

Gaillardia



Water &
Power

Water & Power

Loveland Water & Power's mission is to add value while serving the community's utility needs for today and tomorrow by:

- Providing quality customer service.
- Providing reliable service.
- Planning for the future.
- Being environmentally sensitive.
- Offering safe and secure utilities at competitive rates.
- Being fiscally responsible.

| Outcome | Performance Measure | 2015 Actual | 2016 Projected | 2017 Projected |
|--|---|----------------|-------------------|-------------------|
| Provide quality customer service. (GP 18) | | | | |
| Provide quality customer service. (Residential City Survey) | Rankings relative to other 13 City Services: <ul style="list-style-type: none"> ▪ Reliable Electric Service ▪ Drinking Water Quality ▪ Sewer Service | 1 6 7 | 1 5 7 | 1 5 7 |
| | Average Rating "Loveland delivers reliable electricity." | 97% | 97% | 97% |
| | Average Rating "Loveland provides quality drinking water." | 92% | 93% | 93% |
| | Average Rating "Sewer system in Loveland works reliably." | 91% | 91% | 91% |
| <i>Please Note: No Surveys (NS) Conducted in 2008. Survey is conducted every other year.</i> | | | | |
| Provide reliable and quality utility products and services. (GP 11b, 11c, 11d) | | | | |
| Provide reliable and quality utility products and services. | Average power outage duration [minutes]. (CAIDI = Customer Average Interruption Duration Index) | 92.52 | 95.00 | 90.00 |
| | Average # of power interruptions per customer. (SAIFI = System Average Interruption Frequency Index) | 0.41 | 0.40 | 0.40 |
| | Average # of momentary outages per customer per year. (MAIFI = Momentary Average Interruption Frequency Index) | 0.38 | 0.30 | 0.30 |
| | Average service availability. (ASAI = Average Service Availability Index) | 99.99% | 99.99% | 99.99% |
| | # of hours spent responding to power quality complaints | 198 | 198 | 198 |
| | # of annual water quality inquiries. | 90 | 117 | 90 |
| | # of annual water violations. | 2 | 0 | 0 |
| | # of annual sewer backups. | 4 | 4 | 4 |
| | # of annual sewer violations. | 3 | 3 | 0 |
| | # of water leaks | 64 | 50 | 50 |

| Outcome | Performance Measure | 2015 Actual | 2016 Projected | 2017 Projected |
|---|--|----------------------------------|-----------------------------------|----------------------------------|
| Plan for the future. (GP 3, 11b, 11c, 11d) | | | | |
| Plan for the future. | % of system capacity used to meet peak demand: <ul style="list-style-type: none"> ▪ Power ▪ Water ▪ Wastewater ▪ Organic Hydraulic | 47.2% 93.0% 67.3% 79.5% | 47.5% 100.0% 69.0% 81.0% | 47.5% 79.0% 70.0% 83.0% |
| Be environmentally responsible. (GP 5, 9) | | | | |
| Be environmentally responsible. | # of annual residential power per capita usage. (kWh/person/year) | 3,420 | 3,336 | 3,364 |
| | # of annual residential peak day water demand. (gallons/day/person) | 240 | 241 | 242 |
| | # of annual residential per capita water usage. (gallons/person/year) | 32,781 | 34,091 | 33,859 |
| | # of Wastewater Treatment Plant Discharge Monitoring Report violations. | 3 | 0 | 0 |
| | # of Annual Department Fleet Miles | 358,537 | 363,449 | 369,228 |
| | # of annual internal environmental self- audits performed. | 8 | 3 | 0 |
| Offer safe and secure utilities. (GP 8d) | | | | |
| Offer safe and secure utilities. | # of community incidents/accidents involving utility infrastructure. | 30 | 30 | 30 |
| | # of employee personal injury & motor vehicular accidents. | 11 | 5 | 5 |
| | # of reported illegal contacts with key facilities. | 3 | 3 | 0 |
| Be fiscally responsible while offering competitive rates. (GP 11b, 11c, 11d) | | | | |
| Be fiscally responsible while offering competitive rates. | % of unaccounted/unmetered for distribution losses: <ul style="list-style-type: none"> ▪ Power ▪ Water | 2.59% 13.5% | 2.59% 13.4% | 2.59% 13.3% |
| | O&M cost per 100 miles. | 584,428 | 729,872 | 757,737 |
| | % variance of actual O&M expenditures to budgeted expenditures. () = Under Budget | -19.7% | 0.0% | 0.0% |
| | % variance of actual capital expenditures to budgeted expenditures. () = Under Budget | -48.7% | 0.0% | 0.0% |
| | Rate comparisons conducted with other utilities. | Yes | Yes | Yes |
| | # of customer rate classes. | 14 | 14 | 14 |
| Partner with the community. (GP 13, 18) | | | | |
| Partner with the community. | # of key partnerships: | 36 | 36 | 36 |
| | # of Community Events: | 38 | 36 | 36 |
| <p>The Power Operations Division maintains the City of Loveland's electric distribution system. In 2014, the average service availability for the system was 99.99%. The City is a retail distributor of electricity to 34,487 customers in and around Loveland, as well as a wholesale distributor of electricity to Xcel Energy. Loveland residents pay the third lowest rates in the state for their electricity. Loveland owns and maintains the distribution system.</p> | | | | |
| <p>Over 99% of our electricity is purchased from Platte River Power Authority (PRPA). The municipalities of Estes Park, Fort Collins, Longmont and Loveland formed PRPA in 1973 to manage and operate the transmission and generation system. In 2014, the electricity consumed by the four cities was generated by the following sources; 74.2% coal, 19.1% hydroelectric, 4.8% Wind Power and Renewable Energy Certificates, 1.7% unspecified purchase, and .2% natural gas.</p> | | | | |
| <p>The Power Operations Division operates and maintains the electric utility system. The division plans, designs, and builds the system improvements needed to meet our customer's electrical needs at the lowest possible cost while providing a high level of reliability. In 2014, the Division designed and constructed approximately \$4,100,000 in projects. By the end of 2015, the Division anticipates designing and constructing over \$10,100,000 in distribution system improvement and expansion projects.</p> | | | | |

Water & Power Department Summary

| REVENUE | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget | '17 Budget / '16 Adopted '16 FTE '17 FTE | | |
|-----------------------------|-----------------------|-----------------------|---|-----------------------|--|---------------|---------------|
| | | | | | % Change | | |
| Enterprise Fund | | | | | | | |
| INTERGOVERNMENTAL | 1,390,025 | 500,000 | 11,755,379 | - | -100.0% | | |
| UTILITY CHARGES | 76,368,634 | 81,973,330 | 81,973,330 | 88,071,930 | 7.4% | | |
| INTEREST | 857,281 | 893,200 | 893,200 | 1,127,300 | 26.2% | | |
| IMPACT FEES | 8,215,073 | 6,332,980 | 6,332,980 | 7,845,620 | 23.9% | | |
| BOND PROCEEDS | - | 24,900,000 | 27,693,406 | - | -100.0% | | |
| AID-TO-CONSTRUCTION | 1,429,573 | 1,790,000 | 1,790,000 | 2,140,000 | 19.6% | | |
| CASH IN LIEU | 1,336,438 | 250,000 | 250,000 | 250,000 | 0.0% | | |
| OTHER | 7,229,244 | 3,419,280 | 3,449,280 | 2,163,600 | -36.7% | | |
| TRANSFERS | 16,678,969 | 1,688,540 | 11,088,682 | 5,606,625 | 232.0% | | |
| Total Revenue | \$ 113,505,237 | \$ 121,747,330 | \$ 145,226,257 | \$ 107,205,075 | -11.9% | | |
| EXPENSES BY FUND | | | | | | | |
| Enterprise Fund | | | | | | | |
| WATER | 35,110,561 | 15,901,389 | 23,791,817 | 21,647,629 | 36.1% | 47.43 | 48.77 |
| POWER | 65,918,395 | 72,394,582 | 88,817,525 | 74,400,550 | 2.8% | 49.46 | 49.46 |
| WASTEWATER | 12,018,041 | 37,508,955 | 39,214,810 | 23,211,299 | -38.1% | 35.36 | 37.52 |
| WATER DEBT SERVICE FUND | 6,995,825 | - | - | - | - | - | - |
| WATER BOND DEBT 2015 | 3,236,084 | - | - | - | - | - | - |
| RAW WATER | 6,027,501 | 3,476,900 | 12,476,900 | 1,120,260 | -67.8% | - | - |
| Total Expense | \$ 129,306,407 | \$ 129,281,826 | \$ 164,301,052 | \$ 120,379,738 | -6.9% | 132.25 | 135.75 |
| EXPENSES BY CATEGORY | | | | | | | |
| PERSONNEL SERVICES | 10,107,419 | 11,414,531 | 11,414,531 | 12,645,550 | 10.8% | | |
| SUPPLIES | 2,346,800 | 2,229,490 | 2,300,198 | 2,584,828 | 15.9% | | |
| PAYMENT IN LIEU OF TAXES | 5,300,262 | 5,752,520 | 5,752,520 | 6,165,040 | 7.2% | | |
| PURCHASED SERVICES | 8,117,121 | 12,814,173 | 17,164,321 | 11,783,255 | -8.0% | | |
| PURCHASED POWER | 40,629,266 | 42,673,764 | 42,673,764 | 43,470,597 | 1.9% | | |
| ADMINISTRATIVE OVERHEAD | 3,290,280 | 3,269,492 | 3,269,492 | 3,802,779 | 16.3% | | |
| OTHER | - | - | - | - | - | | |
| DEPRECIATION | 10,254,447 | - | - | - | - | | |
| DEBT SERVICE | 1,094,617 | 1,493,881 | 1,493,881 | 2,650,279 | 77.4% | | |
| TRANSFERS | 15,848,573 | 1,308,005 | 10,558,742 | 5,207,997 | 298.2% | | |
| CAPITAL | 32,317,620 | 48,325,970 | 69,673,603 | 32,069,413 | -33.6% | | |
| Total Expense | \$ 129,306,407 | \$ 129,281,826 | \$ 164,301,052 | \$ 120,379,738 | -6.9% | | |

Water Utility

The Water Utilities Division consists of groups and programs responsible for the day-to-day operations, engineering, and management for the Department's two water-related utilities: Water and Wastewater. The Division also provides some support services to the Power Operations Division such as utility locates, inspection, and Geographical Information Systems (GIS).

The following sections comprise the Water Utilities Division:

- **Location and Inspection** is responsible for locating water, wastewater, storm water, traffic control fiber optic cables and electric utilities and construction inspections for all water, wastewater and electric construction. This section also coordinates small construction projects.
- **Engineering** reviews all new development proposals with respect to water and wastewater design and construction. This section manages the capital projects for both the water and wastewater utilities.
- **Information Technology** operates the Department's Geographic Information System (GIS), Work Orders and Asset Management Systems. The water, wastewater and electric system's infrastructure and equipment are all maintained and updated by this section. They also are responsible for the Department's information technology needs such as the efforts for "Smart Utilities", specialized software applications, databases development and maintenance, survey fieldwork and computer networks.
- **Maintenance and Operations** is comprised of equipment operators who maintain the water transmission and distribution systems and the wastewater collection system. They repair water line leaks, clean treated water tanks, flush fire hydrants and inspect, wash and repair sewer lines and manholes.
- **Technical Services** provides technicians who maintain and repair all water and wastewater treatment plant equipment and controls such as pumps, motors, valves, electrical systems, SCADA systems (Supervisory Control and Data Acquisition), and electronic components. They are also responsible for all the wastewater lift stations and water pumping stations throughout the City.
- **Treatment Operations** provides water treatment and production, wastewater treatment and reclamation, and water quality laboratories, and industrial pretreatment program. Certified plant operators at both plants monitor treatment processes, perform process testing, and notify technicians when equipment needs to be repaired or replaced. Laboratory personnel perform various analyses of the water to insure proper treatment is accomplished.
- **Water Resources** is primarily responsible for the raw water planning, water conservation/efficiency, and water supply activities of the Department. Responsibilities include everything from day-to-day administration of water rights to long-range planning for future water needs. This section works closely with the Loveland Utilities Commission in matters concerning water resources.
- **Water Metering** is responsible for repairing and maintaining water meters, assisting contractors with new water taps, inspecting new lawn irrigation systems, testing meters and providing customer service. They manage the backflow prevention/cross-connection control program.
- **Customer Relations** provides a single point of contact and responsible utility solutions to the key partners and commercial customers so they can grow and prosper in our dynamic community.
- **Utility Accounting** is responsible for the long-range financial planning, annual updating of rates, charges and fees, annual budget, monthly financial reports, year-end financial processing, processing of accounts payable and accounts receivable, payroll processing and tracking projects costs for the Water and Power Utilities.
- **Warehouse** responsibilities include storing and delivering inventory items used by all City departments, disposal of obsolete items, oversee non-inventory yard materials (i.e.; transformers), procurement of all Power overhead and underground utility materials, maintain recycle metal program, purchase and store Power specialty tools and conduct a rubber goods testing program to comply with safety requirements for Power line workers. This section will also coordinate fleet replacement and annual safety inspections for the Water and Power utility vehicles.

| FUND | DEPARTMENT | | | |
|-----------------|-------------------|--|--|--|
| Water Utilities | Water & Power | | | |

| REVENUE | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1st | '17 Budget |
|------------------------------------|----------------------|---------------------------|---|----------------------|
| Water Fund | | | | |
| INTERGOVERNMENTAL | 1,328,372 | - | 1,560,135 | |
| UTILITY CHARGES | 10,749,255 | 12,806,530 | 12,806,530 | 14,043,640 |
| INTEREST | 45,901 | 88,560 | 88,560 | 155,410 |
| OTHER | 2,245,077 | 1,604,490 | 1,604,490 | 524,490 |
| TRANSFERS | 14,886,565 | 752,440 | 1,753,832 | 750,000 |
| BOND PROCEEDS | - | - | 2,793,406 | - |
| Total Water Fund | \$ 29,255,171 | \$ 15,252,020 | \$ 20,606,953 | \$ 15,473,540 |
| Water SIF Fund | | | | |
| INTERGOVERNMENTAL | (588,399) | - | 937,440 | - |
| INTEREST | 80,349 | 52,670 | 52,670 | 33,180 |
| TRANSFERS | 592,649 | 20,610 | 8,166,790 | - |
| IMPACT FEES | 3,022,908 | 1,912,830 | 1,912,830 | 2,703,360 |
| Total Water SIF | \$ 3,107,507 | \$ 1,986,110 | \$ 11,069,730 | \$ 2,736,540 |
| Total Revenue | \$ 32,362,678 | \$ 17,238,130 | \$ 31,676,683 | \$ 18,210,080 |
| EXPENSE BY Division/Program | | | | |
| Water Fund | | | | |
| ADMINISTRATION & GENERAL | 6,479,783 | 2,502,440 | 2,577,441 | 3,023,288 |
| SOURCE OF SUPPLY | 2,461,415 | 2,860,960 | 3,296,290 | 2,943,055 |
| TREATMENT | 8,403,776 | 3,257,972 | 5,772,562 | 3,583,862 |
| DISTRIBUTION | 6,727,856 | 4,633,628 | 5,745,575 | 5,313,092 |
| GENERAL PLANT - CAPITAL | 632,060 | 358,600 | 368,300 | 26,000 |
| CUSTOMER RELATIONS | 243,543 | 339,276 | 339,276 | 372,239 |
| INTERFUND LOAN | 1,007,615 | 1,176,651 | 1,176,651 | 5,870,613 |
| Total Water | \$ 25,956,048 | \$ 15,129,527 | \$ 19,276,095 | \$ 21,132,149 |
| Water SIF Fund | | | | |
| ADMINISTRATION & GENERAL | 88,263 | 70,472 | 127,229 | 1,049 |
| INTERFUND LOAN | 86,200 | - | - | - |
| TREATMENT | 8,963,197 | 321,250 | 4,188,353 | - |
| DISTRIBUTION | 16,853 | 380,140 | 200,140 | 514,431 |
| Total Water SIF | \$ 9,154,513 | \$ 771,862 | \$ 4,515,722 | \$ 515,480 |
| Total Expense | \$ 35,110,561 | \$ 15,901,389 | \$ 23,791,817 | \$ 21,647,629 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 3,840,471 | 4,273,154 | 4,273,154 | 4,794,173 |
| SUPPLIES | 1,092,789 | 1,138,300 | 1,187,048 | 1,475,787 |
| PAYMENT IN LIEU OF TAXES | 751,824 | 896,460 | 896,460 | 983,050 |
| PURCHASED SERVICES | 3,824,600 | 4,757,930 | 5,271,116 | 4,885,419 |
| ADMINISTRATIVE OVERHEAD | 939,584 | 956,802 | 956,802 | 1,173,528 |
| DEPRECIATION | 3,618,423 | - | - | - |
| DEBT SERVICE | 81,600 | 292,151 | 292,151 | 1,013,988 |
| TRANSFERS | 1,613,999 | 989,984 | 1,054,583 | 4,908,154 |
| CAPITAL | 19,347,271 | 2,596,608 | 9,860,503 | 2,413,530 |
| Total Expense | \$ 35,110,561 | \$ 15,901,389 | \$ 23,791,817 | \$ 21,647,629 |
| FTE | 45.64 | 47.43 | 47.43 | 48.77 |

Water Utility – Administration & General

Administration and General is where the Cost Allocations, Payment-in-Lieu-of-Taxes (PILT) and Debt Service is budgeted. It is also where the yearly computer purchases, larger computer equipment, and training for the Department is budgeted. Utility Accounting is part of this Cost Center, and is responsible for the long-range financial planning, annual updating of rates charges and fees, annual budget, monthly financial reports, year-end financial processing, processing of accounts payable and accounts receivable, payroll processing and tracking of project costs for the Department.

| DIVISION | DEPARTMENT |
|--|---------------|
| Water Utility - Administration & General | Water & Power |

| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
|-----------------------------|---------------------|---------------------|---|---------------------|
| Water Fund | | | | |
| ADMINISTRATION & GENERAL | 6,479,783 | 2,502,440 | 2,577,441 | 3,023,288 |
| GENERAL PLANT - CAPITAL | 632,060 | 358,600 | 368,300 | 26,000 |
| INTERFUND LOAN | 1,007,615 | 1,176,651 | 1,176,651 | 5,870,613 |
| Total Water | \$ 8,119,458 | \$ 4,037,691 | \$ 4,122,392 | \$ 8,919,901 |
| Water SIF Fund | | | | |
| ADMINISTRATION & GENERAL | 88,263 | 70,472 | 127,229 | 1,049 |
| INTERFUND LOAN | 86,200 | - | - | - |
| Total Water SIF | \$ 174,463 | \$ 70,472 | \$ 127,229 | \$ 1,049 |
| Total Expense | \$ 8,293,921 | \$ 4,108,163 | \$ 4,249,621 | \$ 8,920,950 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 388,895 | 339,587 | 339,587 | 402,434 |
| SUPPLIES | 40,292 | 109,730 | 153,897 | 154,422 |
| PAYMENT IN LIEU OF TAXES | 751,824 | 896,460 | 896,460 | 983,050 |
| PURCHASED SERVICES | 234,155 | 164,849 | 187,841 | 259,374 |
| ADMINISTRATIVE OVERHEAD | 939,584 | 956,802 | 956,802 | 1,173,528 |
| DEPRECIATION | 3,618,423 | - | - | - |
| DEBT SERVICE | 81,600 | 292,151 | 292,151 | 1,013,988 |
| TRANSFERS | 1,607,089 | 989,984 | 1,054,583 | 4,908,154 |
| CAPITAL | 632,060 | 358,600 | 368,300 | 26,000 |
| Total Expense | \$ 8,293,921 | \$ 4,108,163 | \$ 4,249,621 | \$ 8,920,950 |
| FTE | 3.30 | 3.16 | 3.16 | 3.43 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|-----------|--|
| 3,983,375 | Increase in transfers for internal loan to Raw Water. |
| 721,837 | Increase in debt service for external loan from Wells Fargo. |
| 87,750 | Increase in purchased services for replacement of skylights & wall coverings. |
| 86,590 | Increase in purchased services for the Payment in Lieu of Taxes (PILT) to the General Fund based on the revenue estimates. |
| 76,381 | Increase in administrative overhead for costs allocated by Legal based on the allocation methodology. |
| 61,862 | Increase in administrative overhead for costs allocated by Information Technology based on the allocation methodology. |
| 41,685 | Increase in administrative overhead for costs allocated by Finance based on the allocation methodology. |
| 29,200 | Increase in supplies for computer equipment & supplies. |
| 24,245 | Increase in administrative overhead for costs allocated by Meter Reading based on the allocation methodology. |
| 18,974 | Increase in personnel services for worker's compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted |
| 18,566 | Increase in administrative overhead for costs allocated by Facilities Management based on the allocation methodology. |
| 14,230 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. |
| 14,113 | Decrease in administrative overhead for costs allocated by Utility Billing based on the allocation methodology. |
| 8,047 | Increase in personnel services for part-time Accounting Technician hourly increase from 20 hrs to 30 hrs. |
| 2,500 | Increase in purchased services for one-time Cost-of-Service Rate Study. |
| 4,206 | Increase in purchased services for general liability costs based on the Department's historical experiences and forecasted liability costs. |
| (22,553) | Decrease in administrative overhead for costs allocated by Public Grounds based on the allocation methodology. |
| (358,221) | <u>Core Changes</u> |
| | 21,596 Personnel Services |
| | 15,492 Supplies |
| | 69 Purchased Services |
| | 2,427 Administrative Overhead |
| | (65,205) Transfers |
| | (332,600) Capital |

\$ 4,812,787 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Water Utility – Source of Supply

Source of Supply (also known as Water Resources) is primarily responsible for the raw water planning, water conservation/efficiency, and water supply activities of the Department. Responsibilities include everything from day-to-day administration of water rights to long-range planning for future water needs. This section works closely with the Loveland Utilities Commission in matters concerning water resources.

| DIVISION | DEPARTMENT | | | |
|----------------------------------|---------------------|---------------------|---|---------------------|
| Water Utility - Source of Supply | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Water Fund | | | | |
| SOURCE OF SUPPLY | 2,461,415 | 2,860,960 | 3,296,290 | 2,943,055 |
| Total Water | \$ 2,461,415 | \$ 2,860,960 | \$ 3,296,290 | \$ 2,943,055 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 278,987 | 253,718 | 253,718 | 270,070 |
| SUPPLIES | 2,350 | 5,400 | 5,400 | 5,400 |
| PURCHASED SERVICES | 2,180,078 | 2,601,842 | 3,037,172 | 2,667,585 |
| Total Expense | \$ 2,461,415 | \$ 2,860,960 | \$ 3,296,290 | \$ 2,943,055 |
| FTE | 2.00 | 2.31 | 2.31 | 2.29 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

235,000 Increase in purchased services for Colorado-Big Thompson (CBT) Facilities

50,000 Increase in purchased services for professional, legal & engineering services for domestic water rights.

50,000 Increase in purchased services for repair and maintenance of large Water Utility related structures.

40,000 Increase in purchased services for Colorado-Big Thompson (CBT) assessments contract increase.

10,500 Increase in purchased services for Ditch Water assessments.

10,341 Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases.

5,000 Increase in purchased services for South Platte Water Related Activities Program (SPWRAP).

(25,000) Decrease in purchased services for Windy Gap Assessment.

(40,000) Decrease in purchased services for professional, legal & engineering services for River's Edge.

(200,000) Decrease in purchased services for professional, legal & engineering services for Lawn Irrigation Return Flows (LIRF'S).

(53,746) Core Changes

6,011 Personnel Services

(59,757) Purchased Services

\$ 82,095 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Water Utility – Transmission Distribution

Transmission and Distribution is comprised of equipment operators who maintain the water transmission and distribution systems. They repair water line leaks, clean treated water tanks, and flush fire hydrants. The Warehouse responsibilities include storing and delivering inventory items used by all City departments. Water Metering is responsible for repairing and maintaining water meters, assisting contractors with new taps, and testing meters. Included is Engineering to review all new development proposals. Also included is Information Technology to operate the computerized drafting and GIS and to take care of the Department's technology needs such as specialized software applications and maintenance. Technical Services is also part of this division, as well as the locating done for water.

| DIVISION | DEPARTMENT | | | |
|---|---------------------|---------------------|---|---------------------|
| Water Utility - Transmission & Distribution | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Water Fund | | | | |
| TRANSMISSION & DISTRIBUTION | 6,727,856 | 4,633,628 | 5,745,575 | 5,313,092 |
| Total Water | \$ 6,727,856 | \$ 4,633,628 | \$ 5,745,575 | \$ 5,313,092 |
| Water SIF Fund | | | | |
| TRANSMISSION & DISTRIBUTION | 16,853 | 380,140 | 200,140 | 514,431 |
| Total Water SIF | \$ 16,853 | \$ 380,140 | \$ 200,140 | \$ 514,431 |
| Total Expense | \$ 6,744,709 | \$ 5,013,768 | \$ 5,945,715 | \$ 5,827,523 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 1,749,961 | 1,968,348 | 1,968,348 | 2,128,474 |
| SUPPLIES | 347,599 | 381,850 | 381,850 | 462,705 |
| PURCHASED SERVICES | 763,954 | 960,979 | 1,176,068 | 974,694 |
| TRANSFERS | 6,910 | - | - | - |
| CAPITAL | 3,876,285 | 1,702,591 | 2,419,449 | 2,261,650 |
| Total Expense | \$ 6,744,709 | \$ 5,013,768 | \$ 5,945,715 | \$ 5,827,523 |
| FTE | 22.55 | 22.43 | 22.43 | 22.61 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|----------------|---|
| 107,867 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. |
| 100,000 | Increase in purchased services for Master Plan updates. |
| 62,660 | Increase in supplies for radios. |
| 42,000 | Increase in purchased services for utilities. |
| 28,500 | Increase in purchased services for street repair services. |
| 20,000 | Increase in purchased services for water tank inspections. |
| 17,500 | Decrease in supplies for a 2016 one-time supplement for design software |
| 9,000 | Increase in supplies for sand, gravel & asphalt. |
| (8,289) | Increase in purchased services for vehicle maintenance based on projected fuel and maintenance costs. |
| (10,000) | Decrease in purchased services for a 2016 one-time supplemental for Cathodic Protection. |
| (30,000) | Decrease in purchased services for a 2016 one-time supplemental for Namaqua Hills Pump Station. |
| (60,000) | Decrease in purchased services for a 2016 one-time supplemental for Mod Valve rehabilitation. |
| (100,000) | Decrease in purchased services for a 2016 one-time supplemental for 36" Steel Water transmission line. |
| 634,517 | <u>Core Changes</u> |
| | 52,259 Personnel Services |
| | 9,195 Supplies |
| | 14,004 Purchased Services |
| | 559,059 Capital |

\$ 813,755 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.

2,062,340 Capital Projects

| | |
|---------|--|
| 78,680 | 2017 Water Line Replacement - Design/SDC |
| 524,500 | 2017 Water Line Replacement - Construct |
| 52,450 | 2017 ROW Relocates |
| 41,960 | 10th St 12": RR Spur to Madison Design/SDC |
| 419,600 | 10th St 12": RR Spur to Madison Construct |
| 31,470 | 16" Mtn View Discharge in Boyd Lake Ave Design/SDC |
| 226,580 | Morning Drive 30" Waterline Phase 2 Design/SDC |
| 104,900 | P2 Water Pump Station and Discharge Piping Design/SDC |
| 83,920 | Namaqua Hills Water Booster Station & Generator Design/SDC |
| 419,600 | Namaqua Hills Water Booster Station & Generator Construct |
| 78,680 | Misc. Oversizing and Extensions (Eagle Brook Meadows 2017) |

Water Utility – Treatment

Treatment Operations provides water treatment and production and water quality laboratories. Certified plant operators monitor treatment processes and testing. Laboratory personnel perform analyses of the water to insure proper treatment is accomplished. Engineering reviews all new development proposals with respect to water design and construction. Technical Services provides technicians who maintain and repair all water treatment plant controls and water pumping stations throughout the city.

| DIVISION | DEPARTMENT | | | |
|------------------------------------|----------------------|---------------------|---|---------------------|
| Water Utility - Treatment | Water & Power | | | |
| <u>EXPENSE BY Division/Program</u> | | | | |
| | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Water Fund | | | | |
| TREATMENT | 8,403,776 | 3,257,972 | 5,772,562 | 3,583,862 |
| Total Water | \$ 8,403,776 | \$ 3,257,972 | \$ 5,772,562 | \$ 3,583,862 |
| Water SIF Fund | | | | |
| TREATMENT | 8,963,197 | 321,250 | 4,188,353 | - |
| Total Water SIF | \$ 8,963,197 | \$ 321,250 | \$ 4,188,353 | - |
| Total Expense | \$ 17,366,973 | \$ 3,579,222 | \$ 9,960,915 | \$ 3,583,862 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 1,320,572 | 1,551,091 | 1,551,091 | 1,810,568 |
| SUPPLIES | 690,083 | 624,190 | 628,771 | 835,750 |
| PURCHASED SERVICES | 517,392 | 868,524 | 708,299 | 811,664 |
| CAPITAL | 14,838,926 | 535,417 | 7,072,754 | 125,880 |
| Total Expense | \$ 17,366,973 | \$ 3,579,222 | \$ 9,960,915 | \$ 3,583,862 |
| FTE | 15.71 | 17.82 | 17.82 | 18.71 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|-----------|---|
| 150,000 | Increase in supplies for chemicals. |
| 84,217 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. |
| 72,604 | Increase in personnel services for Tech Services allocation change from 2016 to 2017. |
| 28,454 | Increase in personnel services for SCADA Programmer. |
| 26,000 | Increase in supplies for a one-time request for Ethernet Switches. |
| 20,800 | Increase in supplies for Water Treatment Plant parts and supplies. |
| 13,700 | Increase in supplies for radios. |
| 2,000 | Increase in purchased services for new environmental regulations. |
| (42,000) | Decrease in purchased services for the reallocation of utility costs to Distribution. |
| | |
| (351,135) | <u>Core Changes</u> |
| | 74,202 Personnel Services |
| | 1,060 Supplies |
| | (16,860) Purchased Services |
| | (409,537) Capital |

\$ 4,640 TOTAL CHANGE

OTHER INFORMATION

| | |
|---------|---|
| - | <u>Unfunded Supplements</u> |
| - | There are no unfunded supplements in this division. |
| | |
| 26,000 | <u>Equipment Replacement</u> |
| | 26,000 New SUV for WTP |
| | |
| 125,880 | <u>Capital Projects</u> |
| | 20,980 Filter Plant 2 Roof Replacement Design/SDC |
| | 104,900 Filter Plant 2 Roof Replacement Construct |

Water Utility – Customer Relations

Customer Relations supports the Water Utility by providing value-added services through sustainable programs and creative solutions in a responsive manner. Customer Relations provides individualized service, honest communications and respectful relationships with water customers. Customer Relations manages all Key Accounts projects for the water division. Customer Relations provides useful solutions that promote water conservation. Customer Relations manages all of the commercial and residential water conservation programs. Customer Relations also provides media relations including press releases and marketing events for Water Utility projects and programs. Customer Relations also coordinates business relationships and joint programs with several northern Colorado utility influences as well as marketing and branding the utility.

| DIVISION | DEPARTMENT | | | |
|------------------------------------|-------------------|--------------------|---|-------------------|
| Water Utility - Customer Relations | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Water Fund | | | | |
| CUSTOMER RELATIONS | 243,543 | 339,276 | 339,276 | 372,239 |
| Total Water | \$ 243,543 | \$ 339,276 | \$ 339,276 | \$ 372,239 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 102,056 | 160,410 | 160,410 | 182,627 |
| SUPPLIES | 12,464 | 17,130 | 17,130 | 17,510 |
| PURCHASED SERVICES | 129,022 | 161,736 | 161,736 | 172,102 |
| Total Expense | \$ 243,543 | \$ 339,276 | \$ 339,276 | \$ 372,239 |
| FTE | 2.08 | 1.71 | 1.71 | 1.73 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|--------|---|
| 10,000 | Increase in professional services for increase in commercial participation in the Efficiency Works Program. |
| 9,592 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. |
| 13,371 | <u>Core Changes</u> |
| | 12,625 Personnel Services |
| | 380 Supplies |
| | 366 Purchased Services |

\$ 32,963 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Raw Water Utility

The Raw Water Utility is to account for costs associated with the planning, acquisition and storing of raw water to supply the City with the water necessary to meet residential and commercial needs.

| FUND | DEPARTMENT |
|-----------|---------------|
| Raw Water | Water & Power |

| REVENUE | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
|------------------------------------|---------------------|---------------------|---|---------------------|
| Raw Water Fund | | | | |
| INTEREST | 260,258 | 237,270 | 237,270 | 374,120 |
| OTHER | 2,456,573 | 515,580 | 515,580 | 486,840 |
| IMPACT FEES | 703,810 | 291,970 | 291,970 | 407,930 |
| CASH IN LIEU | 1,336,438 | 250,000 | 250,000 | 250,000 |
| TRANSFERS | 52,428 | 72,820 | 117,640 | 4,050,375 |
| Total Revenue | \$ 4,809,507 | \$ 1,367,640 | \$ 1,412,460 | \$ 5,569,265 |
| EXPENSE BY Division/Program | | | | |
| Raw Water Fund | | | | |
| BUSINESS/FINANCE | 827,502 | 848,980 | 848,980 | - |
| LOAN TO WATER | 4,000,000 | - | 9,000,000 | - |
| WATER RESOURCES | 1,199,999 | 2,627,920 | 2,627,920 | 1,120,260 |
| Total Expense | \$ 6,027,501 | \$ 3,476,900 | \$ 12,476,900 | \$ 1,120,260 |
| EXPENSE BY CATEGORY | | | | |
| PURCHASED SERVICES | 7,044 | 7,100 | 7,100 | 7,100 |
| DEBT SERVICE | | | | |
| PRINCIPAL | 711,250 | 770,000 | 770,000 | - |
| INTEREST | 116,252 | 78,980 | 78,980 | - |
| TRANSFERS | 4,000,000 | - | 9,000,000 | - |
| CAPITAL | 1,192,955 | 2,620,820 | 2,620,820 | 1,113,160 |
| Total Expense | \$ 6,027,501 | \$ 3,476,900 | \$ 12,476,900 | \$ 1,120,260 |
| FTE | - | - | - | - |

Raw Water Utility – Business/Finance

Business/Finance is where the annual Debt Service for the Raw Water Utility is budgeted.

| DIVISION | DEPARTMENT |
|--------------------------------------|---------------|
| Raw Water Utility - Business/Finance | Water & Power |

| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
|-----------------------------|---------------------|--------------------|---|-------------|
| Raw Water Fund | | | | |
| BUSINESS/FINANCE | 827,502 | 848,980 | 848,980 | - |
| LOAN TO WATER | 4,000,000 | - | 9,000,000 | - |
| Total Expense | \$ 4,827,502 | \$ 848,980 | \$ 9,848,980 | \$ - |

EXPENSE BY CATEGORY

| | | | | |
|----------------------|---------------------|-------------------|---------------------|-------------|
| DEBT SERVICE | | | | |
| PRINCIPAL | 711,250 | 770,000 | 770,000 | - |
| INTEREST | 116,252 | 78,980 | 78,980 | - |
| TRANSFERS | 4,000,000 | | 9,000,000 | - |
| Total Expense | \$ 4,827,502 | \$ 848,980 | \$ 9,848,980 | \$ - |

FTE

CHANGES COMPARED TO PRIOR YEAR ADOPTED

(848,980) Decrease in debt service for the Windy Gap Firming Project.

\$ (848,980) TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Raw Water Utility – Water Resources

Water Resources is primarily responsible for the raw water planning, water conservation/efficiency, and water supply activities of the Department. Responsibilities include everything from day-to-day administration of water rights to long-range planning for future water needs. This section works closely with the Loveland Utilities Commission in matters concerning water resources.

| DIVISION | DEPARTMENT | | | |
|-------------------------------------|---------------------|---------------------|---|---------------------|
| Raw Water Utility - Water Resources | Water & Power | | | |
| | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| EXPENSE BY Division/Program | | | | |
| Raw Water Fund | | | | |
| WATER RESOURCES | \$ 1,199,999 | \$ 2,627,920 | \$ 2,627,920 | \$ 1,120,260 |
| EXPENSE BY CATEGORY | | | | |
| PURCHASED SERVICES | 7,044 | 7,100 | 7,100 | 7,100 |
| CAPITAL | 1,192,955 | 2,620,820 | 2,620,820 | 1,113,160 |
| Total Expense | \$ 1,199,999 | \$ 2,627,920 | \$ 2,627,920 | \$ 1,120,260 |
| FTE | - | - | - | - |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

(1,507,660) Decrease in capital based on the ten-year capital program.

\$ (1,507,660) TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Wastewater Utility

The Wastewater Utility Division consists of all groups and programs responsible for the day-to-day operations, engineering, and management for the Department's Wastewater Utility. Groups within the Utility also provide some support services to the Power Operations Division such as utility locates, inspection, and GIS.

The following sections comprise the Wastewater Utility Division:

- Construction and Inspection
- Technical Services
- Engineering
- Treatment Operations
- Information Technology
- Water Resources
- Maintenance and Operations
- Water Metering

| FUND | DEPARTMENT | | | |
|----------------------|-------------------|--|--|--|
| Wastewater Utilities | Water & Power | | | |

| | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1st | '17 Budget |
|------------------------------------|----------------------|---------------------------|---|----------------------|
| REVENUE | | | | |
| Wastewater Fund | | | | |
| INTERGOVERNMENTAL | 675,026 | 500,000 | 1,323,288 | - |
| UTILITY CHARGES | 9,480,735 | 10,500,940 | 10,500,940 | 11,685,930 |
| INTEREST | 107,725 | 103,760 | 103,760 | 165,020 |
| OTHER | 728,305 | 96,990 | 126,990 | 11,920 |
| BOND PROCEEDS | - | 16,000,000 | 16,000,000 | - |
| TRANSFERS | - | 170 | 170 | - |
| Total Wastewater | \$ 10,991,791 | \$ 27,201,860 | \$ 28,055,148 | \$ 11,862,870 |
| Wastewater SIF Fund | | | | |
| INTEREST | 83,130 | 108,410 | 108,410 | 134,730 |
| TRANSFERS | 116,980 | 12,460 | 131,310 | - |
| IMPACT FEES | 1,703,872 | 1,386,350 | 1,386,350 | 1,992,500 |
| BOND PROCEEDS | - | 8,900,000 | 8,900,000 | - |
| Total Wastewater SIF | \$ 1,903,982 | \$ 10,407,220 | \$ 10,526,070 | \$ 2,127,230 |
| Total Revenue | \$ 12,895,773 | \$ 37,609,080 | \$ 38,581,218 | \$ 13,990,100 |
| EXPENSE BY Division/Program | | | | |
| Wastewater Fund | | | | |
| ADMINISTRATION & GENERAL | 4,108,443 | 1,906,568 | 2,044,178 | 2,910,211 |
| TREATMENT | 3,363,110 | 20,476,953 | 20,768,244 | 10,239,564 |
| COLLECTION SYSTEM | 3,726,405 | 4,215,228 | 5,183,674 | 4,991,813 |
| GENERAL PLANT - CAPITAL | 372,516 | 130,000 | 130,000 | 120,080 |
| CUSTOMER RELATIONS | 56,821 | 40,822 | 40,822 | 45,509 |
| Total Wastewater | \$ 11,627,296 | \$ 26,769,571 | \$ 28,166,918 | \$ 18,307,177 |
| Wastewater SIF Fund | | | | |
| ADMINISTRATION & GENERAL | - | 172,443 | 224,187 | 618,739 |
| TREATMENT | 272,119 | 10,486,631 | 10,451,727 | 3,884,447 |
| COLLECTION SYSTEM | 33,551 | 80,310 | 357,054 | 400,936 |
| GENERAL PLANT - CAPITAL | 85,076 | - | 14,924 | - |
| Total Wastewater SIF | \$ 390,745 | \$ 10,739,384 | \$ 11,047,892 | \$ 4,904,122 |
| Total Expense | \$ 12,018,041 | \$ 37,508,955 | \$ 39,214,810 | \$ 23,211,299 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 2,865,669 | 3,265,280 | 3,265,280 | 3,703,184 |
| SUPPLIES | 673,807 | 565,290 | 573,570 | 637,688 |
| PAYMENT IN LIEU OF TAXES | 662,004 | 735,070 | 735,070 | 818,020 |
| PURCHASED SERVICES | 2,001,792 | 2,825,987 | 2,936,891 | 3,105,435 |
| ADMINISTRATIVE OVERHEAD | 387,140 | 425,656 | 425,656 | 528,831 |
| OTHER | - | - | - | - |
| DEPRECIATION | 2,449,632 | - | - | - |
| DEBT SERVICE | - | 352,750 | 352,750 | 1,636,291 |
| TRANSFERS | 26,006 | 107,410 | 282,017 | 110,830 |
| CAPITAL | 2,951,992 | 29,231,512 | 30,643,576 | 12,671,020 |
| Total Expense | \$ 12,018,041 | \$ 37,508,955 | \$ 39,214,810 | \$ 23,211,299 |
| FTE | 35.86 | 35.36 | 35.36 | 37.52 |

Wastewater Utility – Administration & General

Administration and General is where the Cost Allocations, Payment-in-Lieu-of-Taxes (PILT) and Debt Service is budgeted. It is also where the yearly computer purchases, larger computer equipment, and training for the Department is budgeted. Utility Accounting is part of this Cost Center, and is responsible for the long-range financial planning, annual updating of rates charges and fees, annual budget, monthly financial reports, year-end financial processing, processing of accounts payable and accounts receivable, payroll processing and tracking of project costs for the Department.

| DIVISION | DEPARTMENT | | | | |
|---|---------------------|---------------------------|---|---------------------|--|
| Wastewater Utility - Administration & General | Water & Power | | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1st | '17 Budget | |
| Wastewater Fund | | | | | |
| ADMINISTRATION & GENERAL | 4,108,443 | 1,906,568 | 2,044,178 | 2,910,211 | |
| Total Wastewater | \$ 4,108,443 | \$ 1,906,568 | \$ 2,044,178 | \$ 2,910,211 | |
| Wastewater SIF Fund | | | | | |
| ADMINISTRATION & GENERAL | - | 172,443 | 224,187 | 618,739 | |
| Total Wastewater SIF | \$ - | \$ 172,443 | \$ 224,187 | \$ 618,739 | |
| Total Expense | \$ 4,108,443 | \$ 2,079,011 | \$ 2,268,365 | \$ 3,528,950 | |
| EXPENSE BY CATEGORY | | | | | |
| PERSONNEL SERVICES | 239,662 | 237,266 | 237,266 | 266,155 | |
| SUPPLIES | 169,786 | 108,266 | 116,546 | 58,116 | |
| PAYMENT IN LIEU OF TAXES | 662,004 | 735,070 | 735,070 | 818,020 | |
| PURCHASED SERVICES | 178,289 | 112,593 | 119,060 | 167,707 | |
| ADMINISTRATIVE OVERHEAD | 387,140 | 425,656 | 425,656 | 528,831 | |
| OTHER | - | - | - | - | |
| DEPRECIATION | 2,449,632 | - | - | - | |
| DEBT SERVICE | - | 352,750 | 352,750 | 1,636,291 | |
| CAPITAL | - | - | - | (57,000) | |
| TRANSFERS | 21,930 | 107,410 | 282,017 | 110,830 | |
| Total Expense | \$ 4,108,443 | \$ 2,079,011 | \$ 2,268,365 | \$ 3,528,950 | |
| FTE | 2.90 | 1.93 | 1.93 | 1.97 | |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|-----------|---|
| 1,283,541 | Increase in debt service for the Wastewater Treatment Plant Digester. |
| 82,950 | Increase in purchased services for the Payment in Lieu of Taxes (PILT) to the General Fund based on the revenue estimates. |
| 82,285 | Increase in administrative overhead for costs allocated by Finance based on the allocation methodology. |
| 51,750 | Increase in purchased services for replacement of skylights & wall |
| 30,837 | Increase in administrative overhead for costs allocated by Information Technology based on the allocation methodology. |
| 20,180 | Increase in supplies for computer software & equipment. |
| 14,888 | Increase in administrative overhead for costs allocated by Facilities Management based on the allocation methodology. |
| 13,328 | Increase in personnel services for worker's compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs. |
| 10,537 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. |
| (140,357) | <u>Core Changes</u> |
| | 5,024 Personnel Services |
| | (70,330) Supplies |
| | 3,364 Purchased Services |
| | (24,835) Administrative Overhead |
| | (57,000) Capital |
| | 3,420 Transfers |

\$ 1,449,939 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- 6,080 Equipment Replacement
 - 6,080 Stand-alone Server - DBWWTP
- Capital Projects
 - There are no capital projects anticipated for this division.

Wastewater Utility – Collection

Collection is comprised of equipment operators who maintain the wastewater collection systems. They inspect, wash, and repair sewer lines and manholes. Included is Engineering to review all new development proposals. Also included is Information Technology to operate the computerized drafting and GIS, and to take care of the Department's IT needs such as specialized software applications and maintenance. Technical Services is also part of this division, responsible for the wastewater lift stations throughout the City.

| DIVISION | DEPARTMENT | | | |
|-----------------------------|---------------------|---------------------|---|---------------------|
| | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Wastewater Fund | | | | |
| COLLECTION SYSTEM | 3,726,405 | 4,215,228 | 5,183,674 | 4,991,813 |
| Total Wastewater | \$ 3,726,405 | \$ 4,215,228 | \$ 5,183,674 | \$ 4,991,813 |
| Wastewater SIF Fund | | | | |
| COLLECTION SYSTEM | 33,551 | 80,310 | 357,054 | 400,936 |
| Total Wastewater SIF | \$ 33,551 | \$ 80,310 | \$ 357,054 | \$ 400,936 |
| Total Expense | \$ 3,759,956 | \$ 4,295,538 | \$ 5,540,728 | \$ 5,392,749 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 1,199,572 | 1,424,898 | 1,424,898 | 1,564,196 |
| SUPPLIES | 175,553 | 192,784 | 192,784 | 202,612 |
| PURCHASED SERVICES | 603,782 | 1,055,576 | 1,043,459 | 1,140,851 |
| TRANSFERS | 4,076 | - | - | - |
| CAPITAL | 1,776,974 | 1,622,280 | 2,879,587 | 2,485,090 |
| Total Expense | \$ 3,759,956 | \$ 4,295,538 | \$ 5,540,728 | \$ 5,392,749 |
| FTE | 13.88 | 17.58 | 17.58 | 19.45 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|----------------|---|
| 76,773 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. |
| 42,000 | Increase in purchased services for utilities. |
| 30,000 | Increase in purchased services for Wastewater Flow Monitoring. |
| 40,000 | Increase in purchased services for consulting services. |
| 23,712 | Increase in personnel services for SCADA Programmer. |
| 884,726 | <u>Core Changes</u> |
| | 38,813 Personnel Services |
| | 9,828 Supplies |
| | (26,725) Purchased Services |
| | 862,810 Capital |

\$ 1,097,211 TOTAL CHANGE

OTHER INFORMATION

| | |
|-----------|---|
| - | <u>Unfunded Supplements</u> |
| | - There are no unfunded supplements in this division. |
| - | <u>Equipment Replacement</u> |
| | - No equipment is scheduled for replacement in this division. |
| 2,485,090 | <u>Capital Projects</u> |
| | 402,820 Parallel Boyd Intcp Design/SDC |
| | 73,430 South Catalyst Sewer Improvements Design/SDC |
| | 398,620 South Catalyst Sewer Improvements Construct |
| | 1,049,000 2017 CIPP Sewer Rehab Construct |
| | 62,940 Bus Barn Lift Station Renovation Design/SDC |
| | 419,600 Bus Barn Lift Station Renovation Construct |
| | 78,680 Oversizing & Extensions Agreement |

Wastewater Utility – Treatment

Wastewater Treatment Operations provides wastewater treatment and reclamation and water quality laboratories. Certified plant operators monitor treatment processes and perform operational testing. Water Quality personnel perform regulatory analyses of the water to insure regulatory compliance with the State issued discharge permit. Technical Services provides technicians who maintain and repair all wastewater treatment plant controls equipment.

| DIVISION | DEPARTMENT | | | |
|------------------------------------|---------------------|---------------------------|---|----------------------|
| Wastewater Utility - Treatment | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1st | '17 Budget |
| Wastewater Fund | | | | |
| TREATMENT | 3,363,110 | 20,476,953 | 20,768,244 | 10,239,564 |
| Total Wastewater | \$ 3,363,110 | \$ 20,476,953 | \$ 20,768,244 | \$ 10,239,564 |
| Wastewater SIF Fund | | | | |
| TREATMENT | 272,119 | 10,486,631 | 10,451,727 | 3,884,447 |
| Total Wastewater SIF | \$ 272,119 | \$ 10,486,631 | \$ 10,451,727 | \$ 3,884,447 |
| Total Expense | \$ 3,635,229 | \$ 30,963,584 | \$ 31,219,971 | \$ 14,124,011 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 1,375,662 | 1,572,726 | 1,572,726 | 1,838,083 |
| SUPPLIES | 326,333 | 261,990 | 261,990 | 374,700 |
| PURCHASED SERVICES | 1,215,808 | 1,649,636 | 1,766,190 | 1,788,378 |
| CAPITAL | 717,426 | 27,479,232 | 27,619,065 | 10,122,850 |
| Total Expense | \$ 3,635,229 | \$ 30,963,584 | \$ 31,219,971 | \$ 14,124,011 |
| FTE | 18.08 | 15.55 | 15.55 | 15.79 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|--------------|---|
| 150,000 | Increase in purchased services for a one-time Investigative Study on Selenium |
| 80,002 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. |
| 66,061 | Increase in personnel services for 1.0 FTE Plant Operator. |
| 38,000 | Increase in purchased services for a one-time replacement of T12 Fluorescent bulbs and fixtures. |
| 34,000 | Increase in supplies for the replacement of Ultra Violet light bulbs. |
| 28,455 | Increase in personnel services for SCADA Programmer. |
| 24,403 | Increase in personnel services for the conversion of part-time positions to full-time. |
| 6,300 | Increase in supplies for replacement of 3 Probes for Odor Scrubber. |
| 6,000 | Increase in supplies for radios. |
| 5,600 | Increase in supplies for Moisture Balance for the Solids Analysis. |
| (17,632) | Decrease in purchased services for utilities. |
| | |
| (17,260,762) | <u>Core Changes</u> |
| | 66,436 Personnel Services |
| | 60,810 Supplies |
| | (31,626) Purchased Services |
| | (17,356,382) Capital |

\$ (16,839,573) TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.

- Equipment Replacement
 - No equipment is scheduled for replacement in this division.

10,122,850 Capital Projects

| | |
|-----------|---|
| 314,700 | WWTP Laboratory Building & Admin Remodel Design/SDC |
| 891,650 | WWTP Expansion to 12 MGD - Design/SDC |
| 8,916,500 | WWTP Expansion to 12 MGD - Construct |

Wastewater Utility – Customer Relations

Customer Relations supports the Wastewater Utility by providing value added services through sustainable programs and creative solutions in a responsive manner. Customer Relations provides individualized service, honest communications and respectful relationships with wastewater customers. Customer Relations manages all Key Accounts projects for the Wastewater Utility. Customer Relations provides useful solutions that promote water conservation. Customer Relations manages all of the commercial and residential water conservation programs. Customer Relations also provides media relations including press releases and marketing events for water division projects and programs. Customer Relations also coordinates business relationships and joint programs with several northern Colorado utility influences as well as marketing and branding the utility.

| DIVISION | DEPARTMENT | | | | |
|---|---|---------------------------|---|-------------------|---------------|
| Wastewater Utility - Customer Relations | Water & Power | | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1st | '17 Budget | |
| Wastewater Fund | | | | | |
| CUSTOMER RELATIONS | \$ 56,821 | \$ 40,822 | \$ 40,822 | \$ | 45,509 |
| EXPENSE BY CATEGORY | | | | | |
| PERSONNEL SERVICES | 50,773 | 30,390 | 30,390 | \$ | 34,750 |
| SUPPLIES | 2,135 | 2,250 | 2,250 | \$ | 2,260 |
| PURCHASED SERVICES | 3,913 | 8,182 | 8,182 | \$ | 8,499 |
| Total Expense | \$ 56,821 | \$ 40,822 | \$ 40,822 | \$ | 45,509 |
| FTE | 1.00 | 0.30 | 0.30 | 0.31 | |
| CHANGES COMPARED TO PRIOR YEAR ADOPTED | | | | | |
| 1,727 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. | | | | |
| 2,960 | <u>Core Changes</u> | | | | |
| | 2,633 | Personnel Services | | | |
| | 10 | Supplies | | | |
| | 317 | Purchased Services | | | |
| \$ 4,687 | TOTAL CHANGE | | | | |

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Wastewater Utility – General Plant Capital

| DIVISION | DEPARTMENT |
|--|---------------|
| Wastewater Utility - General Plant Capital | Water & Power |

| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1st | '17 Budget |
|------------------------------------|-------------------|---------------------------|---|-------------------|
| Wastewater Fund | | | | |
| GENERAL PLANT CAPITAL | \$ 372,516 | \$ 130,000 | \$ 130,000 | \$ 120,080 |
| Wastewater SIF Fund | | | | |
| GENERAL PLANT CAPITAL | 85,076 | - | 14,924 | - |
| Total Wastewater SIF | \$ 85,076 | \$ - | \$ 14,924 | \$ - |
| Total Expense | \$ 457,592 | \$ 130,000 | \$ 144,924 | \$ 120,080 |
| EXPENSE BY CATEGORY | | | | |
| CAPITAL | 457,592 | 130,000 | 144,924 | 120,080 |
| Total Expense | \$ 457,592 | \$ 130,000 | \$ 144,924 | \$ 120,080 |
| FTE | - | - | - | - |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

(9,920) Decrease in capital based on the ten-year capital program.

\$ (9,920) TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.

- 114,000 Equipment Replacement
 - 24,000 Replace Vehicle #5100
 - 90,000 Replace Vehicle #6208

- Capital Projects
 - There are no capital projects anticipated for this division.

Power Utility

The Power Operations Division maintains the City of Loveland's electric distribution system. In 2015, the average service availability for the system was 99.99%. The City is a retail distributor of electricity to 35,708 customers in and around Loveland, as well as a wholesale distributor of electricity to Xcel Energy. Loveland residents pay the second lowest rates in the state for their electricity. Loveland owns and maintains the distribution system.

Over 99% of our electricity is purchased from Platte River Power Authority (PRPA). The municipalities of Estes Park, Fort Collins, Longmont and Loveland formed PRPA in 1973 to manage and operate the transmission and generation system. In 2014, the electricity consumed by the four cities was generated by the following sources; 74.2% coal, 19.1% hydroelectric, 4.8% Wind Power and Renewable Energy Certificates, 1.7% unspecified purchase, and .2% natural gas. The 2015 data is not available yet.

The Power Operations Division operates and maintains the electric utility system. The division plans, designs, and builds the system improvements needed to meet our customer's electrical needs at the lowest possible cost while providing a high level of reliability. In 2015, the Division designed and constructed approximately \$8,800,000 in projects. In 2017, the Division anticipates designing and constructing over \$15,900,000 in distribution system improvement and expansion projects.

| FUND | DEPARTMENT |
|-----------------|-------------------|
| Power Utilities | Water & Power |

| | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1st | '17 Budget |
|------------------------------------|----------------------|---------------------------|---|----------------------|
| REVENUE | | | | |
| Power Fund | | | | |
| UTILITY CHARGES | 56,138,644 | 58,665,860 | 58,665,860 | 62,342,360 |
| INTERGOVERNMENTAL | (24,973) | - | 3,500,000 | |
| INTEREST | 231,986 | 256,680 | 256,680 | 239,810 |
| OTHER | 1,747,838 | 1,202,220 | 1,202,220 | 1,140,350 |
| TRANSFERS | 4,565 | 5,890 | 5,890 | - |
| AID-TO-CONSTRUCTION | 1,429,573 | 1,790,000 | 1,790,000 | 2,140,000 |
| Total Power Fund | \$ 59,527,633 | \$ 61,920,650 | \$ 65,420,650 | \$ 65,862,520 |
| Power PIF Fund | | | | |
| INTERGOVERNMENTAL | | - | 4,434,516 | - |
| INTEREST | 47,580 | 45,850 | 45,850 | 25,030 |
| TRANSFERS | 900,468 | 824,150 | 913,050 | 806,250 |
| OTHER | 51,450 | - | - | - |
| IMPACT FEES | 2,784,483 | 2,741,830 | 2,741,830 | 2,741,830 |
| Total Power PIF | \$ 3,783,981 | \$ 3,611,830 | \$ 8,135,246 | \$ 3,573,110 |
| Total Revenue | \$ 63,311,614 | \$ 65,532,480 | \$ 73,555,896 | \$ 69,435,630 |
| EXPENSE BY Division/Program | | | | |
| Power Fund | | | | |
| ADMINISTRATION & GENERAL | 11,601,123 | 7,331,676 | 7,367,571 | 7,373,821 |
| DISTRIBUTION | 7,261,202 | 13,485,759 | 19,655,115 | 14,110,815 |
| HYDRO-GENERATION | 32,803 | 1,157,875 | 5,842,549 | 1,058,423 |
| PURCHASED POWER | 40,629,266 | 42,673,764 | 42,673,764 | 43,470,597 |
| AID-TO-CONSTRUCTION | 738,202 | 1,102,772 | 1,102,772 | 1,382,733 |
| GENERAL PLANT - CAPITAL | 250,181 | 773,451 | 1,088,451 | 589,350 |
| SERVICE INSTALLATIONS | 179,548 | 169,579 | 169,579 | 177,770 |
| CUSTOMER RELATIONS | 1,059,573 | 1,157,346 | 1,307,346 | 1,270,771 |
| Total Power | \$ 61,751,897 | \$ 67,852,222 | \$ 79,207,147 | \$ 69,434,280 |
| Power PIF Fund | | | | |
| ADMINISTRATION & GENERAL | 1,191,669 | 298,750 | 298,750 | 460,840 |
| DISTRIBUTION | 2,974,829 | 4,243,610 | 9,311,628 | 4,505,430 |
| Total Power PIF | \$ 4,166,498 | \$ 4,542,360 | \$ 9,610,378 | \$ 4,966,270 |
| Total Expense | \$ 65,918,395 | \$ 72,394,582 | \$ 88,817,525 | \$ 74,400,550 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 3,401,279 | 3,876,097 | 3,876,097 | 4,148,193 |
| SUPPLIES | 580,205 | 525,900 | 539,580 | 471,353 |
| PAYMENT IN LIEU OF TAXES | 3,886,434 | 4,120,990 | 4,120,990 | 4,363,970 |
| PURCHASED SERVICES | 2,283,686 | 5,223,156 | 8,949,214 | 3,785,301 |
| ADMINISTRATIVE OVERHEAD | 1,963,556 | 1,887,034 | 1,887,034 | 2,100,420 |
| PURCHASED POWER | 40,629,266 | 42,673,764 | 42,673,764 | 43,470,597 |
| DEPRECIATION | 4,186,393 | - | - | - |
| TRANSFERS | 162,174 | 210,611 | 222,142 | 189,013 |
| CAPITAL | 8,825,402 | 13,877,030 | 26,548,704 | 15,871,703 |
| Total Expense | \$ 65,918,395 | \$ 72,394,582 | \$ 88,817,525 | \$ 74,400,550 |
| FTE | 47.75 | 49.46 | 49.46 | 49.46 |

Power Utility – Administration and General

Administration and General is where the Cost Allocations, Payment-in-Lieu-of-Taxes (PILT) and Debt Service is budgeted. It is also where the yearly computer purchases, larger computer equipment, and training for the Department is budgeted. Utility Accounting is part of this Cost Center, and is responsible for the long-range financial planning, annual updating of rates charges and fees, annual budget, monthly financial reports, year-end financial processing, processing of accounts payable and accounts receivable, payroll processing and tracking of project costs for the Department.

| DIVISION | DEPARTMENT | | | |
|--|----------------------|---------------------|---|---------------------|
| Power Utility - Administration & General | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Power Fund | | | | |
| ADMINISTRATION & GENERAL | 11,601,123 | 7,331,676 | 7,367,571 | 7,373,821 |
| Total Power | \$ 11,601,123 | \$ 7,331,676 | \$ 7,367,571 | \$ 7,373,821 |
| Power PIF Fund | | | | |
| ADMINISTRATION & GENERAL | 1,191,669 | 298,750 | 298,750 | 460,840 |
| Total Power PIF | \$ 1,191,669 | \$ 298,750 | \$ 298,750 | \$ 460,840 |
| Total Expense | \$ 12,792,792 | \$ 7,630,426 | \$ 7,666,321 | \$ 7,834,661 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 676,136 | (919,091) | (919,091) | (1,227,326) |
| SUPPLIES | 169,854 | 111,700 | 125,380 | 73,440 |
| PAYMENT IN LIEU OF TAXES | 3,886,434 | 4,120,990 | 4,120,990 | 4,363,970 |
| PURCHASED SERVICES | 300,221 | 454,482 | 465,166 | 413,685 |
| ADMINISTRATIVE OVERHEAD | 1,963,556 | 1,887,034 | 1,887,034 | 2,100,420 |
| DEPRECIATION | 4,186,393 | | | |
| TRANSFERS | 155,441 | 210,611 | 222,142 | 189,013 |
| CAPITAL | 1,454,756 | 1,764,700 | 1,764,700 | 1,921,459 |
| Total Expense | \$ 12,792,792 | \$ 7,630,426 | \$ 7,666,321 | \$ 7,834,661 |
| FTE | 6.44 | 4.96 | 4.96 | 4.77 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|-----------|---|
| 242,980 | Increase in purchased services for the Payment in Lieu of Taxes (PILT) to the General Fund based on the revenue estimates. |
| 106,933 | Increase in administrative overhead for costs allocated by Utility Billing & Meter Reading based on the allocation methodology. |
| 98,398 | Increase in administrative overhead for costs allocated by Finance based on the allocation methodology. |
| 85,500 | Increase in purchased services for replacement of skylights & wall |
| 61,726 | Increase in administrative overhead for costs allocated by Information Technology based on the allocation methodology. |
| 45,380 | Increase in supplies for computer supplies and equipment. |
| 19,677 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. |
| 19,659 | Increase in administrative overhead for costs allocated by Facilities Management based on the allocation methodology. |
| 19,050 | Increase in transfers for 1% for the Arts contribution. |
| 10,815 | Increase in personnel services for increasing a part-time Accounting Technician from 20 hours to 30 hours. |
| 9,974 | Increase in personnel services for worker's compensation due to the allocation of the City's cost based on the Division's experience rating and forecasted liability costs. |
| (22,553) | Decrease in administrative overhead for costs allocated by Public Grounds based on the allocation methodology. |
| (35,000) | Decrease in purchased services for a 2016 one-time supplement for Power Rate Study. |
| (40,648) | Decrease in transfers for Power's contribution to the General Fund for the department's share of the Economic Development Directors Salary. |
| (54,685) | Decrease in purchased services for vehicle maintenance based on projected fuel and maintenance costs. |
| (72,959) | Decrease in purchased services for general liability costs based on the Department's historical experiences and forecasted liability costs. |
| (290,012) | <u>Core Changes</u> (338,727) Personnel Services (83,640) Supplies 26,373 Purchased Services (50,777) Administrative Overhead 156,759 Capital |

\$ 204,235 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Power Utility – Distribution Operations & Maintenance

The Power Operations Division maintains the City of Loveland's electric distribution system. The City is a retail distributor of electricity in and around Loveland, as well as a wholesale distributor to Xcel Energy. Our electricity is purchased from Platte River Power Authority (PRPA). This division operates and maintains the electric utility system by planning, designing and building system improvements.

| DIVISION | DEPARTMENT | | | |
|------------------------------|----------------------|----------------------|---|----------------------|
| Power Utility - Distribution | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Power Fund | | | | |
| DISTRIBUTION | 7,261,202 | 13,485,759 | 19,655,115 | 14,110,815 |
| Total Power | \$ 7,261,202 | \$ 13,485,759 | \$ 19,655,115 | \$ 14,110,815 |
| Power PIF Fund | | | | |
| DISTRIBUTION | 2,974,829 | 4,243,610 | 9,311,628 | 4,505,430 |
| Total Power PIF | \$ 2,974,829 | \$ 4,243,610 | \$ 9,311,628 | \$ 4,505,430 |
| Total Expense | \$ 10,236,031 | \$ 17,729,369 | \$ 28,966,743 | \$ 18,616,245 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 2,077,176 | 4,461,803 | 4,461,803 | 5,037,451 |
| SUPPLIES | 370,300 | 385,230 | 385,230 | 369,133 |
| PURCHASED SERVICES | 1,234,752 | 2,783,876 | 1,664,576 | 1,409,270 |
| TRANSFERS | 6,733 | | | |
| CAPITAL | 6,547,070 | 10,098,460 | 22,455,134 | 11,800,391 |
| Total Expense | \$ 10,236,031 | \$ 17,729,369 | \$ 28,966,743 | \$ 18,616,245 |
| FTE | 39.49 | 41.32 | 41.32 | 41.52 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|-------------------|---|
| 112,211 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. |
| 85,000 | Increase in purchased services for the new Foothills Solar Facility. |
| 31,762 | Increase in purchased services for vehicle maintenance based on projected fuel and maintenance costs. |
| 18,000 | Increase in purchased services for Multispeak/SCADA Data Historian. |
| 17,500 | Increase in purchased services for Key Accounts Web Portal. |
| 5,000 | Increase in supplies for the new Foothills Solar Facility. |
| (25,000) | Decrease in supplies for a 2016 one-time supplement for design software for Enterprise License Agreement. |
| (1,500,000) | Decrease in purchased services for a 2016 one-time supplement for installation of the roadway for the 29th Street Property Development. |
| 2,142,403 | <u>Core Changes</u> |
| 463,437 | Personnel Services |
| 3,903 | Supplies |
| (26,868) | Purchased Services |
| 1,701,931 | Capital |
| \$ 886,876 | TOTAL CHANGE |

OTHER INFORMATION

| | |
|------------------|---|
| - | <u>Unfunded Supplements</u> |
| - | There are no unfunded supplements in this division. |
| - | <u>Equipment Replacement</u> |
| - | No equipment is scheduled for replacement in this division. |
| 8,996,017 | <u>Capital Projects</u> |
| 75,000 | Installation of annunciators at substations |
| 225,000 | Relay Replacements at Substations |
| 120,885 | Extend new feeders for PRPA community solar garden from new Boedecker substation into system |
| 300,000 | Flood Related Hwy 34 Road Rebuild (CDOT Reimbursable) |
| 125,538 | Underground blanket-development driven construction of lateral feeder extenitions as required to meet new load requirements |
| 150,000 | Demand Response |
| 367,650 | Smaller Aging Infrastructure Replacement Projects |
| 110,000 | Distribution Automation |
| 300,000 | Energy Diversification Projects |
| 64,613 | Triple Stack on ckt 614 - Sub to Sub Tie with Crossroads 2 |
| 500,000 | Install 600 amp tie from Cascade west along Hwy 34, turning south on Rossum to Saint Andrews |
| 700,000 | Phase 3 of Canyon Voltage Conversion from the Water Treatment Plant to Idlewilde Park |
| 25,673 | Phase 4 of Canyon Voltage Conversion from Idlewilde Park to Waltonia Rd |
| 20,000 | Extend new feeders from Foothills Substation from W. 22nd & Rio Blanco down Cascade to Eisenhower |
| 30,000 | Overhead to underground conversion (circuit 421) from 3rd along Railroad to 10th |
| 1,338,195 | Overhead to underground conversion along RR track N of 10th between RR Ave & Madison Ave - 200 amp & 600 amp |
| 1,357,118 | Overhead to underground conversion - Downtown Catalyst |
| 1,100,000 | Extension of 600 amp from 14th St SW to Hwy 60 along Hwy |
| 1,500,000 | Feeder from Horseshoe to Woodward/Lee Farms Subdivision |
| 566,345 | Install 750 AL from MCR to Kendall Pkwy & I25 - sub to sub tie between Crossroads and Airport |
| 20,000 | Foothills Substation Conduit - Install new conduit along W. 22nd east from Rio Blanco to Van Buren |

Power Utility – Hydroelectric Generation

Hydroelectric Generation is currently under the Technical Services Section. The Hydro budget is used to fund the environmental mitigation of the Idlewilde Dam area which was lost in the Flood of 2013. There was a small hydroelectric generating plant in the Big Thompson Canyon that is being removed and the land is being restored to National Forest Service specifications.

| DIVISION | DEPARTMENT |
|----------------------------------|---------------|
| Power Utility - Hydro-Generation | Water & Power |

| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
|-----------------------------|------------------|---------------------|---|---------------------|
| Power Fund | | | | |
| HYDRO-GENERATION | \$ 32,803 | \$ 1,157,875 | \$ 5,842,549 | \$ 1,058,423 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 15,447 | 7,875 | 7,875 | 8,423 |
| SUPPLIES | 51 | - | - | - |
| PURCHASED SERVICES | 17,305 | 1,150,000 | 5,834,674 | 1,050,000 |
| Total Expense | \$ 32,803 | \$ 1,157,875 | \$ 5,842,549 | \$ 1,058,423 |
| FTE | 0.32 | 0.07 | 0.07 | 0.07 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|-------------|--|
| 1,000,000 | Increase in purchased services for environmental mitigation. |
| 50,000 | Increase in purchased services for Hydro Decommissioning. |
| (1,150,000) | Decrease in purchased services for the demolition and removal of the Hydro Dam, Penstock & Powerhouse due to flood damage. |
| 548 | <u>Core Changes</u> |
| 548 | Personnel Services |

\$ (99,452) TOTAL CHANGE

OTHER INFORMATION

| | |
|-----------|---|
| - | <u>Unfunded Supplements</u> |
| - | There are no unfunded supplements in this division. |
| - | <u>Equipment Replacement</u> |
| - | No equipment is scheduled for replacement in this division. |
| 2,950,000 | <u>Capital Projects</u> |
| 750,000 | East Substation - Order new switchgear lineup for E3 |
| 1,700,000 | Land purchase for new substation |
| 500,000 | Security gates and fences at Substations |

Power Utility – Purchased Power

The City of Loveland's electricity is purchased from Platte River Power Authority (PRPA). PRPA is the manufacturer of power and, in addition to Loveland, serves the power to Fort Collins, Estes Park, and Longmont.

| DIVISION | DEPARTMENT |
|---------------------------------|---------------|
| Power Utility - Purchased Power | Water & Power |

| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
|-----------------------------|----------------------|----------------------|---|----------------------|
| Power Fund | | | | |
| PURCHASED POWER | \$ 40,629,266 | \$ 42,673,764 | \$ 42,673,764 | \$ 43,470,597 |
| EXPENSE BY CATEGORY | | | | |
| PURCHASED POWER | 40,629,266 | 42,673,764 | 42,673,764 | 43,470,597 |
| Total Expense | \$ 40,629,266 | \$ 42,673,764 | \$ 42,673,764 | \$ 43,470,597 |
| FTE | - | - | - | - |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

796,833 Increase in purchased power from Platte River Power Authority.

\$ 796,833 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Power Utility – Aid-to-Construction

Aid-to-Construction reflects the costs that the customers contributed to the Power system. An example of this would be a developer's cost to install the power system in a new subdivision.

| DIVISION | DEPARTMENT | | | |
|-------------------------------------|-------------------|---------------------|---|---------------------|
| Power Utility - Aid-to-Construction | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Power Fund | | | | |
| AID-TO-CONSTRUCTION | \$ 738,202 | \$ 1,102,772 | \$ 1,102,772 | \$ 1,382,733 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 203,820 | 20,042 | 20,042 | - |
| CAPITAL | 534,382 | 1,082,730 | 1,082,730 | 1,382,733 |
| Total Expense | \$ 738,202 | \$ 1,102,772 | \$ 1,102,772 | \$ 1,382,733 |
| FTE | - | - | - | - |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

- 300,003 Increase in aid-to-construction based on the ten-year capital program.
- (20,042) Decrease in personnel services for Insurance Benefits due to historical enrollment and premium increases.

\$ 279,961 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Power Utility – General Plant Capital

General Plant Capital is the expense to acquire assets that are used throughout the power facility, and not identifiable to one specific purpose or project.

| DIVISION | DEPARTMENT | | | |
|---------------------------------------|-------------------|--------------------|---|-------------------|
| Power Utility - General Plant Capital | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Power Fund | | | | |
| GENERAL PLANT CAPITAL | \$ 250,181 | \$ 773,451 | \$ 1,088,451 | \$ 589,350 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 434 | 81 | 81 | - |
| CAPITAL | 249,746 | 773,370 | 1,088,370 | 589,350 |
| Total Expense | \$ 250,181 | \$ 773,451 | \$ 1,088,451 | \$ 589,350 |
| FTE | - | - | - | - |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

- (184,020) Decrease in capital based on the ten-year capital program.
- (81) Decrease in personnel services for Insurance Benefits due to historical enrollment and premium increases.

\$ (184,101) TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- 589,350 Equipment Replacement
 - 25,000 Main Copier Replacement
 - 44,350 Stand Alone Server
 - 7,500 Miscellaneous Hardware Replacements
 - 25,000 New Vehicle to replace #5117
 - 360,000 New Vehicle to replace #5307
 - 44,000 New Vehicle to replace #5120
 - 83,500 New Vehicle to replace #5128
- Capital Projects
 - There are no capital projects anticipated for this division.

Power Utility – Service Installations

The service installations includes the costs to install the cable connection from the Power Line to the customers' power meter.

| DIVISION | DEPARTMENT | | | |
|---|---|--------------------|---|-------------------|
| Power Utility - Service Installations | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Power Fund | | | | |
| SERVICE INSTALLATIONS | \$ 179,548 | \$ 169,579 | \$ 169,579 | \$ 177,770 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 140,101 | 11,809 | 11,809 | - |
| CAPITAL | 39,447 | 157,770 | 157,770 | 177,770 |
| Total Expense | \$ 179,548 | \$ 169,579 | \$ 169,579 | \$ 177,770 |
| FTE | - | - | - | - |
| CHANGES COMPARED TO PRIOR YEAR ADOPTED | | | | |
| 20,000 | Increase in service installations based on the ten-year capital program. | | | |
| (11,809) | Decrease in personnel services for Insurance Benefits due to historical enrollment and premium increases. | | | |
| \$ 8,191 | TOTAL CHANGE | | | |

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.

Power Utility – Customer Relations

Customer Relations supports the Power Utility by providing value-added services through sustainable programs and creative solutions in a responsive manner. Customer Relations provides individualized service, honest communication and respectful relationships with power customers. Customer Relations manages all Key Accounts projects for the Power Utility. Customer Relations provides useful solutions that promote energy efficiency. Customer Relations manages all of the commercial and residential energy efficiency and DSM programs. Customer Relations also provides media relations including press releases and marketing events for Power Utility projects and programs. Customer Relations also coordinates business relationships and joint programs with several Northern Colorado utility influences as well as marketing and branding the utility.

| DIVISION | DEPARTMENT | | | |
|------------------------------------|---------------------|---------------------|---|---------------------|
| Power Utility - Customer Relations | Water & Power | | | |
| EXPENSE BY Division/Program | '15 Actual | '16 Adopted Budget | '16 Revised Budget as of July 1 st | '17 Budget |
| Power Fund | | | | |
| CUSTOMER RELATIONS | \$ 1,059,573 | \$ 1,157,346 | \$ 1,307,346 | \$ 1,270,771 |
| EXPENSE BY CATEGORY | | | | |
| PERSONNEL SERVICES | 288,165 | 293,578 | 293,578 | 329,645 |
| SUPPLIES | 39,999 | 28,970 | 28,970 | 28,780 |
| PURCHASED SERVICES | 731,408 | 834,798 | 984,798 | 912,346 |
| Total Expense | \$ 1,059,573 | \$ 1,157,346 | \$ 1,307,346 | \$ 1,270,771 |
| FTE | 1.50 | 3.11 | 3.11 | 3.10 |

CHANGES COMPARED TO PRIOR YEAR ADOPTED

| | |
|----------|---|
| 95,000 | Increase in purchased services for the Efficiency Works Program. |
| 16,698 | Increase in personnel services for Insurance Benefits due to historical enrollment and premium increases. |
| 5,000 | Increase in purchased services for new Consumer Products Program. |
| (24,000) | Decrease in purchased services for Home Energy Reports. |

20,727 Core Changes

| | |
|--------|--------------------|
| 19,369 | Personnel Services |
| (190) | Supplies |
| 1,548 | Purchased Services |

\$ 113,425 TOTAL CHANGE

OTHER INFORMATION

- Unfunded Supplements
 - There are no unfunded supplements in this division.
- Equipment Replacement
 - No equipment is scheduled for replacement in this division.
- Capital Projects
 - There are no capital projects anticipated for this division.