, but this is very early in the season and conditions can change greatly over the next few months. This information will be monitored closely as we move through the season.

RECOMMENDATION:

Information item only. No action required.

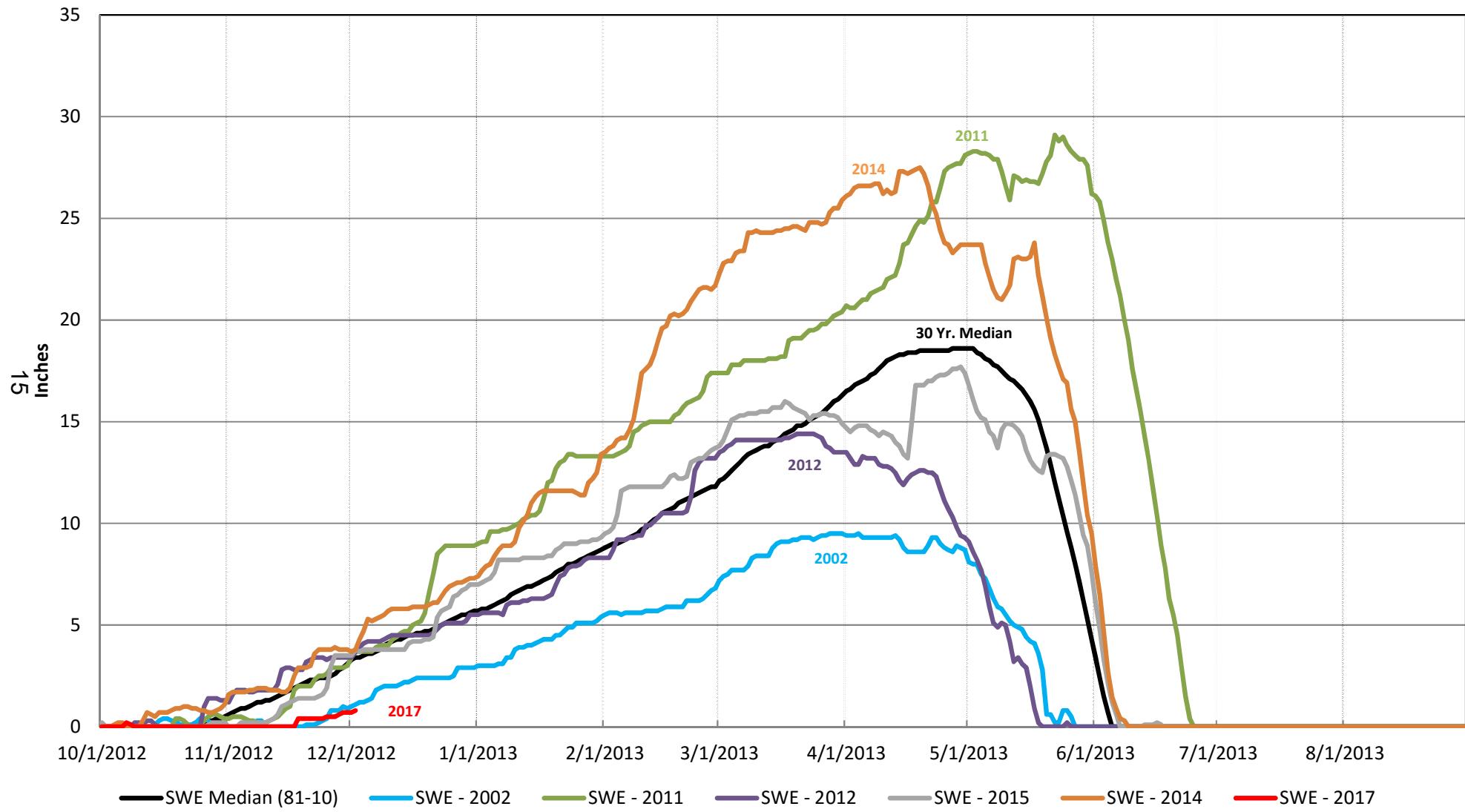
REVIEWED BY DIRECTOR: *ME for GS*

ATTACHMENTS:

- **Attachment A:** Snow–Water Equivalent Chart for Bear Lake SNOTEL Station
- **Attachment B:** Composite Snowpack for Big Thompson Watershed
- **Attachment C:** Colorado Snow Water Equivalent

Attachment A

Snow - Water Equivalent at Bear Lake as of December 2, 2016



16

2

Attachment B



SnoWatch

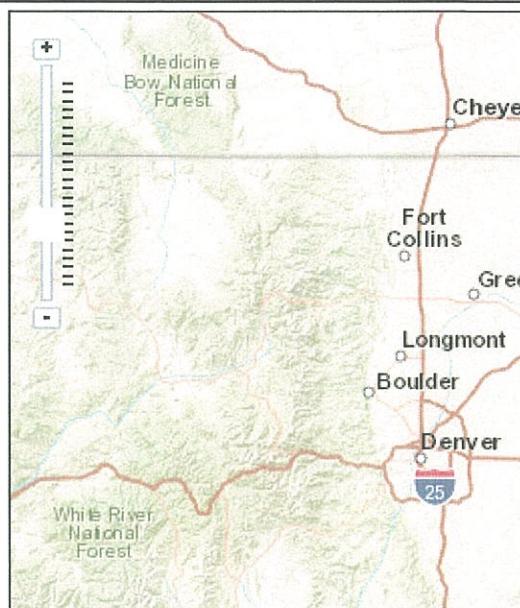
northernwater.org/WaterProjects/SnoWatch.aspx

Big Thompson River Watershed Basin SnoWatch Report for Tuesday, December 6, 2016

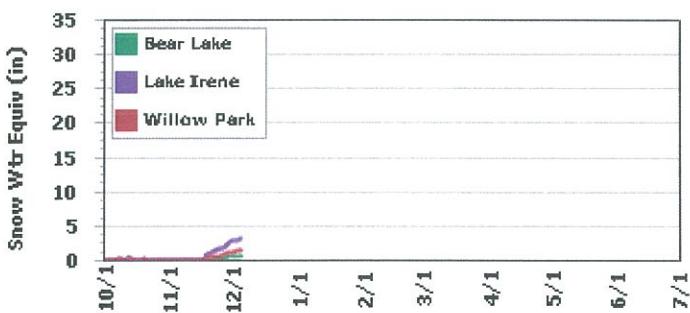
The Big Thompson River watershed drains about 305 square miles above the canyon mouth west of Loveland. In an average year, the Big Thompson River watershed produces about 124,000 acre-feet of water. Nearly 75% of the production (93,000 acre-feet) occurs during the peak snowmelt months of April through July.

The Big Thompson River watershed provides water to the cities of Berthoud, Johnstown and Loveland, and numerous ditch and reservoir companies in southwestern Larimer County.

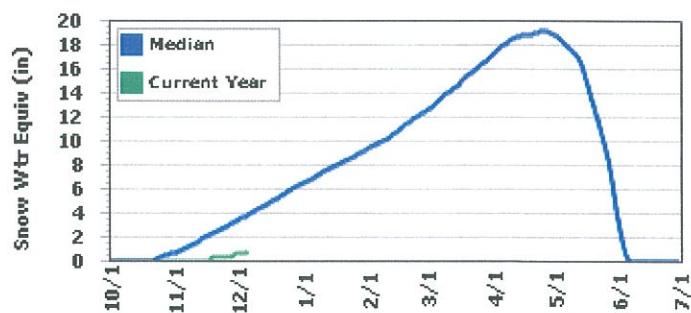
Our SnoWatch system displays year-to-date snow accumulation for three SNOTELs in and near the Big Thompson River watershed. Bear Lake and Willow Park are both within the watershed and represent middle-elevation and high-elevation snow accumulation, respectively. Lake Irene is located on the other side of the Continental Divide (in the Upper Colorado River watershed) but can give indications of snow accumulation in the westernmost portions of the watershed.



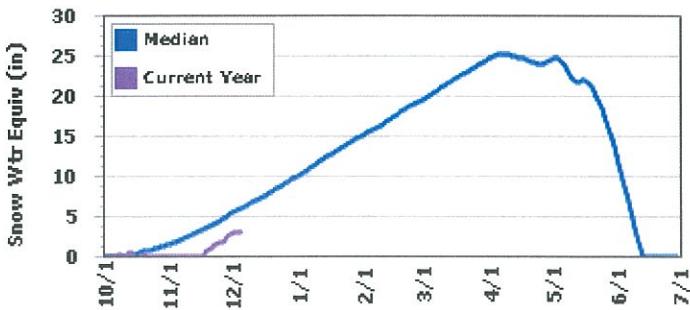
Big Thompson River SNOTEL Sites COMPOSITE



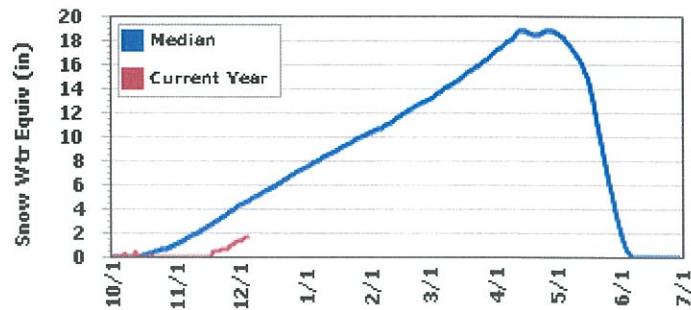
Bear Lake SNOTEL Site



Lake Irene SNOTEL Site



Willow Park SNOTEL Site



SnoWatch data are preliminary and are for general information purposes only. The "Current Year" line on the individual SNOTEL graphs indicates the water content of the snow that has accumulated at each SNOTEL site, expressed as Snow Water Equivalent (SWE) depth in inches. If there are sufficient data, a blue "Median" line is drawn to indicate a typical pattern of accumulation for a normal or average year.

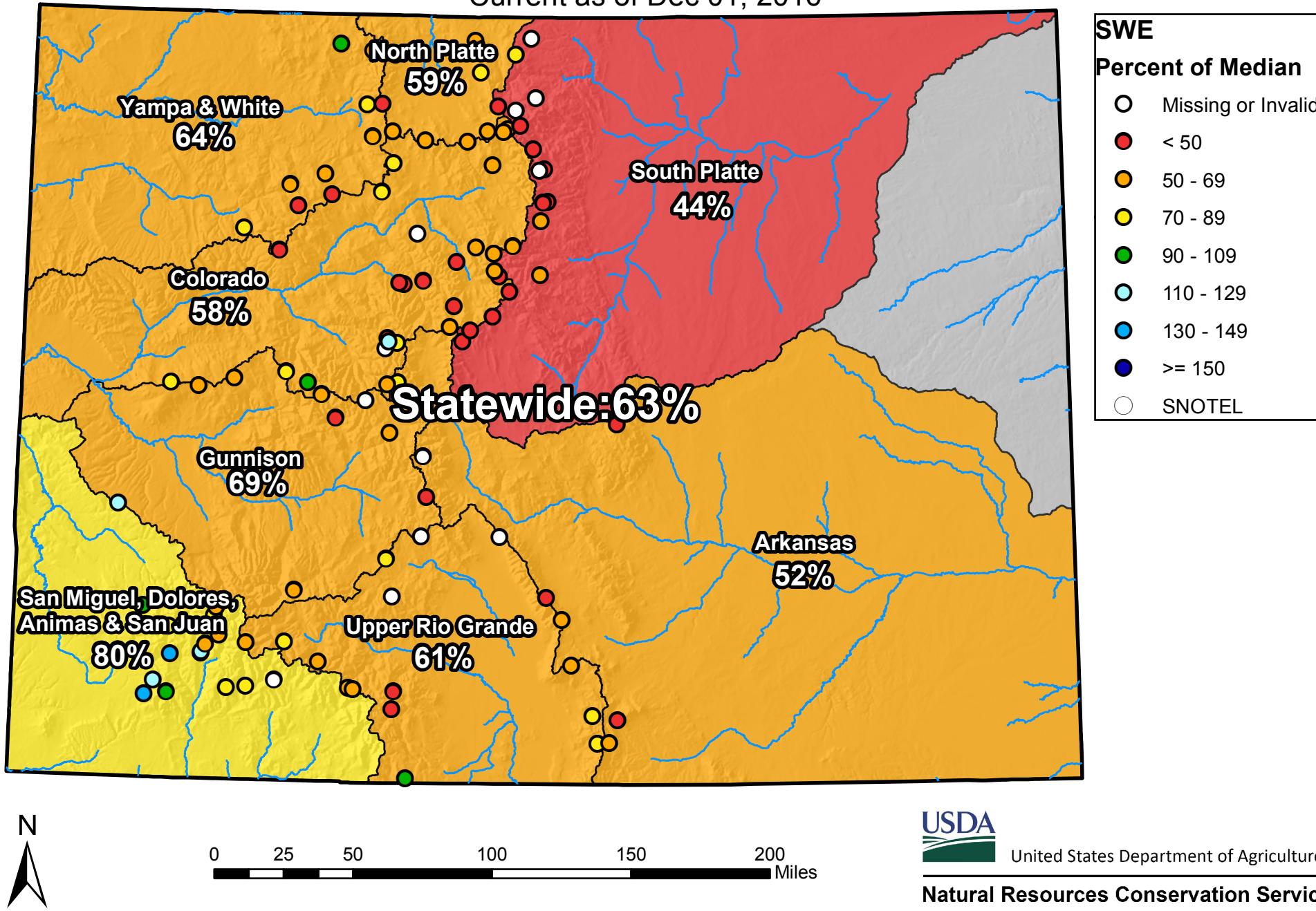
For more information contact: Sarah Smith at ssmith@northernwater.org.

Report generated on Tuesday, December 6, 2016 at 10:14AM MST.

Attachment C

Colorado SNOTEL Snow Water Equivalent (SWE) Update Map with Site Data

Current as of Dec 01, 2016



20

2



AGENDA ITEM: 3

MEETING DATE: 12/14/2016

SUBMITTED BY: Brieana Reed-Harmel, Senior Electrical Engineer *BM for BR*

TITLE: 2017 Annual Sub-Structure Contract

DESCRIPTION:

The purpose of this item is to award contracts to GE Construction, Inc. and L&M Underground, Inc. for the 2017 Annual Substructure Projects Bid 2016-77.

SUMMARY:

Each year there are multiple opportunities to use the substructure contract for projects that occur as a result of development, capital construction, emergencies and maintenance. The substructure bid allows contractor augmentation of city crew efforts to install underground conduit systems, street light wires, street lights and vaults. On November 3, 2016 the City of Loveland received sealed bids for the 2017 Annual Substructure Projects. After consideration of the bid responses and the unit prices received, the decision was made to recommend awarding this bid to two different contractors, GE Construction, Inc. and L&M Underground, Inc. We are proposing to award two contracts in an effort to promote competition for this type of work in Loveland and encourage future bid responses from multiple vendors.

This year we anticipate expenditures of approximately \$2,000,000 for small capital projects, 600-amp development-driven extensions, overhead to underground conversions, and development growth. This \$2,000,000 total is in line with the amount that was spent following the requested and approved change orders for the 2016 contract. Although the contracts are set at a not-to-exceed amount, the city does not guarantee that there will be that much work available. It is our intent to assign individual projects to each vendor in the City's best interest. We are proposing two options to award these contracts.

1. **Option 1:** split the \$2,000,000 award between the two contractors and award each contract at a not-to-exceed amount of \$1,000,000. This option may require us to come before LUC to request contract increases, depending on how projects are assigned between each contractor.
2. **Option 2:** award each contract a not-to-exceed amount of \$2,000,000. Work would be divided between the contractors with the anticipated expenses of not-to-exceed \$2,000,000.

The proposed contract amounts are budgeted within several capital projects, maintenance and development-driven projects.

Per Municipal Code 3.12.060A and 3.12.060B, the LUC must approve Water and Power contracts above \$500,000 or any change order that causes a contract to equal or exceed \$500,000 and which, when combined with all previous change orders, equals or exceeds 20% of the original contract amount.

RECOMMENDATION:

Option 1 -

Adopt a motion awarding two 2017 annual substructure contracts. One to GE Construction, Inc. in the amount not-to-exceed \$1,000,000 and one to L&M Underground, Inc. in the amount not-to-exceed \$1,000,000 and authorize the City Manager to sign the contracts on behalf of the City.

Option 2 -

Adopt a motion awarding two 2017 annual substructure contracts. One to GE Construction, Inc. in the amount not-to-exceed \$2,000,000 and one to L&M Underground, Inc. in the amount not-to-exceed \$2,000,000 and authorize the City Manager to sign the contracts on behalf of the City. Staff should then assign projects and manage the contract amounts in a way that meets the City's best interest.

REVIEWED BY DIRECTOR: *ME for GS*

ATTACHMENT:

- **Attachment A:** PowerPoint slides for items 3 & 4



AGENDA ITEM: 4

MEETING DATE: 12/14/2016

SUBMITTED BY: Brieana Reed-Harmel, Senior Electrical Engineer *BM for BR*

TITLE: 2017 Annual Directional Bore Contract

DESCRIPTION:

The purpose of this item is to award contracts to Jacobs Investments LLC, dba Colorado Boring Company and L&M Underground, Inc. for the 2017 Annual Directional Bore Projects Bid 2016-78.

SUMMARY:

Each year there are multiple opportunities to use the directional bore contract for projects that occur as a result of development, capital construction, emergencies and maintenance. The directional bore bid allows contractor augmentation of city crew efforts to install underground conduit systems, street light wires, street lights and vaults. On November 3, 2016, the City of Loveland received sealed bids for the 2017 Annual Directional Bore Projects. After consideration of the bid responses and the unit prices received, the decision was made to recommend awarding this bid to two different contractors, Jacobs Investments LLC, dba Colorado Boring Company and L&M Underground, Inc. We are proposing to award two contract in an effort to promote competition for this type of work in Loveland and encourage future bid responses from multiple vendors.

This year we anticipate expenditures of approximately \$2,000,000 for small capital projects, 600-amp development-driven extensions, overhead to underground conversions, and development growth. This \$2,000,000 total is in line with the amount that was spent following the requested and approved change orders for the 2016 contract. Although the contracts are set at a not-to-exceed amount, the city does not guarantee that there will be that much work available. It is our intent to assign individual projects to each vendor in the City's best interest. We are proposing two options to award these contracts.

1. **Option 1:** split the \$2,000,000 award between the two contractors and award each contract at a not-to-exceed amount of \$1,000,000. This option may require us to come before LUC to request contract increases, depending on how projects are assigned between each contractor.
2. **Option 2:** award each contract at a not-to-exceed amount of \$2,000,000. Work would be divided between the contractors and in total with the anticipated expenses of not-to-exceed \$2,000,000.

The proposed contract amounts are budgeted within several capital projects, maintenance and development-driven projects.

Per Municipal Code 3.12.060A and 3.12.060B, the LUC must approve Water and Power contracts above \$500,000 or any change order that causes a contract to equal or exceed \$500,000 and which, when combined with all previous change orders, equals or exceeds 20% of the original contract amount.

RECOMMENDATION:

Option 1 -

Adopt a motion awarding two 2017 annual directional bore contracts. One to Jacobs Investments LLC, dba Colorado Boring Company in the amount not-to-exceed \$1,000,000 and one to L&M Underground, Inc. in the amount not-to-exceed \$1,000,000 and authorize the City Manager to sign the contracts on behalf of the City.

Option 2 -

Adopt a motion awarding two 2017 annual directional bore contracts. One to Jacobs Investments LLC, dba Colorado Boring Company in the amount not-to-exceed \$2,000,000 and one to L&M Underground, Inc. in the amount not-to-exceed \$2,000,000 and authorize the City Manager to sign the contracts on behalf of the City. Staff should then assign projects and manage the contract amounts in a way that meets the City's best interest.

REVIEWED BY DIRECTOR: *ME for GS*

ATTACHMENT:

- **Attachment A:** PowerPoint slides for items 3 & 4

Attachment A



Annual Substructure and Directional Bore Bid Awards

Loveland Utilities Commission ♦ December 14, 2016

Briana Reed-Harmel, Senior Electrical Engineer

Annual Substructure Bid Evaluation

- Received 3 bid responses
- Evaluated submitted unit prices for each contractor against past invoices

Total of All Evaluated Invoices	
GE Construction	L&M Underground
\$1,976,101.60	\$3,712,007.05

*Disregarded Next Generation Construction bid as non-responsive
(only submitted 30 out of 112 total unit prices on bid request)

Recommendation: Award two contracts to
GE Construction and L&M Underground

Annual Substructure Contract History

Year	Annual Contract Amount (including all change orders)
2017 Proposed	\$2,000,000
2016	\$2,400,000
2015	\$1,000,000
2014	\$1,000,000
2013	\$1,000,000
2012	\$1,400,766

Annual Directional Bore Bid Evaluation

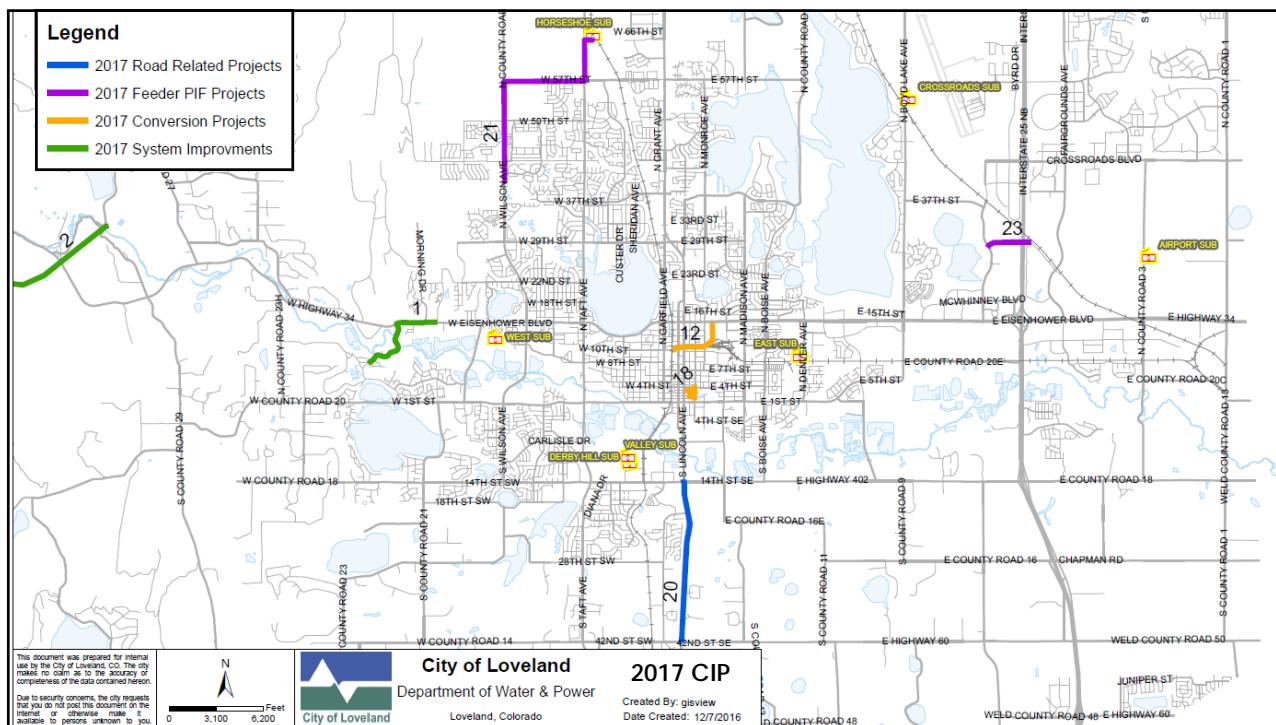
- Received 4 bid responses
- Evaluated submitted unit prices for each contractor against past invoices

Total of All Evaluated Invoices			
Colorado Boring	L&M Underground	Next Generation Construction	Global Underground Corporation
\$1,258,969.30	\$1,684,602.80	\$1,931,332.00	\$4,122,814.00

Recommendation: Award two contracts to Colorado Boring and L&M Underground

Annual Directional Boring Contract History

Year	Annual Contract Amount (including all change orders)
2017 Proposed	\$2,000,000
2016	\$2,250,000
2015	\$1,000,000
2014	\$2,000,000
2013	\$2,500,000
2012	\$2,158,133



Award Options

- ▶ **Option 1** – split the \$2,000,000 award between the two contractors and award each contract at a not-to-exceed amount of \$1,000,000. May require us to come before LUC to request contract increases, depending on how projects are assigned between each contractor.
- ▶ **Option 2** – award each contract in the amount not-to-exceed \$2,000,000. Staff would then assign projects and manage the contract amounts in a way that meets the City's best interest



Questions?



AGENDA ITEM: **5**

MEETING DATE: 12/14/2016

SUBMITTED BY: Brieana Reed-Harmel, Senior Electrical Engineer *BM for BR*

TITLE: 2017 Annual Concrete Contract for Electric Duct Banks

DESCRIPTION:

The purpose of this item is to award a contract to Loveland Ready Mix for the 2017 Annual Concrete for Electric Duct Banks.

SUMMARY:

Each year the Power Division has a need to purchase concrete for our electric duct banks. In the past we have utilized the overall City concrete contract for this purchase. The concrete needed for duct banks made up more than 80% of the City's total expenses the last several years. The Purchasing Division requested that Water and Power manage a separate contract for the duct bank needs going forward to make management and coordination more consistent for City staff.

Following are the bid responses for the concrete for the duct banks:

Respondent	Bid for Concrete for Duct Banks
Loveland Ready Mix	\$105.65
Aggregate Industries, WCR Inc.	\$127.00

This year we anticipate expenditures of approximately \$750,000 for concrete for duct banks. This amount is consistent with spending history for this item. The proposed contract amount is budgeted within several capital projects, maintenance and development-driven projects.

Per Municipal Code 3.12.060A and 3.12.060B, the LUC must approve Water and Power contracts above \$500,000 or any change order that causes a contract to equal or exceed \$500,000 and which, when combined with all previous change orders, equals or exceeds 20% of the original contract amount.

RECOMMENDATION:

Adopt a motion recommending that Loveland Utilities Commission approve the award of the contract to Loveland Ready Mix for the 2017 Concrete Bid for Duct Banks in an amount not-to-exceed \$750,000.00 and authorize the City Manager to sign the contract on behalf of the City.

REVIEWED BY DIRECTOR: *ME for GS*



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

AGENDA ITEM: **6**

MEETING DATE: 12/14/2016

SUBMITTED BY: Gretchen Stanford, Director *ME 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.

- Opening on the LUC Board

RECOMMENDATION:

Commission/Council report only.

REVIEWED BY DIRECTOR: *ME for GS*



AGENDA ITEM: 7

MEETING DATE: 12/14/2016

SUBMITTED BY: Gretchen Stanford, Interim Director *ME for GS*

TITLE: Director's Report

SUMMARY:

- **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 other month on the 2nd Tuesday throughout the year, the public is invited to go to the Loveland Public Library from 6pm to 7pm and learn from experts in the field about horticulture, energy, water, sustainability and more. Pre-registration is required. For more information about the lecture series and how to sign-up, check out www.cityofloveland.org/LWPLectures. — Allison Bohling

Calendar of 2017 Lectures:

- January 10, 2017 – Rain Barrels
- March 14, 2017 – Growing Vegetables from Seed
- May 9, 2017 – Native Pollinators
- July 11, 2017 – Healthy Homes
- September 12, 2017 – Energy Film Screening
- November 14, 2017 – Birding



- **Colorado Water Congress 2017 Annual Convention** — The Colorado Water Congress Annual Convention is the premier water industry event in the state, attracting 500+ attendees that convene for networking and collaboration on the important water issues of the day. Please contact Michelle Erickson if you would like to attend. Early registration ends December 31st. For more information please visit <http://www.cowatercongress.org/annual-convention.html>

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

Dates: January 25-27, 2017



LUC Members Who Have Expressed an interest in attending the 2017 Colorado Water Congress	
Wednesday Workshops January 25	Annual Conference January 26-27
Dave Schneider	Dave Schneider
Larry Roos	Larry Roos
	Gary Hausman
Gene Packer	Gene Packer

- **Tri-City Event 2017** — Mark your calendars for the 2017 Tri-City Event, to be held on Thursday, May 25, 2017 at the Lincoln Center in Fort Collins. More information about this event will be discussed in the coming months.
- **New Key Accounts & Key Accounts Meeting** - The Customer Relations staff added four new businesses to the Key Accounts list after intense analysis and applying APPA metrics to the program. The new businesses are Canyon Bakehouse, Parkway Products, Nordson Medical (formerly Value Plastics) and Embassy Suites. Staff visited each of the four customers to formally invite them to the program and introduce the benefits. The Annual Key Accounts meeting was held on December 8, 2016 at Resurrection Fellowship. – Tracey Hewson
- **December Algae Update –Algae Update** - Loveland Water and Power (LWP) took water exclusively from the Big Thompson River into the water treatment plant for several weeks in an effort to alleviate taste and odor issues caused by a late season algae bloom in Green Ridge Glade Reservoir. The river was able to provide LWP with an alternate source of water to avoid a massive taste and odor issue to the public throughout November and early December.

LWP is pleased to announce that the most recent results of testing for taste and odor in the reservoir are finally non-detect. LWP has been able to switch back to and treat water from the reservoir. Remaining algae in the reservoir should continue to decrease significantly and not pose a problem to the treatment plant or the public.

LWP embarked on a feasibility study in October 2016 to investigate alternative methods of battling large algae blooms in the reservoir and at the water treatment plant in the future. This study is ongoing and anticipated to be complete in early 2017 with a solution implemented in the first half of 2017. - Lindsey Bashline

- **Award of Merit for the 2015 Fact Sheet** — Loveland Water and Power received an Award of Merit for the 2015 Fact Sheet. Winners were recognized at APPA's 2016 Customer Connections Conference, November 6-9, 2016 in Nashville, Tennessee. To learn more about the award please visit this website:
<http://www.publicpower.org/Programs/interiordetail2col.cfm?ItemNumber=44717&navItemNumber=38788>

RECOMMENDATION:

Director's report only.

REVIEWED BY DIRECTOR: *ME for GS*