



REGULAR MEETING AGENDA

CALL TO ORDER

NEW EMPLOYEE INTRODUCTIONS

- ⌚ Gordon Whitelock, Electric Distribution Design Supervisor

APPROVAL OF MINUTES – 2/15/2017

CITIZENS REPORT (*See procedural instructions on the following page.)

INFORMATIONAL ITEMS

1. Water Supply Update – Larry Howard
2. Electric Legislative Update – Kim O'Field
3. Water Legislative Update – Michelle Erickson
4. Financial Report Update – Jim Lees

REGULAR AGENDA

5. Contract Recommendation on the Wastewater Treatment Plant Expansion Project – Brian Gandy

STAFF REPORTS

6. Regional Electric Vehicle Overview – Joel Danforth, Platte River Power Authority
7. Broadband Update – Brieana Reed-Harmel

8-COMMISSION & COUNCIL REPORTS

9-DIRECTOR'S REPORT

ADJOURN

*** Citizens Report Procedures**

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.

Notice of Non-Discrimination

The City of Loveland is committed to providing an equal opportunity for services, programs and activities and does not discriminate on the basis of disability, race, age, color, national origin, religion, sexual orientation or gender. For more information on non-discrimination or for translation assistance, please contact the City's Title VI Coordinator at TitleSix@cityofloveland.org or 970-962-2372. The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act (ADA). For more information on ADA or accommodations, please contact the City's ADA Coordinator at adacoordinator@cityofloveland.org or 970-962-3319.

Notificación en Contra de la Discriminación

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

The password to the public access wireless network (colgues) is accesswif*i*

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

City Staff Members Present: Bill Thomas, Bob Miller, Brieana Reed-Harmel, Carlos Medina, Daniel Daneshka, Derek Turner, Garth Silvernale, Greg Dewey, Gretchen Stanford, Jim Lees, John Beckstrom, Kim O'Field, Lindsey Bashline, Larry Howard, Michelle Erickson, Mike Margenau, Roger Berg, Tanner Randall

Guest Attendance: Sean Cronin

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

APPROVAL OF MINUTES: Hausman asked for a motion to approve the January 18, 2017 meeting minutes.

Motion: Dave Schneider made the motion to approve the amended minutes.

Second: Dan Herlihey seconded the motion. The minutes were approved unanimously.

Comments: A correction on the January 18, 2017 meeting minutes is that Troy Krenning was not present. The approved meeting minutes removed him from the attendee list.

CITIZEN REPORTS: None

CONSENT AGENDA

Randy Williams pulled item 1 from the consent agenda. Larry Roos pulled item 2 from the consent agenda.

INFORMATION ITEMS

Item 3: Water Supply Update – Larry Howard

Raw water supply update.

Information item only. No action required.

Item 4: Electric Legislative Update – Kim O'Field

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

Information item only. No action required.

Item 5: Water Legislative Update – Michelle Erickson

This item and the attachment are intended to give a brief update on water-related legislation being contemplated by the Colorado General Assembly. Loveland Water and Power relies primarily on the Colorado Water Congress (CWC) for information on water-related legislation.

Information item only. No action required.

REGULAR AGENDA

Item 1: Contract Award for Canyon Phase 1 (Circuit 911) Construction – Frank Lindauer

The purpose of this item is to award a contract to Power Contracting, LLC, for the Canyon Phase 1 (Circuit 911) Construction, Bid 2016-87.

Recommendation: Adopt a motion recommending that LUC award the contract for Canyon Phase 1 (Circuit 911) Construction to Power Contracting, LLC in an amount not to exceed \$1,118,349.89 and authorize the City Manager to execute the contract on behalf of the City, following consultation with the City Attorney, and to modify the contract in form or substance as deemed necessary to protect the interests of the City.

Motion: Dan Herlihey made the motion.

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

Comments: This item was pulled to ask some background information questions. Brieana Reed-Harmel addressed what the project will entail and why this work will be done at the West Substation instead of the Foothills Substation.

Item 2: Approval of Revisions to Local Limits in Section 13.10.205 of Municipal Code – Bill Thomas

Proposed revisions of local limits wastewater pretreatment standards in Section 13.10.205 of the Loveland Municipal Code.

Recommendation: Adopt a motion recommending that Loveland City Council approve the proposed revisions to the local limits wastewater pretreatment standards at Section 13.10.205 of the Loveland Municipal Code, as shown in the attached proposed ordinance, or as revised in form and substance as necessary.

Motion: Dan Herlihey made the motion.

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

Comments: This item was pulled to answer some board inquiries. Bill Thomas answered board questions about what some of the parameters and terms were that were referenced in the item write-up, who sets the standards, the reporting process, which chemicals are on the discharge permit versus those that we just report our levels. He also explained how we monitor customer discharges to the sewer system.

Item 6: Contract Change Order No. 2 for Idylwilde Powerhouse Removal and Partial Penstock Decommissioning Project – Greg Dewey

Staff requests LUC to amend the original bid amount to cover the cost of hauling and landfill disposal of water encountered during demolition of this project. Staff will have a brief presentation of the work completed.

Recommendation: Adopt a motion recommending that Loveland Utilities Commission approve Change Order No. 2 to the contract for Idylwilde Powerhouse Removal and Partial Penstock Decommissioning Project with Nezhoni Construction in the amount of \$178,703.00 and increase the not-to-exceed amount of the total contract to \$641,175.50 and authorize the City Manager to sign the change order on behalf of the City.

Motion: Dan Herlihey made the motion.

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

Item 7: The Foundry Utility Improvements Contract Award – Carlos Medina

This item is a construction contract award for the Foundry Utility Improvements Project. These improvements are to provide improvements to aging infrastructure and to help support the redevelopment of downtown Loveland.

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Recommendation: Adopt a motion recommending that LUC award the contract for The Foundry Utility Improvements to Connell Resources, Inc. in an amount not to exceed \$1,038,063.65 and authorize the City Manager to execute the contract on behalf of the City, following consultation with the City Attorney, and to modify the contract in form or substance as deemed necessary to protect the interests of the City.

Motion: Dan Herlihey made the motion.

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

STAFF REPORTS

Item 8: M36 Water Loss Audit Update – Michelle Erickson

This item reviews the results of the 2016 M36 Water Loss Audit and the actions and the plans Loveland Water and Power (LWP) has to manage and reduce non-revenue water.

Staff report only. No action required.

Item 9: 2016 Levels of Service Update for Water and Wastewater Utilities

This item is to review the definition of Levels of Service (LOS) and present the yearly update of our 2016 LOS for the Water and Wastewater Utilities in comparison to prior years.

Staff report only. No action required.

Item 10: Financial Report Update – Jim Lees

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

Staff report only. No action required.

COMMISSION/COUNCIL REPORTS

Item 11: Commission/Council Reports

Activity board members attended since last meeting – January 18, 2017

- **LUC Interviews:** The LUC Chairman, City Council Liaison and the Acting Director interviewed two candidates on February 14, 2017 Sean Cronin and Stephanie Fancher-English. We will be working to have Sean Cronin become a regular board member and Stephanie Fancher-English as an alternate board member.
- **Colorado Water Congress:** January 25-27, 2017
- **March LUC Meeting:** Due to Spring Break, the March 2017 meeting is moved up one week to Wednesday, March 8, 2017.

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

City Council Study Session – February 14

- Meeting Cancelled

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City Council Regular Meeting – February 7

- Gretchen Stanford worked with the Public Works Director and the Parks & Recreation Director to jointly present on the Emerald Ash bore. Council approved a City plan on the Emerald Ash Bore that will affect how we trim trees in Loveland.

City Council Study Session – January 24

- Nothing of interest

City Council Regular Meeting – January 17

- Nothing of interest

DIRECTOR'S REPORT

Item 12: Director's Report – Gretchen Stanford

Received board input on having the LUC meeting in the Willow Room instead of the Board Room.

ADJOURN The meeting was adjourned at 7:11 pm. The next LUC Meeting will be March 8, 2017 at 4:00 pm.

Respectfully submitted,

Michelle Erickson
Recording Secretary
Loveland Utilities Commission

ITEM TITLE:

Water Supply Update

DESCRIPTION:

Raw water supply update.

SUMMARY:

Attachment A is the snow–water equivalent chart for Bear Lake station as of February 28, 2017. 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 continuing to rise and is well above average since January. This snowpack curve is very unusual, as it does not follow any of the other more gentle sloping lines shown on the chart. We still have some big snowpack months ahead of us, so continue to watch it accumulate.

Since this meeting is occurring earlier than usual, some of the monthly information that we provide is not available at this time. Stay tuned for additional information that may be provided the day of LUC.

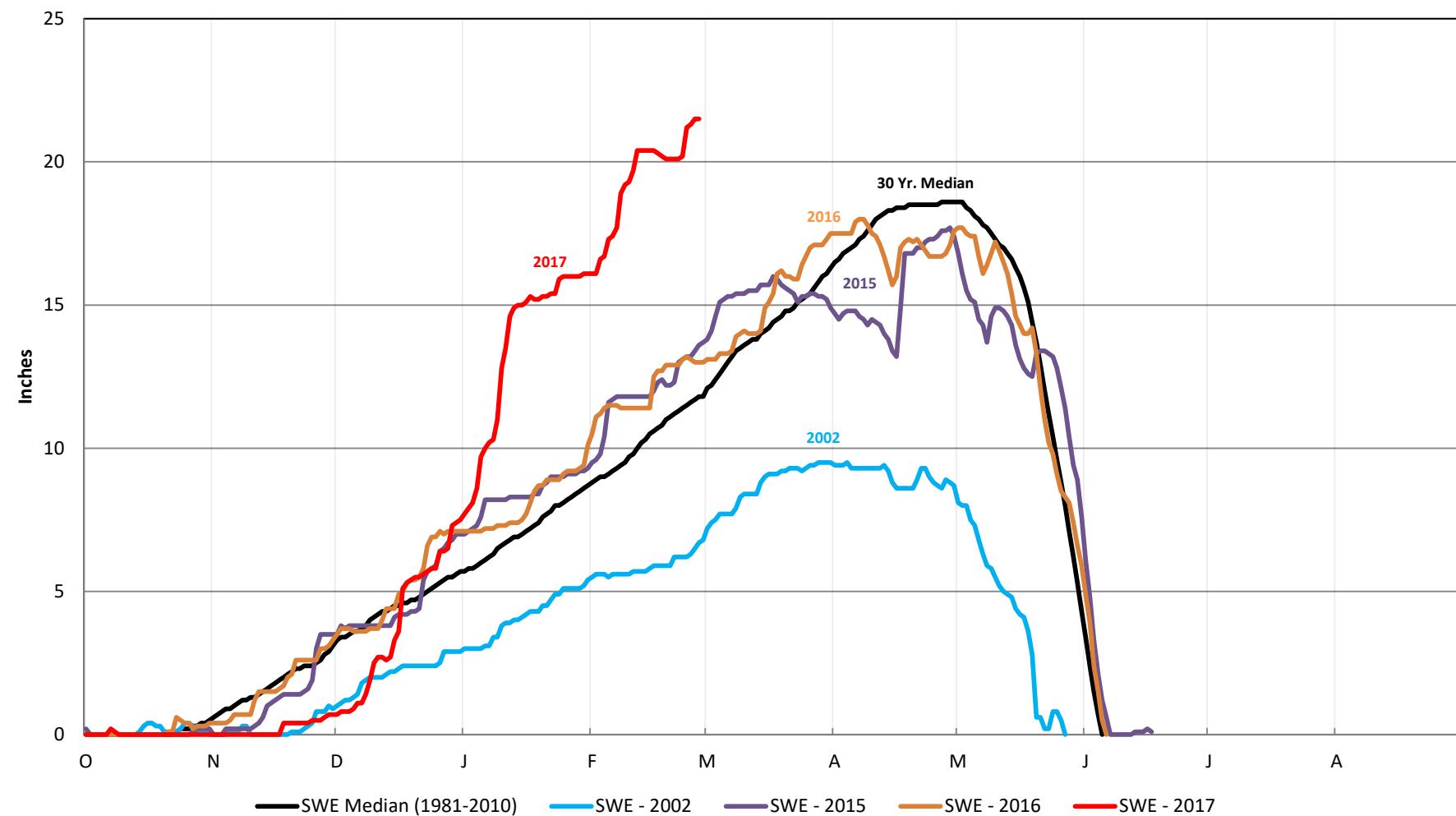
RECOMMENDATION:

Information item only. No action required.

ATTACHMENTS:

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

Snow - Water Equivalent at Bear Lake as of February 28, 2017



ITEM TITLE:

Electric Legislative Update

DESCRIPTION:

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

SUMMARY:**State Update:**

The 2017 State legislative year has seen a slow start in regards to bills related to municipally owned electric utilities. Please see Attachment A for the legislative tracking sheet of current state bills from CAMU.

Federal Update:

The ability of public power utilities to bring affordable and reliable electricity to their communities is heavily shaped by policies debated and established in our nation's capital. The American Public Power Association (APPA) is the national organization representing the collective interests of public power in Washington D.C.

Key legislative topics that are being reviewed and considered at a national level include:

- Tax reform and municipal bonds
- Cyber security
- Energy Efficiency

Please see Attachment B for information from APPA on these topics.

RECOMMENDATION:

Information item only. No action required.

ATTACHMENTS:

- Attachment A: CAMU Legislative Tracking Sheet
- Attachment B: APPA Issue Briefs

Attachment A



Colorado Association of Municipal Utilities 2017 State Legislative Tracking Sheet

HB17-1029
Open Records Subject To Inspection Denial

Comment:
Position: **Monitor**
Short Title: Open Records Subject To Inspection Denial

Summary: Applies to judicial branch only

Status: 1/11/2017 Introduced In House - Assigned to State, Veterans, & Military Affairs
2/2/2017 House Committee on State, Veterans, & Military Affairs Postpone
Indefinitely

HB17-1051
Procurement Code Modernization

Comment:
Position: **Monitor**
Short Title: Procurement Code Modernization

Summary: The Colorado 'Procurement Code' (code) governs how executive branch agencies, other than institutions of higher education that have opted out of the code, buy goods and services. The code is administered by the department of personnel (department) and exists to help keep the public trust, promote fair competition, make efficient use of taxpayer dollars, and allow the state to effectively do the people's business. The code has been amended many times over the years, but it has not been reviewed in total since the general assembly enacted it in 1982.

General updates (Sections 5, 6, 9, 11, 13, 15 through 18, 21 through 23, 31, and 36).

The code is based on the 1979 American bar association model procurement code. When the state adopted the model code, much of the structure and terminology was adopted as drafted by the American bar association rather than conforming the structure and language to the Colorado Revised Statutes. The bill updates the terminology used in the code to make it consistent with common use, simplifies

reporting requirements, and reorganizes provisions of the code for ease of use. In addition, the bill clarifies the authority of the executive director of the department to promulgate rules for the administration of the code.

Promulgation of rules (Sections 8, 28, 32, 34, and 58).

The executive director of the department is currently required to promulgate rules in furtherance of the code. The bill makes promulgation of rules by the executive director of the department (executive director) permissive throughout the code and authorizes the director to delegate his or her authority to promulgate rules.

Ethics (Sections 2 and 4).

State procurement professionals follow the 'Procurement Code of Ethics and Guidelines' (guidelines), which were established by the Colorado procurement advisory council. The guidelines are often interpreted to apply only to procurement staff and not to other people involved in the procurement process. The bill clarifies that state procurement officials, end users, vendors and contractors, and interested third parties are required to adhere to ethical standards during all phases of the procurement process.

Procurement training (Section 4).

The bill authorizes the chief procurement officer to develop and conduct a procurement education and training program for state employees and for vendors.

Application of the code (Section 3).

Certain purchasing activities are currently exempt from the code, such as bridge and highway construction, the awarding of grants to political subdivisions, and procurement by institutions of higher education that have formally opted out of the code. The bill exempts the procurement of specified additional goods and services from the code.

Grants (Sections 3 and 6).

Currently, the application, processing, and management of grants is inconsistent across state agencies. The bill amends the definition of 'grant' to provide consistency and to comply with federal requirements including the office of management and budget uniform guidance.

Multiyear contracts (Section 37).

Currently, the state may enter into a contract for any period as long as the contract term is included in the solicitation. If a contract term ultimately needs to exceed the period specified in the solicitation, the contract cannot be extended and a new contract is required. The bill authorizes the state to extend an existing contract, with approval of the chief procurement officer, for a reasonable period if extenuating circumstances exist.

Contract management system (Section 37).

The centralized contract management system and related requirements for contract provisions, monitoring, and reporting were established for the purpose of improving the state's contracting process. The bill repeals provisions related to contract

monitoring and reporting and allows for remedies, including suspension or debarment, for contractors who do not perform.

Contract terms and conditions (Section 38).

The process to negotiate vendor terms and conditions sometimes requires the state to agree to a requirement that the state indemnify the vendor and that the contract be governed by the vendor's choice of law rather than Colorado law. However, indemnification is in violation of the state constitution. The bill prohibits indemnification of vendors by the state and requires that state contracts be governed by Colorado law.

Market research (Section 14).

A request for information (RFI) is a commonly used method for obtaining information about pending procurements and doing market research. Currently, RFIs are referenced in the procurement rules but not in the code. The bill establishes an RFI process in the code as a market assessment and information gathering tool and clarifies the appropriate methods to conduct market research.

Administrative remedies (Sections 39 through 50).

The bill clarifies the administrative remedies provisions in the code and provides guidance regarding the remedies process. Specifically, the bill clarifies who may ratify a violation of the code, specifies when a stay will apply, authorizes the executive director to refer an appeal to the office of administrative courts, and states that only material issues may be appealed.

Confidentiality and CORA (Sections 7 and 20).

Pursuant to current law, procurement records are public records, with some exceptions under the 'Colorado Open Records Act'. Procurement records, including bids and responses to RFIs, often contain information that is proprietary or confidential by the submitting entity. The bill clarifies that all responses to RFIs are confidential until after an award based on the RFI has been made or until the procurement official determines that the state will not pursue a solicitation based on the RFI. The bill also authorizes the executive director of the department to promulgate rules to clarify the process for classifying confidential or proprietary information.

Procurement set asides, preferences, and goals (Sections 24 through 27).

Current law allows a set aside in state procurement for persons with severe disabilities. The bill streamlines the process by which state agencies and nonprofit agencies that employ people with severe disabilities may use the set aside program and authorizes the executive director to promulgate rules for the administration of the program.

In addition, current law contains many procurement preferences and goals; however, these preferences and goals are located in various provisions of the code and in other provisions of the Colorado Revised Statutes. The various locations of these provisions, as well as inconsistent terminology in the preference and goal provisions, make it difficult for vendors and procurement officials to know how each preference and goal should be applied. The bill relocates currently existing procurement preferences and goals into a new part and makes the language of those provisions consistent where possible.

Cooperative purchasing (Section 51).

Cooperative purchasing is procurement conducted by, with, or on behalf of more than one public procurement entity. It increases the opportunity for the state and local governments to obtain volume discounts through joint purchasing and it lowers the transaction costs of both purchasing agencies and vendors. The bill provides state agencies with more flexibility to use cooperative purchasing to increase efficiencies and maximize state resources.

Conforming amendments (Sections 1, 10, 12, 19, 29, 30, 33, 35, 52 through 57, and 59 through 74).

The bill makes necessary conforming amendments.

(Note: This summary applies to this bill as introduced.)

Status: 1/11/2017 Introduced In House - Assigned to Business Affairs and Labor

HB17-1069

Subcommittee On Data Privacy

Comment:

Position: **Monitor**

Short Title: Subcommittee On Data Privacy

Summary: Bill sponsor intends scope to be limited to state government.

Status: 1/17/2017 Introduced In House - Assigned to State, Veterans, & Military Affairs
2/9/2017 House Committee on State, Veterans, & Military Affairs Postpone
Indefinitely

HB17-1116

Continue Low-income Household Energy Assistance

Comment:

Position: **Support**

Short Title: Continue Low-income Household Energy Assistance

Summary: Current law provides that the department of human services low-income energy assistance fund, the energy outreach Colorado low-income energy assistance fund, and the Colorado energy office low-income energy assistance fund receive conditional funding from the severance tax operational fund through the state fiscal year commencing July 1, 2018. The bill removes the automatic repeal which means that these funds will be eligible for this conditional funding indefinitely.

(Note: This summary applies to this bill as introduced.)

Status:

1/20/2017 Introduced In House - Assigned to Transportation & Energy
2/16/2017 House Committee on Transportation & Energy Refer Amended to

Appropriations

HB17-1177**Mediation For Disputes Arising Under CORA Colorado Open Records Act****Comment:****Position:** **Neutral****Short Title:** Mediation For Disputes Arising Under CORA Colorado Open Records Act**Summary:** Commencing on the effective date of the bill, any person denied the right to inspect documents under the 'Colorado Open Records Act' (CORA) or who alleges other CORA violations may apply to the state district court in which the record is located for an appropriate order. The bill also permits the parties in good faith to participate in mediation to resolve their dispute.

The bill provides immunity for the disclosure of privileged or confidential information to the mediator.

The bill specifies requirements and procedures governing the mediation, including situations where:

- The party disputing the custodian's decision has chosen not to participate in the mediation before seeking a district court order;
- The parties participated in mediation but were unable to resolve their dispute without filing a court order; and
- The parties did not participate in mediation.

(Note: This summary applies to this bill as introduced.)

Status: 2/6/2017 Introduced In House - Assigned to State, Veterans, & Military Affairs

HB17-1193**Small Cell Facilities Permitting And Installation****Comment:****Position:****Short Title:** Small Cell Facilities Permitting And Installation**Summary:** **Sections 1 through 4** of the bill clarify that the expedited permitting process established for broadband facilities applies to small cell facilities and small cell networks. Section 1 adds language concerning small cell facilities and small cell networks to a legislative declaration. Section 2 adds statutory definitions of 'antenna' and 'tower'. Section 3 requires a local government to process an application for a small cell facility or a small cell network within 90 days after receiving the completed application. Section 4 declares the siting and operation of small cell facilities and small cell networks are a permitted use in any zone and clarifies the approval process for a consolidated application for multiple small cell facilities or small cell networks.

Sections 6 and 7 clarify that the rights-of-way access afforded to telecommunications providers for the construction, maintenance, and operation of telecommunications and broadband facilities extends to broadband providers as well as

small cell facilities and small cell networks and, in conjunction, **section 5** defines 'collocation', 'small cell facility', and 'small cell network'.

Section 8 states that if a telecommunications provider or broadband provider complies with applicable law, it has the right to locate or collocate small cell facilities and small cell networks on a local government entity's light poles, light standards, traffic signals, or utility poles.

Section 9 adds small cell facilities and small cell networks to the types of facilities for which a telecommunications provider or broadband provider may contract with a private property owner to obtain a right-of-way for the construction, maintenance, and operation of the facility.

Section 10 concerns the consent a telecommunications provider or broadband provider must obtain from a political subdivision to erect communications or broadband facilities along, through, in, upon, under, or over a public highway, and adds small cell facilities and small cell networks to the facilities for which the consent is required. Section 10 further provides that a political subdivision shall not create a preference or disadvantage to any telecommunications provider or broadband provider in granting or withholding its consent, and that a decision by a political subdivision denying or limiting the placement of communications or broadband facilities based on the protection of public health, safety, and welfare does not create a preference for or disadvantage a telecommunications provider or broadband provider if the decision does not have the effect of prohibiting the provider from providing service within the service area.

Section 11 makes a conforming amendment.

Section 12 specifies the amount and type of payment a local government or municipally owned utility may receive from a telecommunications provider, broadband provider, or cable television provider in exchange for granting permission to attach small cell facilities, broadband devices, or telecommunications devices to poles or structures that are in a right-of-way and are owned by the local government or municipally owned utility.

(Note: This summary applies to this bill as introduced.)

Status: 2/21/2017 Introduced In House - Assigned to Business Affairs and Labor

SB17-040

Public Access To Government Files

Comment:

Position: **Neutral**

Short Title: Public Access To Government Files

Summary: CAMU will be following CML's lead on this issue

Status: 1/11/2017 Introduced In Senate - Assigned to State, Veterans, & Military Affairs

SB17-042

Repeal Local Government Internet Service Voter Approval

Comment:

Position: **Monitor**

Short Title: Repeal Local Government Internet Service Voter Approval

Summary: Cities, counties, special districts, and other local governments (local government) are currently prohibited, with certain limited exceptions, from providing cable television, telecommunications service, or high-speed internet access without first seeking voter approval. A local government that does provide any of these services is further required to comply with all state and federal laws and regulations governing the service and prohibited from granting certain preferences or discriminating in connection with providing the service.

The bill repeals these restrictions on the provision of cable television, telecommunications service, or high-speed internet access by a local government.

(Note: This summary applies to this bill as introduced.)

Status: 1/11/2017 Introduced In Senate - Assigned to Business, Labor, & Technology
2/13/2017 Senate Committee on Business, Labor, & Technology Postpone Indefinitely

SB17-081 **Rural Broadband Deployment**

Comment:

Position: **Monitor**

Short Title: Rural Broadband Deployment

Summary: **Section 1** of the bill updates the definition of a broadband network for purposes of telecommunications regulation and deregulation.

Section 2 updates how the public utilities commission (commission) makes an effective competition determination for high cost support mechanism (HCSM) funding, which is financial assistance provided to telecommunications companies that provide basic telephone service or broadband service in areas that lack effective competition.

Section 3 establishes that HCSM funding cannot be used to support more than one wireline and one wireless line per individual household or individual business.

(Note: This summary applies to this bill as introduced.)

Status: 1/13/2017 Introduced In Senate - Assigned to Business, Labor, & Technology
2/22/2017 Senate Committee on Business, Labor, & Technology Postpone Indefinitely

SB17-105 **Consumer Right To Know Electric Utility Charges**

Comment:

Position: **Monitor**

Short Title:	Consumer Right To Know Electric Utility Charges
Summary:	Applies to IOUs only
Status:	1/27/2017 Introduced In Senate - Assigned to Agriculture, Natural Resources, & Energy 2/16/2017 Senate Committee on Agriculture, Natural Resources, & Energy Refer Amended to Senate Committee of the Whole 2/22/2017 Senate Second Reading Passed with Amendments - Committee 2/23/2017 Senate Third Reading Passed - No Amendments 2/27/2017 Introduced In House - Assigned to Transportation & Energy

SB17-145 Electric Utility Distribution Grid Resource Acquisition Plan

Comment:	Exempts municipal utilities
Position:	Monitor
Short Title:	Electric Utility Distribution Grid Resource Acquisition Plan
Summary:	The bill directs specified electric utilities to prepare, and the Colorado public utilities commission to review, proposals to integrate distributed energy resources into their plans to acquire new infrastructure. 'Distributed energy resources' is defined to include renewable distributed generation facilities, such as rooftop solar, energy storage facilities, electric vehicles, and other features of an improved and diversified electrical grid architecture. The commission may approve the plans as submitted or modify them in ways that improve system reliability, reduce costs, or increase the benefits to ratepayers.

(Note: This summary applies to this bill as introduced.)

Status: 1/31/2017 Introduced In Senate - Assigned to Agriculture, Natural Resources, & Energy
2/15/2017 Senate Committee on Agriculture, Natural Resources, & Energy Postpone Indefinitely

SB17-179 Fee Limits For Solar Energy Device Installations

Comment:
Position:
Short Title: Fee Limits For Solar Energy Device Installations
Summary: The bill extends the repeal date of existing laws that limit the amount of permit, plan review, or other fees that counties, municipalities, or the state may charge for installing solar energy devices or systems.

The bill also clarifies that the statutory limitations on the amount of fees applies to any related or associated fees, not just to permit or plan review fees.

(Note: This summary applies to this bill as introduced.)

Status:

2/14/2017 Introduced In Senate - Assigned to Finance
2/23/2017 Senate Committee on Finance Refer Unamended - Consent Calendar to
Senate Committee of the Whole

ISSUE BRIEF January 2017

Municipal Bonds and Public Power

Summary

Tax-exempt municipal bonds have financed \$2 trillion in new investments in infrastructure in the last decade, including \$112 billion in new investments in electric power generation, transmission and distribution, and should be the cornerstone of any plan to address the significant challenges of funding and financing new investments in public infrastructure. Federal tax exemption reduces costs at the margin, but municipal bonds are subject to local control and responsibility. Therefore, the American Public Power Association (Association or APPA) opposes any efforts to limit or eliminate municipal bonds given these adverse impacts on our public power utility members and their customers.

Background and History

The first recorded municipal bond was issued in 1812. Today, there are \$3.7 trillion in municipal bonds outstanding, with more than \$200 billion funding new projects every year. Close to five percent of those issuances (as much as \$11 billion every year) finance new investments in power generation, distribution, reliability, demand control, efficiency, and emissions control: all needed to deliver safe, affordable, and reliable electricity.

In addition to infrastructure for public power utilities, these bonds finance roads, bridges, sewers, hospitals, libraries, schools, town halls, police stations, and every other sort of government-purpose investment made by state and local governments. In fact, nearly three-quarters of the infrastructure investment in the U.S. is financed by state and local government bonds.

Since the creation of the federal income tax in 1913, interest on government purpose municipal bonds has been excluded from federal income tax. This dates back to a series of U.S. Supreme Court decisions in the 1800s concluding first, that a state tax on a federal enterprise inherently violated the Constitution and, second, that a federal tax on municipal bond interest likewise would be unconstitutional. Subsequently, the U.S. Supreme Court has given the federal government the right to regulate government purpose municipal bonds—for example,

requiring issuers to register bonds for the interest to be exempt from tax—and to tax the interest on bonds determined not to be for governmental purposes. By way of example of the latter, the 1986 Tax Reform Act substantially revised the tax treatment of private activity bonds.¹ In 1988, a slim U.S. Supreme Court majority in *South Carolina v. Baker* found that municipal bonds could be taxed, but Congress has been unwilling to overturn decades of precedent by changing the tax treatment of government purpose bonds.

Strengths and Benefits of Municipal Bonds

State and local governmental entities—including public power utilities—have limited means to raise funds for their communities' capital needs. The municipal bond market gives close to 42,000 governmental issuers access to investors. This is particularly important to the vast majority of small towns, counties, cities, and publicly owned utilities that issue municipal bonds. The median corporate bond issue is \$210 million. Conversely, while roughly five percent of municipal bond issuances are for \$200 million or more, the vast majority of municipal bonds, including for public power investments, are far smaller: the median municipal bond issuance is \$7 million.

The federal tax exclusion of bond interest means issuers can finance their investments affordably. Over the past 20 years, the average yield of Standard & Poor's Corporate Bond (Aaa) Index has been 130 basis points higher than that of Moody's High-Grade Municipal Bond Index. Adjusting for the cost of call provisions common in municipal bonds, but rare in corporate

¹ Private activity bonds differ from government purpose municipal bonds in that they can be issued by a state or local government to finance certain private projects. Interest on qualifying private activity bonds is exempt from regular federal income tax, but subject to the federal Alternative Minimum Tax (AMT). The volume of private activity bonds that can be issued in a state is subject to an annual cap. While power generation and distribution are among the qualified private activity bond activities, other restrictions and considerations make the use of tax-exempt private activity bonds rare for such purposes. Of 1,150 municipal bonds issued for public power projects from 2007-2011, just 30 were private activity bonds.

taxable bonds, the spread is closer to 180 basis points. The difference can save municipal bond issuers 25 percent over the 30-year life of a project. These savings result in more critical investments in infrastructure and essential services by state and local governments and lower costs for the services they provide. Also, municipal bonds are ideally suited to finance capital-intensive and long-lived public infrastructure, such as the assets of a public power utility.

Investors purchase municipal bonds in part because of tax considerations, accepting a lower rate of return because the interest is exempt from federal income tax. Municipal bonds are also valued for their ability to generate a steady stream of revenue for fixed-income households. Individual households are the investors in over 70 percent of municipal bonds. Nearly 60 percent of this household tax-exempt interest is earned by taxpayers over 65 years old. In 2012, 48 percent of all municipal bond interest paid to individuals went to those with incomes of less than \$250,000.²

Recent market performance and the “flight to quality” underscore that municipal bonds are also valued as stable financial investments. Now more than 200-years old, the U.S. municipal bond market is well-established, with a robust and comprehensive federal legislative and regulatory system that protects investors. Likewise, municipal bonds themselves are typically extremely secure investment vehicles: the default rate for investment grade municipal bonds is far less than 0.1 percent, a fraction of the default rate for comparably rated corporate bonds.

Congressional and Administration Actions—Threats to Municipal Bonds

Calls to tax municipal bonds to pay for federal income tax rate cuts or deficit reduction are on the rise. All would have the same effect: limiting or eliminating the income tax exemption for interest from municipal bonds would reduce investments in vital infrastructure across the country and increase the cost of electricity for public power customers. Ultimately, a disproportionate share of this burden will be shouldered by those who can least afford it.

For example:

- A repeal of the tax exemption for municipal bonds would increase borrowing costs by 47 percent;
- A surtax on municipal bond interest to create a “cap” on the tax value of the exclusion for municipal bonds would increase borrowing costs by 32 to 35 percent; and

² Internal Revenue Service, “Statistics of Income—2010: Individual Income Tax Returns” (2012).

- Replacing the exclusion for municipal bonds with a direct payment bond would increase borrowing costs by 16 percent (assuming a direct payment percentage of 25 percent of the issuer’s interest expenses). Direct payment bond issuers would also be vulnerable to the annual budget process, as evidenced by the ongoing sequestration order for Build America Bond payments. (See APPA’s fact sheet, “Sequestration for Build America Bonds’ Credit Payments” for additional information.)

To put these numbers in perspective, a \$250 million power plant would cost \$80 million more to finance if the tax exemption for municipal bonds were repealed; \$40 million more if the tax exemption were “capped” and \$30 million more if municipal bonds were replaced with direct payment bonds.

American Public Power Association Position

The Association believes municipal bonds are the single most effective tool for financing investments in public infrastructure. Taxing municipal bonds would impose higher borrowing costs that would limit investment in critical infrastructure and, ultimately, impose higher electric rates on our residential and business customers. In sum, any such change would simply shift costs from the federal government onto the backs of state and local residents. As a result, the Association believes that the federal tax exclusion for municipal bond interest should not be limited or replaced.

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Cybersecurity and the Electric Sector

Summary

The electric utility industry (including public power utilities) takes very seriously its responsibility to maintain a strong electric grid and it is the only critical infrastructure sector besides nuclear power that has any mandatory and enforceable federal regulatory standards in place for cybersecurity. As the grid evolves, unfortunately, so do threats to its integrity. The threat of cyber-attacks is relatively new compared to long-known physical threats, but an attack with operational consequences could occur and cause disruptions in the flow of power if malicious actors are able to hack into data overlays used in some electric generation and transmission infrastructure. Furthermore, such an attack could also cause public power utilities to incur liability for damages. While the American Public Power (Association or APPA) believes that the industry itself, with the North American Electric Reliability Corporation (NERC), has made great strides in addressing cybersecurity threats, vulnerabilities, and potential emergencies, it recognizes that emergency situations warranting federal involvement may arise.

Background and Congressional Action

The electric utility sector is the only critical infrastructure sector besides nuclear power plants (a part of the overall sector) that has any mandatory and enforceable federal regulatory regime in place for cybersecurity. Congress approved the standards regime for the bulk power system in the Energy Policy Act of 2005 (Section 215 of the Federal Power Act). Under Section 215, NERC, working with electric industry experts, regional entities, and government representatives, drafts reliability and cybersecurity standards that apply across the North American grid, inclusive of Canada. Participation by industry experts and compliance personnel in the NERC standards development process ensures that the standards are technically sound, fair, and balanced. The Federal Energy Regulatory Commission (FERC) has the power to then approve or remand those standards as they apply in the United States. To ensure compliance, NERC conducts rigorous audits and can levy substantial fines

for non-compliance. Additionally, FERC can instruct NERC to develop new or revised reliability standards with a very short turn-around time.

To date, the electric utility sector's Federal Power Act (FPA) Section 215 processes and its actions beyond the Section 215 regime have prevented a successful cyber-attack causing operational consequences on the bulk electric system in the United States. That said, APPA has long recognized that increased information sharing and appropriately tailored liability protection would further enhance the industry's ability to guard against cyber-attacks. As such, the Association strongly supported passage of the Cybersecurity Act of 2015, which was incorporated as Division N of H.R. 2029, the Consolidated Appropriations Act, 2016. The Act set up policies and procedures for sharing cybersecurity threat information between the federal government and private entities (which include public power) and between private entities and provides limited liability protection for these activities if conducted in accordance with the Act.

In addition to the Cybersecurity Act of 2015, the Association strongly supported Section 61003 of P.L. 114-94 (the "FAST Act"), which gave the Secretary of Energy broader authority to address grid security emergencies under the FPA and clarified the ability of FERC and other federal agencies to protect sensitive Critical Electric Infrastructure Information (CEII) from public disclosure under the Freedom of Information Act (FOIA) and other sunshine laws. Specifically, the provision directed that FERC-designated CEII be exempt from disclosure for a period of up to five years with a process to lift the designation or challenge it in court and established sanctions for the unauthorized disclosure of shared information. FERC issued a final rule to implement this provision on December 21, 2016.

Outside of the legislative process, the Association and its members, as well as other utilities, continue to participate in the NERC Critical Infrastructure Protection (CIP) standards drafting process on cyber and physical security. (See APPA's "Physical Security and the Electric Sector" issue brief for more information on the physical-security standard.) As attacks on critical electric infrastructure are ever-changing, so must be the nature

of our defenses, whether they are designed to protect cyber or physical assets. As such, CIP Version 5 are in effect and became enforceable on July 1, 2016. FERC also approved a physical security standard to protect the Nation's most critical substations that became enforceable on October 1, 2015. Finally, APPA worked with others in the electric sector to participate in and comment on the activities outlined in President Obama's Executive Order on cybersecurity released in February 2013. The Executive Order required the creation of a cybersecurity framework, which was released in February 2014. The Association has encouraged its members to adopt this framework and evaluate their cybersecurity plans.

APPA is also involved with internal and external working groups to enhance the security of the electric grid. The Association created the Cybersecurity and Physical Preparedness Committee (CAPP), a collection of APPA members who serve on working groups and share information related to security issues. Furthermore, the Association and its members play a leadership role in the Electricity Subsector Coordinating Council (ESCC), the government/industry partnership focused on security and information sharing that is mentioned earlier in this document. Through the ESCC, APPA works with the other critical infrastructure sectors, such as the downstream natural gas and dam sectors.

The Association has partnered with the Department of Energy (DOE) and signed a three-year Cooperative Agreement for up to \$2.5 million per year to accelerate the Association's efforts to help its members understand and implement resiliency, cybersecurity, and cyber-physical solutions, including refining and improving the adoption of advanced control concepts. We respectfully encourage Congress to continue fully funding research in this area through the DOE's Office of Electricity Delivery and Energy Reliability (OEDER).

American Public Power Association Position

Protecting the cybersecurity of the electric grid is of upmost importance to public power utilities and the electric utility industry as a whole. The regulations and standards ("NERC-FERC") process set up in the 2005 Energy Policy Act continue to provide a solid foundation for strengthening the industry's security posture. These mandatory standards evolve with input from subject-matter experts from across industry and government. However, we recognize that we cannot protect all assets from all threats all the time, and instead must manage risk. APPA believes that close coordination among industry and government partners at all levels is imperative to deterring attacks and preparing for emergency situations and, as such, will continue to invest considerable resources into this effort.

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Energy Efficiency

Summary

Energy efficiency—the ability to maximize energy use via more efficient technologies throughout the electric utility system, as well as for electric customers to minimize their energy use by using a variety of tools, technologies, and behaviors—is one of the most important, cost-saving tools available to utilities to meet energy demand, defer generation investment, and reduce greenhouse gas and other emissions. The federal government creates incentives for energy efficiency through the tax code, appropriations bills, and authorizing bills. The American Public Power Association (Association or APPA) provides tools and support for our public power members to deploy energy efficiency measures at their utilities, and is generally supportive of federal efforts to encourage and support such activities so long as they are cost-effective for consumers and have a reasonable payback period.

Congressional Action

Several energy efficiency measures were considered in the 114th Congress. On February 23, 2015, Senators Rob Portman (R-OH) and Jeanne Shaheen (D-NH) introduced a scaled-down version of their larger energy efficiency bill from the 113th Congress. The scaled-down legislation, S. 535, the Energy Efficiency Improvement Act was comprised of three major provisions: (1) the Better Buildings Act; (2) language on grid-enabled water heaters; and (3) language on energy information for commercial buildings. It passed unanimously by voice vote in the House and Senate in the spring of 2015, and was signed into law by President Obama on April 30, 2015.

In addition, in March 2015, Senators Portman and Shaheen introduced their larger efficiency package, S. 720, the Energy Savings and Industrial Competitiveness Act of 2015. A companion bill to S. 720 was introduced in the House, H.R. 2177, by Reps. David McKinley (R-WV) and Peter Welch (D-VT). Many of the provisions in this legislation were included in S. 2012, the Energy Policy Modernization Act, which passed the Senate on April 20, 2016, and H.R. 8, the North American

Energy Security and Infrastructure Act, that passed the House on December 8, 2015. Ultimately, these provisions did not become law because the energy bill conference committee could not reach an agreement on a final bill.

Also in the 114th Congress, APPA joined with over 20 trade associations, businesses, manufacturers, and other stakeholders in a letter to senators on the Senate Energy & Natural Resources Committee urging them to support S. 869, the All-of-the-Above Federal Building Energy Conservation Act of 2015. This legislation was also included in S. 720 and S. 2012 that were approved by the Senate Energy & Natural Resources Committee in July 2015. S. 869 and its companion bill in the House, H.R. 2177, sought to improve federal energy use management by providing taxpayers with savings by enhancing efficiency in federal buildings. In addition, the language repealed a requirement from the Energy Independence and Security Act of 2007 (EISA) regarding the reduction and eventual elimination of fossil-fuel generated energy consumption in new and renovated federal buildings. Due to the unrealistic nature of this provision from EISA, the government has been unable to find a long-term path to compliance. These provisions would also have strengthened several existing federal energy management provisions that provide federal building energy managers the flexibility to achieve cost-efficient reductions in consumption and encourage efficient technologies and practices, as well as retrofits of federal buildings. The Association strongly supported these measures.

Additionally, on June 25, 2015, APPA joined the same stakeholders from the April 29, 2015, letter, in a letter to members of the House Energy & Commerce Committee's Subcommittee on Energy & Power urging them to include these provisions in H.R. 8. These provisions were included in the House energy bill as Sections 4115 and 4116.

American Public Power Association Position

The Association strongly supports legislation to improve energy efficiency in multiple sectors. Many of our members have already taken steps either through the use of federal incentives,

other funds, or local initiatives to improve energy efficiency for customers. APPA will continue to monitor and work on priorities with stakeholders and the House Energy & Commerce and Senate Energy & Natural Resources Committees in the 115th Congress.

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ITEM TITLE:

Water Legislative Update

DESCRIPTION:

This item and the attachment are intended to give a brief update on water-related legislation being contemplated by the Colorado General Assembly. Loveland Water and Power relies primarily on the Colorado Water Congress (CWC) for information on water-related legislation.

SUMMARY:

The Second Regular Session of the Seventieth Colorado General Assembly convened on January 11, 2017 and will run through May 10, 2017. The Colorado Water Congress, through its State Affairs Committee, tracks Colorado state house and senate bills related to water. This committee meets each Monday morning during the legislative session. After a bill is first introduced, they cover that bill at the next committee meeting to learn about it. Usually, this committee votes on whether to take a position on the bill at the following State Affairs Committee meeting. The voting may be delayed another week if more time is needed on a bill. For CWC to take a position on a bill, the bill must have at least a 2/3 vote from the State Affairs Committee. Once CWC takes a position, they then advocate on behalf of their members to policy makers. Of the state bills that CWC takes a position, their success rate in either killing bills that they oppose or passing bills that they support is eight-five percent.

While the state legislature is in session, each month in the LUC packet there will be a Bill Summary Sheet (See Attachment A) which gives a brief summary of each bill being tracked by CWC and a Bill Status Sheet (See attachment B) that will show how far along each bill is that CWC has taken a position to support, oppose or monitor. For additional information on a particular bill, please click on the hyperlinks in the Bill Summary Sheet. Once a bill is killed in a committee or lost in a floor vote, it will be removed from this list. A state legislative item of interest to be aware of this legislative session is as follows:

SJR17-013 Stakeholder Input in Nutrient Regs: This is a joint resolution that encourages stakeholders - including the Water Quality Control Division, members of the regulated community, drinking water providers, the agricultural community, drinking water providers and the general public - to participate in a water quality forum to evaluate regulatory alternatives and cooperative strategies that help meet statewide goals of nutrient reduction. SJR17-013 directs stakeholders to look at general benchmarks of feasibility including technical and economic considerations and environmental sustainability.

The Colorado Water Congress, through its Federal Affairs Committee, provides the principal voice of Colorado's water community on federal issues that may affect Colorado or that are important to its members. The Federal Affairs Committee works closely with the National Water Resource Association (NWRA), a federation of state water organizations concerned with appropriate management, conservation and use of water resources. In the Federal Affairs section of the CWC

website it lists a brief description of some key federal legislative items they are tracking such as watershed protection, endangered species, ski area water rights and waters of the U.S.

The Colorado Municipal League provides a voice to Colorado's cities and towns. Please see attachment C for their 2017 federal legislative priorities, which include protecting municipal bonds from federal income tax which directly affects how utilities can finance large infrastructure projects.

Please visit www.cowatercongress.org if you would like additional information regarding federal or state bills related to water and www.cml.org for state and federal bills related to municipal cities and towns.

RECOMMENDATION:

Information item only. No action required.

ATTACHMENTS:

- ⌚ Attachment A: Colorado Water Bill Summary
- ⌚ Attachment B: CWC, State Affairs Committee, Water Bill Status Sheet
- ⌚ Attachment C: Colorado Municipal League 2017 Federal Legislative Priorities

Attachment A

2017 Colorado Water Bill Summary

HOUSE BILL 17-1008 Graywater Regulation Exemption for Scientific Research - CONCERNING AN EXEMPTION FROM THE WATER QUALITY CONTROL COMMISSION'S GRAYWATER CONTROL REGULATIONS FOR GRAYWATER USED FOR THE PURPOSE OF SCIENTIFIC RESEARCH INVOLVING HUMAN SUBJECTS.

CWC Position: TBD

Bill Summary: Water Resources Review Committee. The water quality control commission in the department of public health and environment (commission) is responsible for developing requirements, prohibitions, and standards that protect public health and water quality for the use of graywater for nondrinking purposes. Scientific research on graywater that might involve graywater uses and systems that do not strictly comply with the requirements, prohibitions, and standards developed by the commission would not be permitted under the control regulations.

To facilitate scientific research related to graywater uses and systems, the bill creates an exemption from the commission's graywater control regulations for scientific research involving human subjects whereby a person may collect and use graywater for purposes of scientific research involving human subjects if the person:

- Seeks to conduct the scientific research on behalf of an institution of higher education;
- Utilizes a graywater treatment works system that incorporates a secondary water supply to provide an alternative source of water if any portion of the system does not function properly; and
- Collects and uses graywater in accordance with the terms and conditions of the decrees, contracts, and well permits applicable to the use of the source water rights or source water and any return flows.

The person is required to report to the water resources review committee on an annual basis the results of periodic monitoring conducted to assess the continued functioning of the graywater treatment works system used in the project and the project's compliance with federal rules concerning the protection of human research subjects.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_1008_01.pdf

HOUSE BILL 17-1029 Open Records Subject to Inspection Denial - CONCERNING PUBLIC RECORDS THAT ARE SUBJECT TO DENIAL OF INSPECTION.

CWC Position: Monitor

Bill Summary: The bill allows a custodian to deny access to confidential personal information records and employee personal e-mail addresses. The provisions of the "Colorado Open Records Act" that relate to civil or administrative investigations and trade secrets and other privileged and confidential information apply to the judicial branch.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_1029_01.pdf

HOUSE BILL 17-1030 Update 1921 Irrigation District Law - CONCERNING PUBLIC RECORDS THAT ARE SUBJECT TO DENIAL OF INSPECTION.

CWC Position: Support

Bill Summary: Water Resources Review Committee. This bill amends the 1921 irrigation district law to:

- Remove inconsistencies and update antiquated provisions;
- Clarify the definition of landowners entitled to receive water, vote in district elections, and serve on the board of directors;
- Update dollar figures and, in subsequent years, adjust for inflation;
- Define "agricultural land";
- Update election procedures;
- Clarify how irrigation district assessments are collected and held; and
- Modernize procedures for selling surplus property.

The bill also clarifies that water acquired in excess of an irrigation district's own needs can be leased for all beneficial purposes, rather than only for domestic, agricultural, and power and mechanical purposes, and that the provisions of the 1921 irrigation district law are in addition to powers conferred on irrigation districts in other statutes.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_1030_enr.pdf

HOUSE BILL 17-1033 CWCB Grants Loans Dredge South Platte Basin Reservoirs - CONCERNING AN AUTHORIZATION FOR THE COLORADO WATER CONSERVATION BOARD TO FINANCE SOUTH PLATTE RIVER BASIN RESERVOIR DREDGING PROJECTS.

CWC Position: TBD

Bill Summary: Water Resources Review Committee. The bill appropriates \$5 million from the Colorado Water Conservation Board construction fund to the Colorado water conservation board to make loans and grants to enable the recipients to dredge existing reservoirs located in the South Platte river basin to restore the reservoirs' full decreed storage capacity.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_1033_01.pdf

HOUSE BILL 17-1076 Artificial Recharge Nontributary Aquifer Rules - CONCERNING RULE-MAKING BY THE STATE ENGINEER REGARDING PERMITS FOR THE USE OF WATER ARTIFICIALLY RECHARGED INTO NONTRIBUTARY GROUNDWATER AQUIFERS.

CWC Position: Support

Bill Summary: Currently, the state engineer must promulgate rules for the permitting and use of waters artificially recharged into 4 named aquifers. The bill adds the requirement that the state engineer also promulgate rules for the permitting and use of waters artificially recharged into nontributary groundwater aquifers. The rules must be promulgated on or before July 1, 2018.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_1076_ren.pdf

HOUSE BILL 17-1177 Mediation for Disputes Arising Under CORA - CONCERNING THE 101 USE OF ALTERNATIVE METHODS OF RESOLVING DISPUTES THAT ARISE UNDER THE "COLORADO OPEN RECORDS ACT".

CWC Position: Oppose

Bill Summary: Commencing on the effective date of the bill, any person denied the right to inspect documents under the "Colorado Open Records Act" (CORA) or who alleges other CORA violations may apply to the state district court in which the record is located for an appropriate order. The bill also permits the parties in good faith to participate in mediation to resolve their dispute. The bill provides immunity for the disclosure of privileged or confidential information to the mediator. The bill specifies requirements and procedures governing the mediation, including situations where:

- The party disputing the custodian's decision has chosen not to participate in the mediation before seeking a district court order;
- The parties participated in mediation but were unable to resolve their dispute without filing a court order; and
- The parties did not participate in mediation.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_1177_01.pdf

HOUSE BILL 17-1190 Concerning Limited Applicability of St. Jude's - CONCERNING THE LIMITED APPLICABILITY OF THE COLORADO SUPREME COURT'S DECISION IN ST.JUDE'S CO. V.ROARING FORK CLUB, LLC, 351 P.3d 442 (COLO. 2015).

CWC Position: TBD

Bill Summary: In the case of St. Jude's Co. v. Roaring Fork Club, LLC, 351 P.3d 442 (Colo. 2015) (St. Jude's Co.), the Colorado supreme court held that direct diversions of water from a river to a private ditch for aesthetic, recreational, and piscatorial purposes on private property, without impoundment, are not beneficial uses of water under Colorado water law.

The bill provides that the decision in the St. Jude's Co. case interpreting section 37-92-103 (4) does not apply to previously decreed absolute and conditional water rights or claims pending as of July 15, 2015. The interpretation of section 37-92-103 (4) in St. Jude's Co. applies only to direct flow appropriations, without storage, made after July 15, 2015, for water diverted from a surface stream to a private ditch on private property for aesthetic, recreational, and piscatorial purposes.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_1190_01.pdf

HJR17-1003 Water Projects Eligibility Lists - CONCERNING APPROVAL OF WATER PROJECT REVOLVING FUND ELIGIBILITY LISTS ADMINISTERED BY THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY.

CWC Position: Support

Bill Summary: Not available.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_HJR1003_signed.pdf

HJR17-1004 Funding for Prevention of Aquatic Nuisance Species - CONCERNING FUNDING FOR THE PREVENTION OF AQUATIC NUISANCE SPECIES IN COLORADO.

CWC Position: Support

Bill Summary: Not Available

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_HJR1004_enr.pdf

SENATE BILL 17-002 Compulsory Review of Rules by Each Principal Department - CONCERNING THE COMPULSORY REVIEW OF RULES BY EACH PRINCIPAL DEPARTMENT, AND, IN CONNECTION THEREWITH, ESTABLISHING A TRIENNIAL BASIS FOR EACH REVIEW TO BE CONDUCTED.

CWC Position: Monitor

Bill Summary: Current law requires each principal department to review all of its rules, in accordance with a schedule established by the department of regulatory agencies (DORA), to assess, among other things, the continuing need and cost-effectiveness of each rule. The bill repeals the DORA schedule-setting and instead requires a review and supplemental update to be completed every 3 years, commencing in 2017. Thereafter, the bill imposes a triennial schedule for reviews to be conducted. The bill further specifies that the public and certain state agencies must be accorded no fewer than 14 business days to provide input regarding an agency's rules during its review, and that any input received must be attached to the report setting forth the results of the rule reviews included in each agency's departmental regulatory agenda.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_002_01.pdf

SENATE BILL 17-026 State Engineer Statutes Cleanup - CONCERNING REQUIREMENTS GOVERNING IMPLEMENTATION OF THE STATE ENGINEER'S FUNCTIONS, AND, IN CONNECTION THEREWITH, RESTRUCTURING THE FEE THAT THE STATE ENGINEER MAY CHARGE FOR RATING CERTAIN TYPES OF WATER INFRASTRUCTURE, REPEALING CERTAIN REQUIREMENTS, AND UPDATING LANGUAGE IN THE STATUTES REGARDING THE DIVISION OF WATER RESOURCES.

CWC Position: Support

Bill Summary: **Water Resources Review Committee.** **Section 8** of the bill restructures the fee that the state engineer may charge for rating certain types of water infrastructure from \$25 per day for expenses incurred in determining the rating to a flat fee of \$75.

Section 1 specifies the location of the state engineer's office as within the capitol complex.

Section 2 permits the state engineer to use new technology that can accomplish the same functions as satellite or telemetry-based monitoring systems and is more cost effective.

The bill repeals certain requirements as follows:

- In sections 1, 4, and 11, the requirement that certain officials take an oath and post bond;
- In section 8, certain fee requirements; and
- In section 14, the requirement that the state engineer survey, lay out, and locate a ditch or canal along the Arkansas river.

Section 16 increases the amount of time for filing comments on a substitute water supply plan from 30 days after the state engineer mails the notice to 35 days after mailing the notice.

The bill updates language within the statutes related to the state engineer and the division of water resources.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_026_ren.pdf

SENATE BILL 17-036 Appellate Process Concerning Groundwater Decisions - CONCERNING THE APPELLATE PROCESS GOVERNING A DISTRICT COURT'S REVIEW OF FINAL AGENCY ACTIONS CONCERNING GROUNDWATER.

CWC Position: Monitor

Bill Summary: Under current law, the decisions or actions of the ground water commission (commission) or the state engineer regarding groundwater are appealed to a district court, and the evidence that the district court may consider is not limited to the evidence that was presented to the commission or state engineer. Therefore, unlike appeals from other state agencies' decisions or actions under the "State Administrative Procedure Act", a party appealing a decision or action of the commission or state engineer may present new evidence on appeal that was never considered by the commission or state engineer.

The bill limits the evidence that a district court may consider, when reviewing a decision or action of the commission or state engineer on appeal, to the evidence presented to the commission or state engineer.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017a_036_ren.pdf

SENATE BILL 17-040 Public Access to Government Files - CONCERNING PUBLIC ACCESS TO FILES MAINTAINED BY GOVERNMENTAL BODIES.

CWC Position: Oppose

Bill Summary: Section 2 of the bill modifies the "Colorado Open Records Act" (CORA) by creating new procedures governing the inspection of public records that are stored as structured data. Section 1 defines key terms including "structured data", which the bill defines as digital data that is stored in a fixed field within a record or file that is capable of being automatically read, processed, or manipulated by a computer.

If public records are stored as structured data, section 2 requires the custodian of the public records to provide an accurate copy of the public records in a structured data format when requested. If public records are not stored as structured data but are stored in an electronic or digital form and are searchable in their native format, the custodian is required to provide a copy of the public records in a format that is searchable when requested.

Section 2 specifies the circumstances that exempt the custodian from having to produce records in a searchable or structured data format.

If a custodian is not able to comply with a request to produce public records in a requested format, the custodian is required to produce the records in an alternate format and to provide a written declaration attesting to the reasons the custodian is not able to produce the records in the requested format. If a court subsequently rules the custodian should have provided the data in the requested format but that the custodian reasonably believed, based upon the reasons stated in the written declaration, that the data could not be produced in the requested format, attorney fees may be awarded only if the custodian's action was arbitrary or capricious.

Nothing in the bill requires a custodian to produce records in their native format.

Section 3 expands the grounds permitting the filing of a civil action seeking inspection of a public record to include an allegation of a violation of the digital format provisions in the bill or a violation of record transmission provisions specified in CORA. This section also specifies that altering an existing record, or excising fields of information, to remove information that the custodian is required or allowed to withhold does not constitute the creation of a new public record. Such alteration or excision may be subject to a research and retrieval fee or a fee for the programming of data as allowed under existing provisions of CORA.

Section 4 modifies CORA provisions governing the copy, printout, or photograph of a public record and the imposition of a research and retrieval fee. Among these modifications:

- The bill deletes existing statutory language permitting the custodian to charge the same fee for services rendered in supervising the copying, printing out, or photographing of a public record as the custodian may charge for furnishing a copy, printout, or photograph;
- The bill replaces a reference in the statute to the phrase "manipulation of data" with the phrase "programming, coding, or custom search queries so as to convert a record into a structured data or searchable format";
- In connection with determining the amount of the fee for a paper or electronic copy of a public record, the bill specifies that, if a custodian performs programming, coding, or custom search queries to create a public record, the fee for a paper or electronic copy of that record may be based on recovery of the actual or incremental costs of performing the programming, coding, or custom search queries, together with a reasonable portion of the costs associated with building and maintaining the information systems; and
- When a person makes a request to inspect or make copies or images of original public records, the bill permits the custodian to charge a fee for the time required for the custodian to supervise the handling of the records, when such supervision is necessary to protect the integrity or security of the original records.

Section 5 repeals the existing criminal misdemeanor offense and penalty for a willful and knowing violation of CORA.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_040_01.pdf

SENATE BILL 17-049 Exempt Drains Designated Groundwater Requirement - CONCERNING EXEMPTIONS FROM DESIGNATED GROUNDWATER REQUIREMENTS FOR CERTAIN DRAINS.

CWC Position: No Position

Bill Summary: To withdraw groundwater within a designated basin, current law requires a permit issued by the ground water commission, and typically a portion of the groundwater must be replaced. The bill exempts a drain from the permit and replacement obligations if the drain is for residential, commercial, or industrial development or utility lines installed to serve such development; the drain does not penetrate a confining layer; the removed groundwater is not put to any use other than collecting and removing groundwater from soils; and the removed groundwater is discharged essentially where the drain is located.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_049_01.pdf

SENATE BILL 17-079 Limit Amendments to Initiated Statutory Laws - CONCERNING THE GENERAL ASSEMBLY'S INTENT TO LIMIT AMENDMENTS TO INITIATED STATUTORY LAWS.

CWC Position: Monitor

Bill Summary: The state constitution does not limit the general assembly's ability to amend, repeal, or otherwise supersede a statutory law initiated by the voters and specifies that bills will not become law unless approved by a majority vote of all members elected to each house. The bill states that it is the intent of the general assembly that it will not amend, repeal, or otherwise supersede an initiated law in the Colorado revised statutes that was approved at an election after the 2016 general election for a period of 3 years from the date the law takes effect unless such amendment, repeal, or supersession is approved by a vote of two-thirds of all the members elected to each house.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_079_01.pdf

SENATE BILL 17-117 Recognize Industrial Hemp as Ag Product for Ag Water Right - CONCERNING CONFIRMATION THAT INDUSTRIAL HEMP IS A RECOGNIZED AGRICULTURAL PRODUCT FOR WHICH A PERSON WITH A WATER RIGHT DECREED FOR AGRICULTURAL USE MAY USE THE WATER SUBJECT TO THE WATER RIGHT FOR INDUSTRIAL HEMP CULTIVATION.

CWC Position: Oppose

Bill Summary: In Colorado, water subject to a water right may be used for the purpose for which the water is decreed. The bill confirms that a person with an absolute or conditional water right decreed for agricultural use may use the water subject to the water right for the growth or cultivation of industrial hemp if the person is registered by the department of agriculture to grow industrial hemp for commercial or research and development purposes.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_117_01.pdf

SENATE BILL 17-152 Implement Changes Made By Amendment 71 - CONCERNING THE IMPLEMENTATION OF VOTER-APPROVED CHANGES TO THE COLORADO CONSTITUTION THAT MAKE IT MORE DIFFICULT TO AMEND THE STATE CONSTITUTION, AND, IN CONNECTION THEREWITH, PROHIBITING A PETITION FOR AN INITIATED AMENDMENT TO THE STATE CONSTITUTION FROM BEING SUBMITTED TO VOTERS UNLESS THE PETITION IS SIGNED BY THE CONSTITUTIONALLY REQUIRED NUMBER OF REGISTERED ELECTORS WHO RESIDE IN EACH STATE SENATE DISTRICT AND TOTAL NUMBER OF REGISTERED ELECTORS, AND REQUIRING AT LEAST FIFTY-FIVE PERCENT OF THE VOTES CAST ON ANY AMENDMENT TO THE STATE CONSTITUTION TO ADOPT THE AMENDMENT UNLESS THE AMENDMENT ONLY REPEALS IN WHOLE OR IN PART A PROVISION OF THE STATE CONSTITUTION, IN WHICH CASE REQUIRING A MAJORITY OF THE VOTES CAST ON THE AMENDMENT TO ADOPT THE AMENDMENT.

CWC Position: Support

Bill Summary: The bill implements changes to the Colorado constitution approved by voters at the 2016 general election that make it more difficult to amend the state constitution by:

- Prohibiting a petition for an initiated state constitutional amendment to be submitted to voters for approval or rejection unless the petition is signed by the constitutionally specified number of registered electors who reside in each state senate district and total number of registered electors; and

- Requiring at least 55% of the votes cast on any state constitutional amendment to adopt the amendment; except that only a simple majority of the votes cast is necessary to adopt a state constitutional amendment that only repeals in whole or in part a provision of the state constitution.

When a draft of a ballot issue that proposes a state constitutional amendment is filed with the title board, the title board must decide if the proposed constitutional amendment only repeals in whole or in part a provision of the state constitution for purposes of determining the required percentage of votes cast to adopt the amendment. The designated representatives of the proponents or any registered elector who is not satisfied with the title board's decision may appeal the decision by filing a motion for rehearing to the title board. Decisions of the title board at the rehearing on this issue may be directly appealed to the Colorado supreme court in the same manner as ballot title and fiscal impact abstract appeals.

The bill requires the secretary of state to notify proponents of a petition for an initiated state constitutional amendment of the number and boundaries of the state senate districts in existence and the number of registered electors in each state senate district at the time the petition format is approved. The secretary of state must validate signatures on a petition for an initiated state constitutional amendment by random sampling. If the random sample establishes that the number of valid signatures is 90% or less of the total number of registered electors needed to declare the petition sufficient, the secretary of state is required to deem the petition to be not sufficient. If the random sample establishes that the number of valid signatures is more than 90% of the total number of registered electors needed to declare the petition sufficient, the secretary of state is required to order the examination of each signature filed.

After the examination of a petition for an initiated constitutional amendment, the secretary of state is required to issue a statement as to whether a sufficient number of valid signatures from each state senate district and a sufficient total number of valid signatures appear to have been submitted to certify the petition to the ballot. If the secretary of state declares that the petition appears not to have either a sufficient number of valid signatures from each state senate district, a sufficient total number of valid signatures, or both, the secretary of state's statement shall specify the number of sufficient and insufficient signatures from each state senate district, the total number of sufficient or insufficient signatures, or both, as applicable. The bill allows the proponents of the petition to cure an insufficiency of signatures in one or more state senate districts, the total valid signatures, or both, as applicable.

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_152_01.pdf

SJM17-001 Memorialize Congress to Fund Wildfire Response - CONCERNING THE NEED FOR CONGRESS TO FUND CATASTROPHIC WILDFIRE RESPONSE COSTS OUTSIDE OF FEDERAL FOREST MANAGEMENT AGENCIES' NORMAL BUDGETS.

CWC Position: Monitor

Bill Summary: None available

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_SJM001_rev.pdf

Attachment B

CWC State Affairs 2017 Bill Status Sheet

Bill No.	Short Title	CWC Position	Introduced	First House				Second House				First House Repass	Conference Committee	Governor
				1st Committee	2nd Committee	2nd Reading	3rd Reading	1st Committee	2nd Committee	2nd Reading	3rd Reading			
HB17-1008	Graywater Regulation Exemption For Scientific Research		Ag 1/11											
HB17-1029	Open Records Subject to Inspection Denial	Monitor	SVMA 1/11	2/2 SVMA PI										
HB17-1030	Update 1921 Irrigation District Law	Support	Ag 1/11	1/23 Ag @ 1:30		1/26	1/31	1/31	2/9		2/13	2/14		
HB17-1033	CWCB Grants Loans Dredge South Platte Basin Reservoirs		Ag 1/11											
HB17-1076	Artificial Recharge Nontributary Aquifer Rules	Support	Ag 1/17	1/30 Ag @ 1:30		2/2	2/6	2/6						
HB17-1177	Mediation for Disputes Arising Under CORA	Oppose	SVMA 2/6	3/16 SVMA @ 1:30										
HB17-1190	Concerning Limited Applicability of St. Jude's													
HJR17-1003	Water Projects Eligibility Lists	Support	Ag 1/17	1/30 Ag @ 1:30		2/2	2/3	2/9		2/14				
HJR17-1004	Funding for Prevention of Aquatic Nuisance Species	Support	Ag 1/17	1/23 Ag @ 1:30		1/25	1/30			2/1				
SB17-002	Compulsory Review of Rules by Each Principal Department	Monitor	BLT 1/11	2/14 BLT @ 2:00										
SB17-026	State Engineer Statutes Cleanup	Support	Ag 1/11	1/19 Ag @ 1:30		1/24	1/25	1/26	1/30 Ag	Ap				
SB17-036	Appellate Process Concerning Groundwater Decisions	Monitor	Ag 1/11	2/9 Ag		2/13	2/14	2/21						
SB17-040	Public Access to Government Files	Oppose	SVMA 1/11											
SB17-049	Exempt Drains Designated Groundwater Requirement	No Position	Ag 1/11	2/2 Ag @ 1:30 PI										

CWC State Affairs 2017 Bill Status Sheet

Bill No.	Short Title	CWC Position	First House				Second House				First House Repass	Conference Committee	Governor	
			Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading	Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading		
SB17-079	Limit Amendments to Initiated Statutory Laws	Monitor	SVMA 1/13	2/1 SVMA PI										
SB17-117	Recognize Industrial Hemp as Ag Product for Ag Water Right	Oppose	Ag 1/27											
SB17-152	Implement Changes Made By Amendment 71	Support	SVMA 1/31	2/15 SVMA @ 1:30	Ap									
SJM17-001	Memorialize Congress to Fund Wildfire Response	Monitor	Ag 1/11	1/19 Ag @ 1:30		1/24	1/27	2/8 Ag			2/10			

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BILL STATUS		ABBREVIATIONS	
Bill scheduled for action at next SA meeting (yellow)		Ag = Agriculture and Natural Resources Committee	
Bill not calendared (no fill)		Ap = Appropriations Committee	
Bill Passed, date of action (green)		BLEW = Business, Labor, Economic and Workforce Development Committee	
Bill no longer active (gray)		CC = Conference Committee	
Bill Postponed Indefinitely, Lost or Laid Over to end of session, date of action (orange)		F = Finance Committee	
Bill did not go to second committee or no action required (black)		HIE= Health, Insurance, and Environment	

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CWC State Affairs 2017 Bill Status Sheet

Bill No.	Short Title	CWC Position	First House				Second House				First House Repass	Conference Committee	Governor	
			Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading	Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading		
J = Judiciary														
CWC POSITION														
Bill scheduled for activity in CWC State Affairs (yellow)		Yellow												
Support (green)		Green												
Oppose (orange)		Orange												
Amend (blue)		Blue												
Monitor, Neutral, No Position		Grey												
LG = Local Government Committee														
SVMA = State, Veterans, and Military Affairs Committee														
TE = Transportation and Energy Committee														
UA = Upon Adjournment														
UR = Upon Recess														

CML Position

The health and vitality of local economies are critical to a robust and dynamic national economy. Federal fiscal policies should enhance the ability of local elected officials to respond to needs at the local level. Cities and towns rely on federal funding to build infrastructure, support economic development, deliver human services, and ensure public safety. With sufficient federal funds, municipalities can demonstrate a substantial return on investment. This funding must be consistent, stable, and reliable. In addition, cities and towns oppose federal policies that undermine local government regulatory authority, impose unfunded mandates, or preempt local government revenues and revenue authorities.

Close the Online Sales Tax Loophole

- Enact legislation that would grant states the authority they need to require sellers, regardless of location, to collect sales and use taxes owed to them at the point of destination for the sale per the Streamlined Sales Tax Agreement.

Protect Municipal Bonds

- Resist efforts to limit or eliminate the federal income tax exemption on municipal bonds, which will increase local financing costs and decrease infrastructure investments.
- Ensure appropriate regulation of municipal bonds by federal agencies.

Maintain Community Development Funding

- Restore funding for the Community Development Block Grant (CDBG) program at historic levels of \$4.5 billion. Despite its status as one of the most important and flexible federal funding sources for cities, CDBG has been reduced to \$3 billion annually, approximately 0.5% of non-defense discretionary funding.
- Resist further reductions to the HOME Investment Partnerships program.
- Maintain funding of the Homeless Assistance Grant program to help those who are homeless or in danger of becoming homeless.

Invest in Infrastructure

- Give cities and towns appropriate regulatory relief in dealing with train noise.
- Promote a multimodal network for the environmental, social, and economic development of our country.
- Ensure the sustainability of both the highway and mass transit accounts within the federal Highway Trust Fund.
- Fund improvements along rail freight corridors, including grade separations and other safety measures, and improve rail safety transportation of hazardous materials with a more robust tanker design.
- Provide adequate, predictable, and long-term funding for airport capital and development projects by increasing the passenger facility charge.
- Invest in local infrastructure programs, such as the Clean Water and Drinking Water Revolving Funds, as a way to put people back to work.
- Acknowledge local decision-making authority in federal, state and local partnerships.
- Support municipal broadband initiatives.

Ensure Safe Communities

- Support continued necessary federal funding for programs such as the Community Oriented Policing Services (COPS) program, Staffing for Adequate Fire and Emergency Response Grants (SAFER), and Justice Assistance Grants (JAG).

Contact:

Sam Mamet
Executive Director
smamet@cml.org

Kevin Bommer
Deputy Director
kbommer@cml.org



AGENDA ITEM: 4
MEETING DATE: 3/8/2017
SUBMITTED BY: Jim Lees
STAFF TITLE: Utility Accounting Manager

ITEM TITLE:

Financial Report Update

DESCRIPTION:

This item summarizes the monthly and year-to-date preliminary financials for February 2017.

SUMMARY:

Due to the March 2017 meeting being moved up a week, the February 2017 financials will not be ready at the time the LUC packet is compiled. They will be handed out at the meeting for the commission to review.

RECOMMENDATION:

Information item only. No action required.

ITEM TITLE:

Wastewater Treatment Plant Biological Nutrient Removal & Digester Project – Package 1 Construction Contract

DESCRIPTION:

This is for the approval of the construction contract for Package 1 of the Wastewater Treatment Plant Biological Nutrient Removal & Digester Project (Project # W1604H).

SUMMARY:

In order to expedite the start of construction, the Wastewater Treatment Plant Biological Nutrient Removal (BNR) and Digester improvements project has been split into two distinct packages – an Early Work package (Package 1) and a Final Work package (Package 2). This method will allow the contractor to begin construction on those design elements that are complete while the engineers complete the design for the remainder of the project scope. Package 2 is expected to be presented to the LUC during the June/July 2017 timeframe with an approximate contract value of \$29,000,000.

The scope of **Package 1** includes the following:

- ⌚ Demolition of the abandoned digesters and maintenance garage
- ⌚ Demolition of the east sludge drying beds
- ⌚ Excavation for the new digester facility
- ⌚ Rehabilitation of all three secondary clarifiers
- ⌚ Construction of the new maintenance garage
- ⌚ Various water and sewer line relocations

The project is being delivered via the Construction Manager-at-Risk delivery model. The Contractor, Garney Construction, prepared a Guaranteed Maximum Price (GMP) cost proposal. The GMP cost proposal is comprised of the self-performed work of Garney as well as all subcontracted trades. The subcontracted work was publicly bid and the City participated in the evaluation and selection of those subcontractors. The City utilized a third-party independent cost estimator to evaluate the GMP and the cost of Garney's self-performed work. The reconciliation of Garney's GMP and the independent estimate yielded a 1.4% cost differential between the two estimates and \$197,000 in savings to the City.

- ⌚ Final GMP for Package 1: \$3,041,000

Funds are available for both packages in the 2017 budget. This project will be paid for partly by cash reserves and partly by the \$24.9M in loan funding through NBH Bank (which was closed in January 2017).

Per Municipal Code 3.12.060A and 3.12.060B, the LUC may 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. However, due to the project being funded from wastewater revenue bonds, City Council must approve this

contract per Ordinance No. 6077, Authorizing the Issuance and Sale of the City of Loveland, Colorado, Wastewater Enterprise Revenue Bond Series 2017.

RECOMMENDATION:

Adopt a motion to recommend that City Council approve the Construction Contract with Garney Construction in the amount of \$3,041,000.



ITEM TITLE:

Regional Electric Vehicle Overview

DESCRIPTION:

This presentation will cover recent trends in electric vehicle (EV) growth in Northern Colorado.

SUMMARY:

With strong regional growth in the nascent EV market, transportation electrification trends present novel opportunities and challenges for utility planning and operations. Topics in the presentation by Joel Danforth from Platte River Power Authority will be covering EV sales and growth projections, energy usage, charging infrastructure, and system planning.

RECOMMENDATION:

Staff item only. No action required.

ATTACHMENTS:

- 📎 Attachment A: Presentation slides

Attachment A



**Platte River
Power Authority**

Loveland Utilities Commission: Regional EV Overview

March 8, 2017

The Energy We Live By™

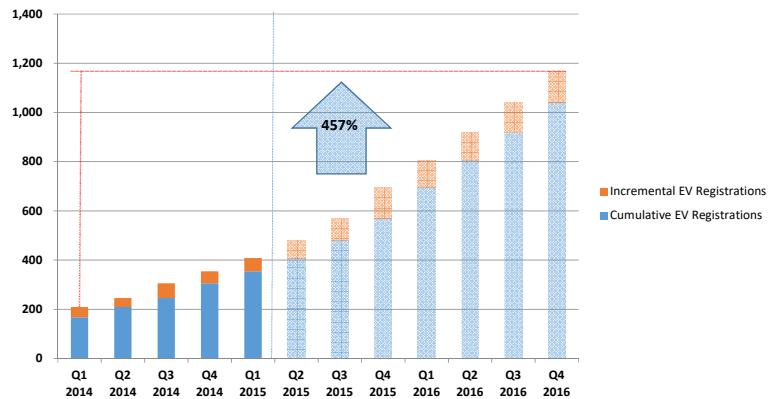


- The EV Landscape
 - Regional EV Registrations & Projections
 - EV Energy Usage
 - Regional EV Charging Stations
 - EV Charging Demand
 - EV Loads
- EV Planning
 - PRPA EV Strategy
 - Municipal EV Strategies
 - Drive Electric Northern Colorado



Regional EV Registrations

EV Population Estimate in Platte River Service Territory

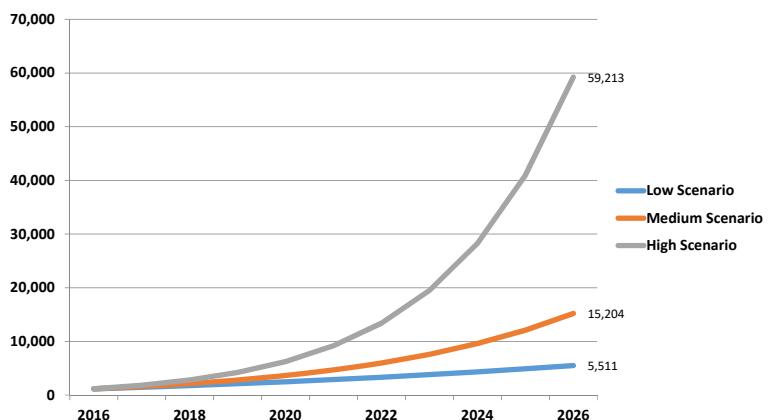


Sources: IHS-Polk, Drive Electric Northern Colorado



Regional EV Projections

Forecasted EV Population in Platte River Service Territory



Source: Adapted from Colorado Energy Office/BCS Inc.
<https://www.colorado.gov/pacific/energyoffice/atom/14086>



EV Energy Sales

- Current EV Energy Usage
 - $1,000 \text{ EVs} * 13,476 \text{ miles/year} * 0.3 \text{ kWh/mile} = 4.04 \text{ GWh/year}$
- Forecasted EV Energy Requirements in 2026
 - Low Scenario
 - $5,500 \text{ EVs} = \sim 22 \text{ GWh/year (0.7\% of retail sales*)}$
 - Base Scenario
 - $15,000 \text{ EVs} = \sim 61 \text{ GWh/year (2.0\% of retail sales*)}$
 - High Scenario
 - $60,000 \text{ EVs} = \sim 243 \text{ GWh/year (7.8\% of retail sales*)}$

* Based on 2016 retail sales of about 3,100 GWh



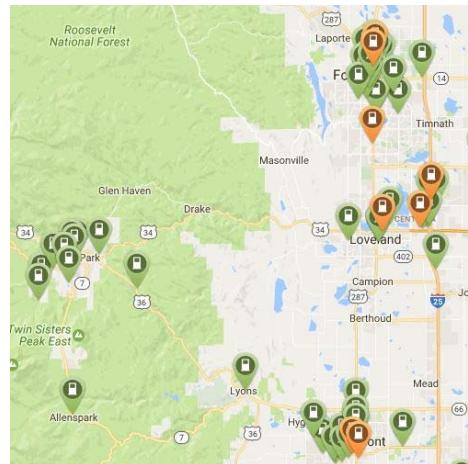
Demand: EV Charging Stations

- System Sizing

EVSE Type	Voltage	Power Requirement
Level 1	Single Phase, 120 V	1.8 kW
Level 2	Split Phase, 208/240 V	6.6 kW
DCFC	Two-Three Phase, 240/480 V	50+ kW
Tesla Supercharger	Three Phase, 480 V	120 kW



Regional EV Charging Stations



Source: Plugshare.com and Colorado State University

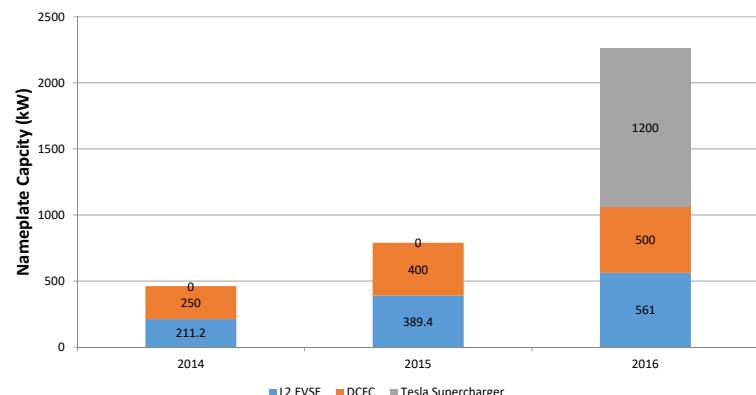
Public EV Charging

Station Type	2014 Count	2015 Count	2016 Count
Level 2	32	59	85
DCFC	5	8	10
Tesla Supercharger	0	0	10



Regional EV Charging Stations

PRPA: Public EV Charging Max Load (Cumulative kW)

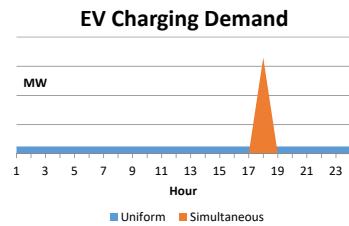


Source: Plugshare.com and Colorado State University



EV Charging Demand

- Current EV Charging Demand
 - Maximum Requirement: 6.6 MW if all EVs charge simultaneously
 - Minimum Requirement: 0.5 MW if all EVs charge uniformly
- Forecasted EV Charging Demand Ranges in 2026
 - Low Scenario
 - 5,500 EVs = 2.75 to 36 MW
 - Base Scenario
 - 15,000 EVs = 7.5 to 99 MW
 - High Scenario
 - 60,000 EVs = 30 to 396 MW

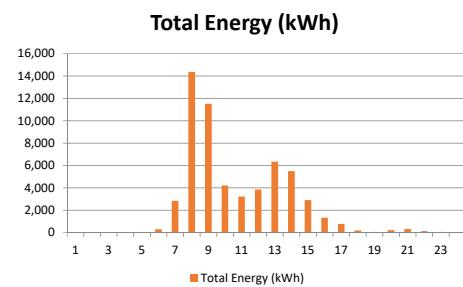


*All demand ranges assume Level 2 (6.6 kW) EVSE



Workplace Charging Load Profile

Hour	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	0
5	2	0	0	0	1	0	0	0	1	0	0	0
6	0	0	1	5	2	1	4	2	2	3	2	0
7	17	19	18	16	19	27	17	15	27	13	6	12
8	98	105	95	138	140	106	91	146	166	71	73	57
9	70	72	79	79	103	116	108	87	124	77	52	63
10	35	34	43	31	40	45	58	66	61	57	42	36
11	30	31	16	32	34	51	35	72	63	21	17	13
12	45	42	47	58	42	42	46	48	65	26	33	34
13	76	63	61	66	75	62	79	78	110	64	55	40
14	50	45	53	56	72	74	56	80	103	45	43	43
15	37	38	32	41	35	38	37	60	51	15	22	21
16	26	30	25	26	18	26	23	35	35	14	15	20
17	21	14	12	19	22	20	17	18	21	8	13	8
18	4	5	3	7	7	6	6	4	6	4	3	2
19	2	0	2	0	2	2	3	2	1	2	0	0
20	5	6	4	3	7	5	2	1	4	0	0	1
21	2	9	11	9	7	3	5	3	6	0	0	0
22	0	2	2	5	3	2	2	0	2	0	0	0
23	0	1	3	0	1	3	0	1	0	0	0	0
24	0	1	1	0	0	0	0	0	0	0	0	0



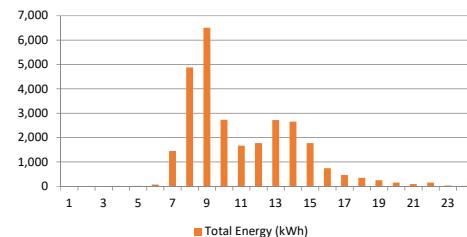
Source: Large Commercial & Industrial customer usage data (2 years)



CSU Charging Load Profile

Hour	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	0	0	1	0	0	0	0	0	0	0	0	0
2	0	0	0	1	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	1
5	0	1	1	0	0	0	0	0	0	0	0	0
6	1	0	0	1	1	0	0	0	0	3	0	0
7	8	10	1	3	5	1	3	15	10	5	10	15
8	77	56	28	42	36	23	20	28	26	43	62	50
9	111	76	76	56	58	40	35	56	68	74	92	81
10	48	23	16	9	21	15	9	16	43	32	45	37
11	30	16	22	3	7	8	10	13	37	26	16	28
12	37	22	14	16	21	8	5	15	18	32	17	32
13	34	43	23	26	17	24	16	26	56	43	41	38
14	55	30	31	28	44	39	27	35	37	43	41	39
15	25	32	22	29	19	21	14	22	25	30	22	24
16	21	18	14	16	3	4	8	16	9	11	12	15
17	14	11	5	4	4	3	5	9	8	3	13	11
18	8	7	10	0	4	4	2	5	10	3	3	5
19	6	2	5	2	1	3	2	1	10	3	7	5
20	2	1	4	1	0	0	4	2	2	6	1	1
21	0	0	1	0	2	2	1	2	0	2	4	1
22	0	4	1	1	4	1	0	2	2	0	0	2
23	1	2	0	1	0	0	0	0	0	0	0	2
24	0	0	0	0	1	0	0	3	0	0	0	0

Total Energy (kWh)



Source: Chargepoint.com campus usage data (2 years)



Residential Charging Load Profiles

- Questions/concerns
 - 80% of all EV charging events occur at home during the evening/nighttime hours. We don't currently have a good method for monitoring these loads.
 - 1 EV increases average residential energy by 50%, residential demand by ~350%
 - Effect of clustered high EV adoption on distribution?
 - Utility rates may not reflect marginal costs/savings of EV charging
- Fort Collins Utilities approach
 - EV addresses/AMI data
 - Qmulus Pilot Project
 - Time of Use rates?



Proposed Course of Action

- Goals
 1. Collect and analyze information on EV load profiles and EV sales.
 2. Work with the municipalities to determine the collective benefits and costs of EV charging.
 3. Explore technologies, rates, and programs that could be used to effectively manage EV charging to minimize costs and maximize benefits.
 4. Pending results of the work described above, develop a strategy for mitigating cost impacts of EVs and maximizing benefits of EVs.
 5. Work with the municipalities to develop an outreach strategy to consumers and other stakeholders.
 6. Participate in research with regional stakeholders that can support these goals.
- Drive Electric Northern Colorado
- Valuing EVs



Questions/Discussion



ITEM TITLE:

Broadband Update

DESCRIPTION:

This item is to provide a brief update to LUC on the progress of Loveland's broadband initiative as well as summarize the February 28, 2017 City Council Study Session on the Broadband Feasibility Report.

SUMMARY:

Magellan Advisors and the Broadband Project Team, consisting of staff representatives from Loveland Water and Power, Information Technology (IT), the City Manager's Office, the Public Information Office, Finance and the City Attorney's Office presented information on the prospective broadband business models to City Council on February 28, 2017. The report included:

- ⌚ An update on the broadband environment in Loveland based on public outreach
- ⌚ Review of the most feasible business models
- ⌚ Preliminary financial feasibility analysis for most feasible business models
- ⌚ Network designs and pro forma for each business model
- ⌚ Overview of City's next steps prior to construction

RECOMMENDATION:

Staff item only. No action required.

ITEM TITLE:

Commission & Council Report

SUMMARY:

Discuss events that the Loveland Utility Commission Board members attended, special topics and any City Council items related to the Water and Power Department from the past month.

- ⌚ City Council Report
- ⌚ Welcome LUC Board Members –
 - Sean Cronin, Regular Board Member
 - Stephanie Fancher-English, Alternate Board Member
- ⌚ Citizen's Concern on the Self-generating Rate approved by LUC
- ⌚ Major Accomplishments for Tri-City Meeting
- ⌚ LUC Email Introduction
 - LUCChairman@cityofloveland.org
 - LUCViceChair@cityofloveland.org

RECOMMENDATION:

Commission/Council report only.

ITEM TITLE:

Director's Report

CORPORATE SERVICES:

Human Resources: The City Manager and Human Resources have conducted the first interviews for the Director of Loveland Water and Power. They have narrowed it down from 55 applicants to 13. In person interviews will possibly be hosted the third week of March.

GENERAL & PREVIOUS LUC MEETING FOLLOW UP ITEMS:

Debt to Capital: Please see the table below for the debt to capital asset ratio for the various utilities. The percentages would decrease significantly if based on current replacement value of the assets rather than booked value.

	Assets at	Accumulated		External Loans
	Book Value (\$M)	Depreciation (\$M)	Net Book Value (\$M)	Received or
	12/31/2015	12/31/2015	12/31/2015	Authorized
Water	242.3	45.7	196.6	13.2
Wastewater	90.1	27.0	63.1	24.9
Power	163.9	52.8	111.1	0
Total	496.3	125.5	370.8	38.1
		External Loans as	External Loans as	
		% of Book Value	% of Net Book Value	
Water	5%		7%	
Wastewater	28%		39%	
Power	0%		0%	
Total	8%		10%	

Water Debt Funds Ending Cash Balance: The \$447,313 “Water Debt Funds Ending Cash Balance” (Line 28 of Dec 2016 Water Financials) represents the remaining balance from the loans that were taken to help fund the Water Treatment Plant Expansion Project. We borrowed a total of \$13.2 million, and of that, we have used about \$12.75 million to help pay for project costs, leaving \$447K in the loan balance.

Electric Asset Management: Mike Margenau and Daniel Daneshka will be providing an update at April's meeting on the Electric Utility's Asset Management Program in response to board members request.

River Commissioner: The river commission is tentatively scheduled to join us at the April 2017 meeting to introduce herself and give a brief overview of what she does.

Canyon Electrical System: Staff will be scheduling time on the LUC's agenda to have a future discussion on selling the electric system in the canyon.

EVENTS:

The following events are coming up in the near future that we would like you to be aware of and attend if you find the time in your schedules.

Boards & Commission Summit: Typically, only the Water & Power Director, LUC Chair and LUC Vice-Chair attend this meeting.

Rialto Theater Center
228 East 4th Street, Loveland, CO 80537
Thursday, March 9, 2017
5:00 pm to 9:00 pm

Northern Water's Spring Water Users Meeting: Please let Michelle Erickson know if you would like to attend.

The Ranch
5270 Arena Circle, Loveland, CO 80538
Tuesday, April 11, 2017
8:00 am to 1:30 pm (includes lunch)

Tri-City Event 2017: Please watch for a post card invitation in the mail from Fort Collins for this event.

The Lincoln Center
417 W. Magnolia St., Fort Collins, CO 80521
Thursday, May 25, 2017

OPERATIONS:

Wastewater Treatment Plant Expansion: The Wastewater Treatment Plant Expansion Project is nearing the completion of its first 90% design milestone. The team has taken advantage of the Construction Manager-At-Risk delivery model and expedited the start of construction by splitting the project into two distinct packages – an early work package and a final work package. This method will allow the Contractor to begin construction on a discrete work package while the Engineers complete the design for the remainder of the work, thus allowing the Contractor to take advantage of warm weather months for construction. Upon LUC and Council approval in March, construction on the early work package will begin in April of this year. This package includes the demolition of the abandoned digesters/maintenance garage, excavation for the new digester facility, rehabilitation of all three secondary clarifiers, construction of a new maintenance building, and various water and sewer line relocations. The anticipated start of construction for the final work package will be late summer/early fall 2017.

South Concrete Tank Inspection: Recently the City drained the 5.0 million gallon (MG) water storage tank located at the southwest corner of Taft and CR 14. The tank is a reinforced concrete tank that was originally constructed in the early 1980's to provide water storage for the southern half of the city. The tank was drained to facilitate cleaning and a regular inspection as required by the State. A thorough inspection of the tank showed the tank to be structurally sound and in good condition. To the right is a picture of the tank interior.



Southside Lift Station Rehabilitation: The City's contractor, Hydro Construction, has begun the rehabilitation of the Southside Lift Station rehabilitation. The project is currently in the submittal phase where proposed equipment is approved by the Owner and Engineer. Additionally long lead items, such as

the wastewater pumps and gates, have been ordered and will be delivered in late Spring. Hydro will be mobilizing to the site in April to begin construction in earnest. The project is expected to be completed by the Fall and will result in more consistent flows to the wastewater treatment plant. Additionally the lift station will require reduced repair and maintenance time and costs upon completion of the project.

Cathodic Protection: Metallic pipe materials are susceptible to corrosion in the right environment, the same way a piece of uncoated metal left outside will begin to rust. To combat this, metal, steel and ductile iron pipes, are installed with exterior pipe coatings to prevent the bare metal from corroding and eventually

becoming a pipe leak or break. In addition to pipe coatings, larger diameter metallic pipes, which form the water transmission network, have had their joints bonded (making the pipe electrically continuous) with passive cathodic protection systems installed. This passive system involves the installation of sacrificial anodes installed at various lengths along the pipe. These anodes provide the source metal (as opposed to the pipe) for any corrosion cell that may form along the pipeline. These anodes are typically magnesium, which is more active (has a higher negative potential) than the protected pipe.

Over time, pipe coatings are damaged, anode material is extinguished, and corrosion forms on pipes, leading to costly leaks and interruptions in service. The City and HDR Engineering, Inc., have located and taken readings at most of the cathodic test stations as well as performed other tests on

individual waterlines to better assess upgrade requirements for each line. At each test station, wires were labelled and inventoried, mark posts were placed, and minor repairs were made where possible. The test station readings provide an indication of the level of cathodic protection being provided by the anodes. HDR is now in the process of compiling test station readings and creating a report outlining the state of the cathodic protection and providing recommendations for improvements of corrosion protection for each of our larger diameter waterlines.



2016 Operational Measures: Following are charts that compare 2016 operational measures compared to prior years. Overall, we have seen a lot of growth during 2016 as demonstrated by the high number of water and electric meters installed at new locations and the high number of annual locates requested in 2016.



New Design tool in Field Engineering - Designer Express: In March of 2015, the City decided to purchase Designer Express, a product of Schneider Electric. In August of that year the program was purchased. Essentially, this program calls out material as we draw it on our GIS system. There was a large amount of work that needed to be accomplished upfront to make this tool valuable to us. Our construction standards have also needed work over the years and thanks to Leon Bomgaars and Scott Sullivan, we were able to get these all updated with time and material to ensure the data being put in to Designer was accurate. The system uses tool palettes to draw any material we use. There are 284 custom tool palettes that were created so far and there will be more as we get in to using this new, great tool. One of the other items needed was a direct link or download from Innoprise. Thanks to the GIS group for their wonderful help on this and their support during implementation and customization.



Ultimately, here is what Designer provides to other areas of the Utility:

- **Field Engineering:** a design tool that provides more accurate, cost effective designs.
- **Construction:** standardized construction print, material is more accurate, which makes the final cost to the customer more accurate.
- **Engineering:** Budgeting forecasts, more accurate and cost effective designs.
- **Accounting:** More accurate designs to alleviate more work on the back end of their processes when reconciling.
- **GIS Group:** The biggest, probably most important piece of this implementation is the fact that it saves this group many man hours just from a standpoint of having to draw designs after completion. Basically, they have it all drawn from Field Engineering and all they have to do is some basic Q/A analysis and post.

One of the pieces of this new software is when we issue a design, it automatically shows up in GIS and is color coded to let people know it is in construction. As you can see on the image above, all proposed construction is a shade of pink. We chose that color to help both our operations group as well as the locators and inspectors in the field of what is proposed. This month we held a couple training sessions for the Design group and the Engineering group after months of implementation and testing, we have finally kicked off using this new tool.

Requirements for Electric Service Guidelines: Representatives with the meter shop and line crews have put forth extra time and effort on the project to update the Requirements for Electric Service Guidelines. Changes to this guideline should streamline and clarify the responsibility of the contractors installing infrastructure from meters, to conduits, to vaults, etc. With the help from engineering, crews and administrative support, we hope to have this guideline update to print very soon.

Big Thompson Canyon: Efforts to support the roadwork in the Big Thompson Canyon continue. The line crews are working with road restrictions and access issue to move the overhead pole line in several locations. With blasting and debris removal being performed by Kiewit Construction, crews at times have limited access in areas west of Viestenz-Smith Park.

New Truck: The Line Crews received their new after-hours duty truck this past month. Before the crews are able to use the new bucket truck, the sales man does an intake with the crews and Fleet Maintenance mechanics. The intake consists of an overview of the truck and various components. This is also a good time to make sure the truck is operational. If there are small changes, these changes can be taken care of before the truck is put into service.



LED Lighting in Loveland:

The City of Loveland Power Division staff has been working on replacing the streetlights in Loveland with LED streetlights. We have begun replacing lights in sections as they require replacing, and have illuminated several areas around town with new fixtures. The placement for the lights will be gradual, and has started in areas that have been problematic, or have simply needed replacement due to aging infrastructure, unavailability of the old fixtures for replacement, and as development begins in new areas.



We have received positive response with regard to these new fixtures and their light output, and we look forward to illuminating more of Loveland as time goes on. As we move forward, you will see fixtures on all of our roadways that reflect the commitment of our staff to both innovative solutions to unique problems, and an intent to apply design standards that are both aesthetically pleasing and provide cost-effective benefit to our entire community.

GENERATION, TRANSMISSION & NORTHERN COLORADO UTILITY REPORTS:

[Northern Water Conservancy District](#): The next board meeting will be held on Thursday, March 9, 2017 at 9 am at Northern Water headquarters located at 220 Water Ave., Berthoud, CO 80513.

Please see attachment A for the February 2017 edition of Northern Water's e-Waternews.

Past event presentations are available on their website at

<http://www.northernwater.org/AboutUs/EventsandMeetings.aspx>

[Platte River Power Authority \(PRPA\)](#): Minutes from the February board meeting are not available yet on their website. The next board meeting will be held on Thursday, March 30, 2017 at 9 am at PRPA headquarters located at 2000 E. Horsetooth Rd, Fort Collins, CO 80525.

[Fort Collins Energy Board](#): The minutes from the January board meeting have been posted on their website. They received an update on the advanced meter infrastructure, and an overview of 2015 Building Code and Local Amendments. They supported statements to national & state leaders on the need for action to address climate change.

The board met on February 23, 2017 to hear presentations on electric capacity fees, road to 2020, and to review Energy Board Work Plan Memo to Council.

The next board meeting will be held on Thursday, March 9, 2017 at 5:30 pm at the Colorado River Community Room, 222 LaPorte Avenue, Fort Collins, CO.

UTILITY APPLICATION SERVICES:

Loveland Water and Power Technology Steering Committee: Our first meeting was successful despite running out of time to discuss our complete current project list. Discussion highlights include:

- The committee decided to look at both Cityworks and Innoprise for a contracts management solution (see contracts management section below).

- ⌚ We discussed the anticipated end of support of the HTE work order system and the potential of replacing it with Cityworks, another work and asset management system which we currently own. The committee expressed interest in exploring this potential solution and assessing whether or not Cityworks can fully meet our needs.
- ⌚ Our IT representatives shared that they saw no other city interest in a joint IVR (Interactive Voice Response) system effort. Installing an IVR has been proposed to help provide better customer service, routing calls to the correct person as well as answering high-volume calls during power outages and automatically sending calls into our outage management system.
- ⌚ Due to the relatively large number of Cityworks related projects, the Utility Applications Services group proposed combining these projects into a single project. This project would be managed very much like a software implementation project complete with a needs assessment, documenting work flows, software configuration, user training, etc. This would also dovetail into the HTE replacement project from bullet two above.

Contracts Management: Key stakeholders agreed to pursue the Cityworks solution for contracts management. They are confident it will provide better functionality and better integrate with key business processes. We are currently working with IT procure the necessary licensing.

Business Process Improvements: Due to the addition of the new design and estimate software it was necessary to revisit how capital projects make their way through the department for reviews, approvals, etc. Several adjustments creating a more efficient workflow will be made in Cityworks for new and existing work.

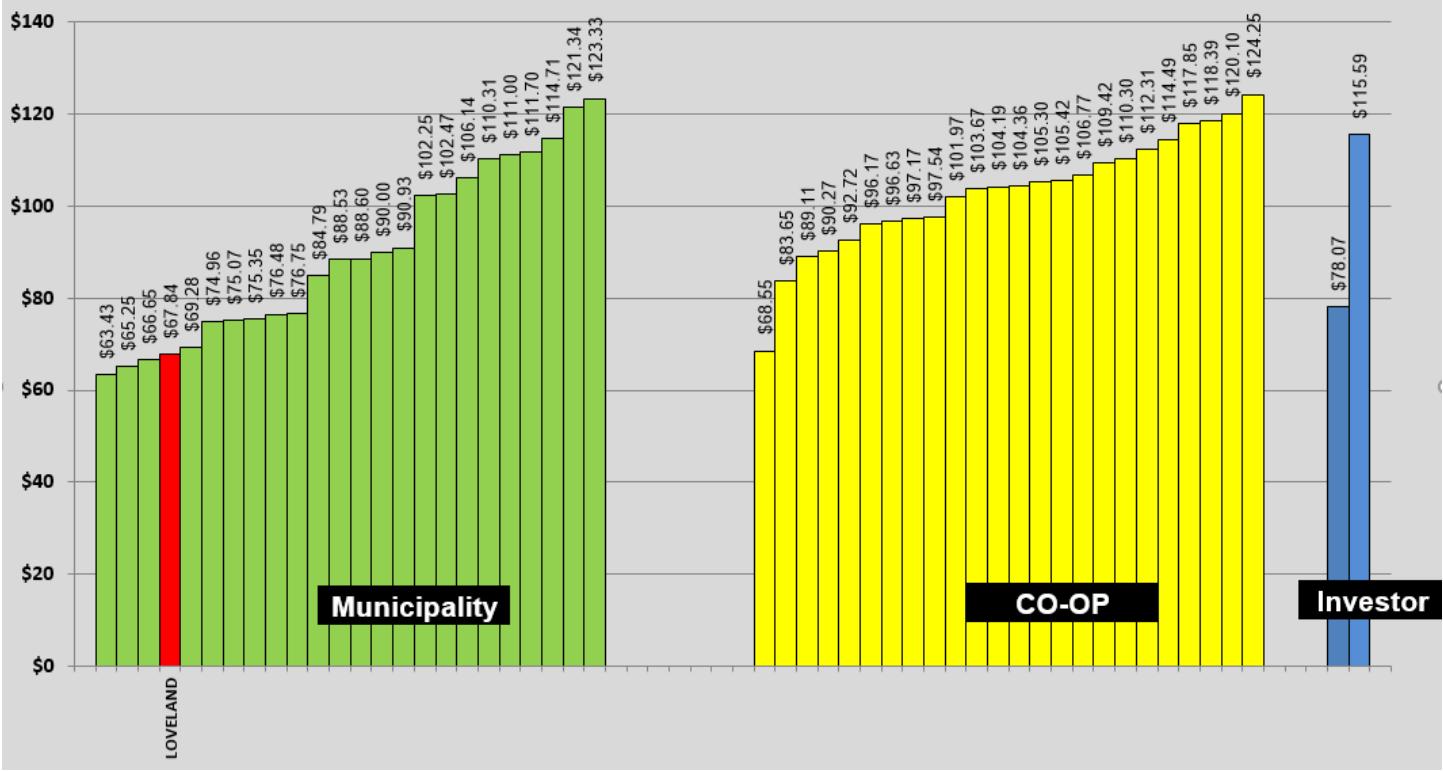
FINANCE:

Regional Rate Comparison: We have known for many years that our electric rates are among the lowest in the state. Now, according to a new survey from Nebraska Municipal Power Pool (NMPP), we have discovered that our rates are very competitive even for the areas surrounding Colorado. This survey included 136 utilities in 7 states (Colorado, Nebraska, Kansas, Wyoming, North Dakota, South Dakota and Iowa), and compared monthly electric utility bills for Residential, Commercial and Large General customer classes. The survey covered several scenarios, but, to cite a few examples, in looking at summer bills for scenarios closest to our average customers, Loveland ranked #18 (18th lowest out of 136 utilities) for Residential, #25 for Small Commercial and #29 for Large Commercial. In addition, NMPP also surveyed water and wastewater utilities for this survey, and Loveland wound up a bit higher than the middle for water and in the upper 20% for wastewater. For residential customers, Loveland was ranked 75th lowest out of 131 water utilities and ranked 109th lowest out of 131 wastewater utilities.

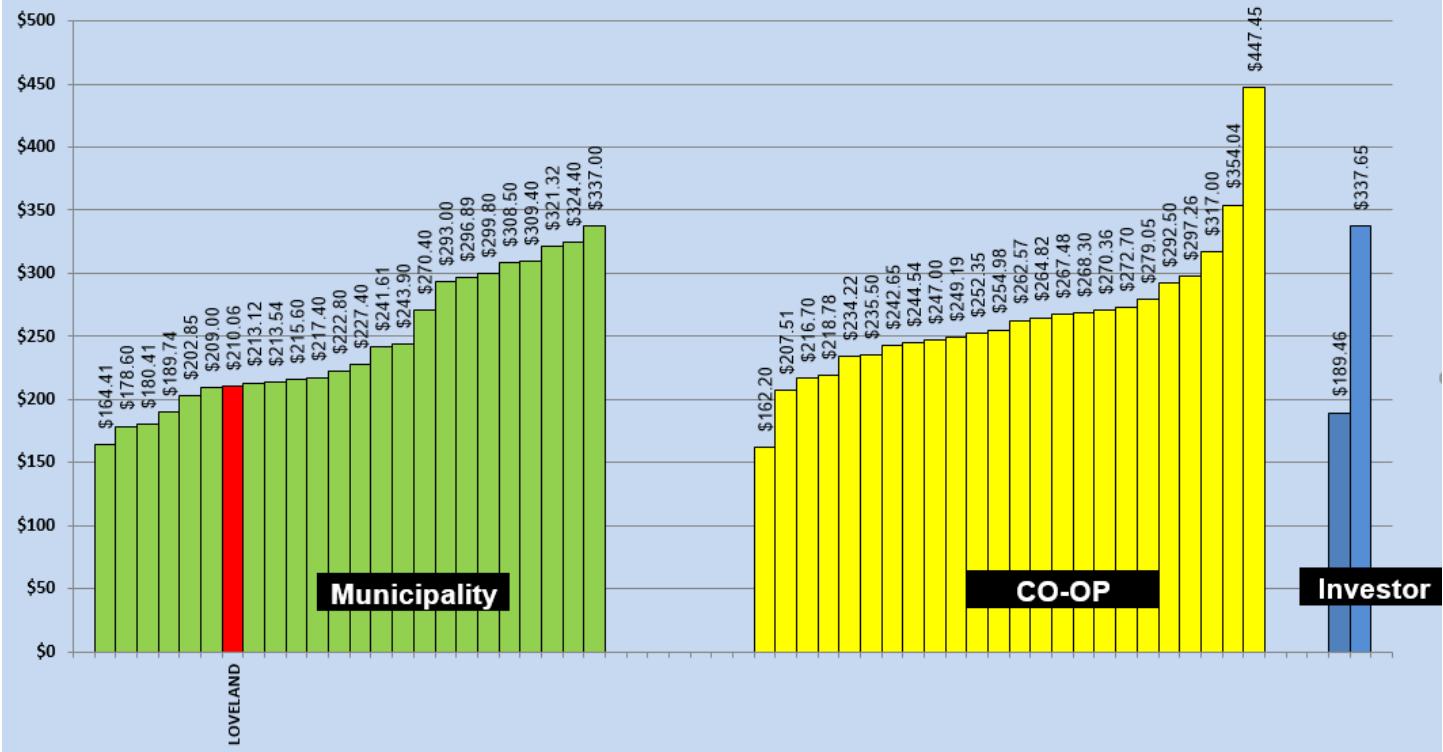
CAMU 2017 Rate Comparison:

CAMU members participate in bi-annual rate surveys. These surveys detail current rates for residential, small commercial, large commercial and industrial electric services for participating public power, rural electric and investor-owned utilities in Colorado. Following are the results from the January 2017 survey.

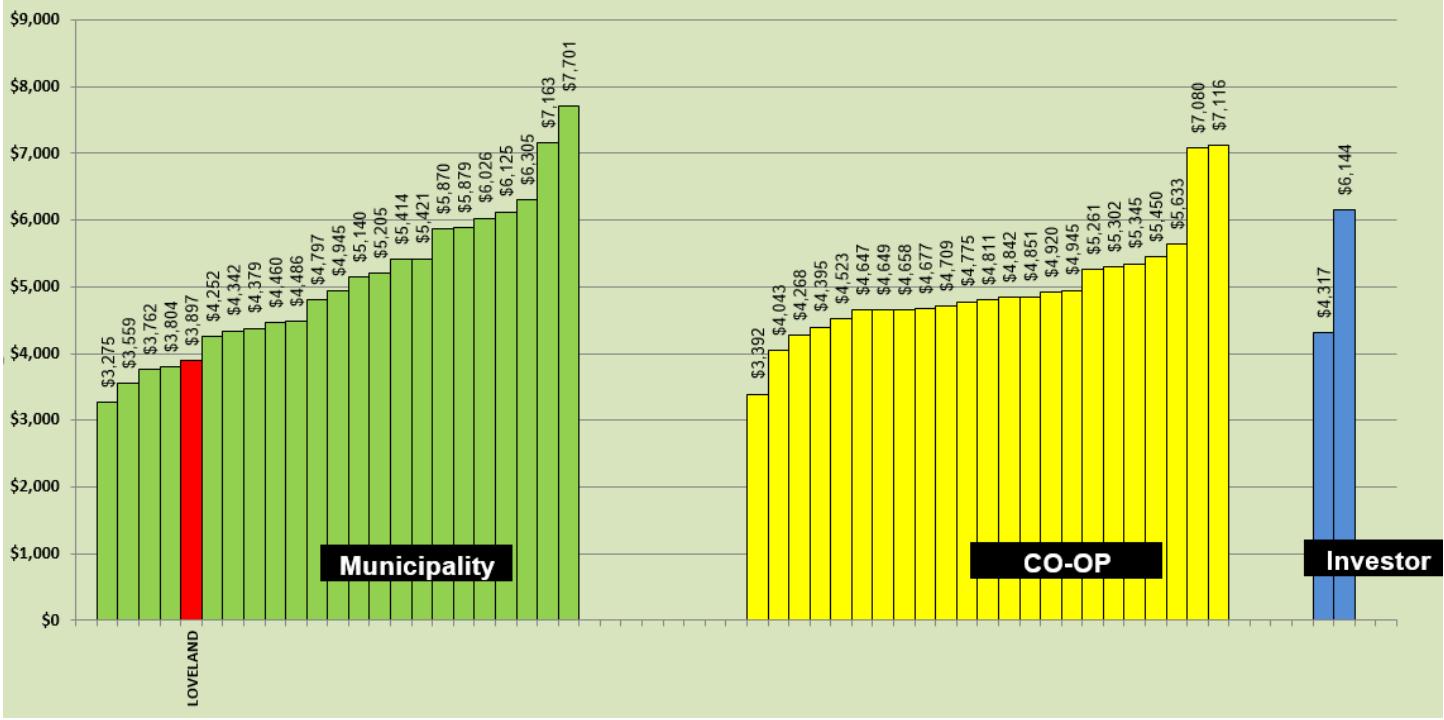
CAMU Residential Survey
January 2017 - Cost of 700 kWh



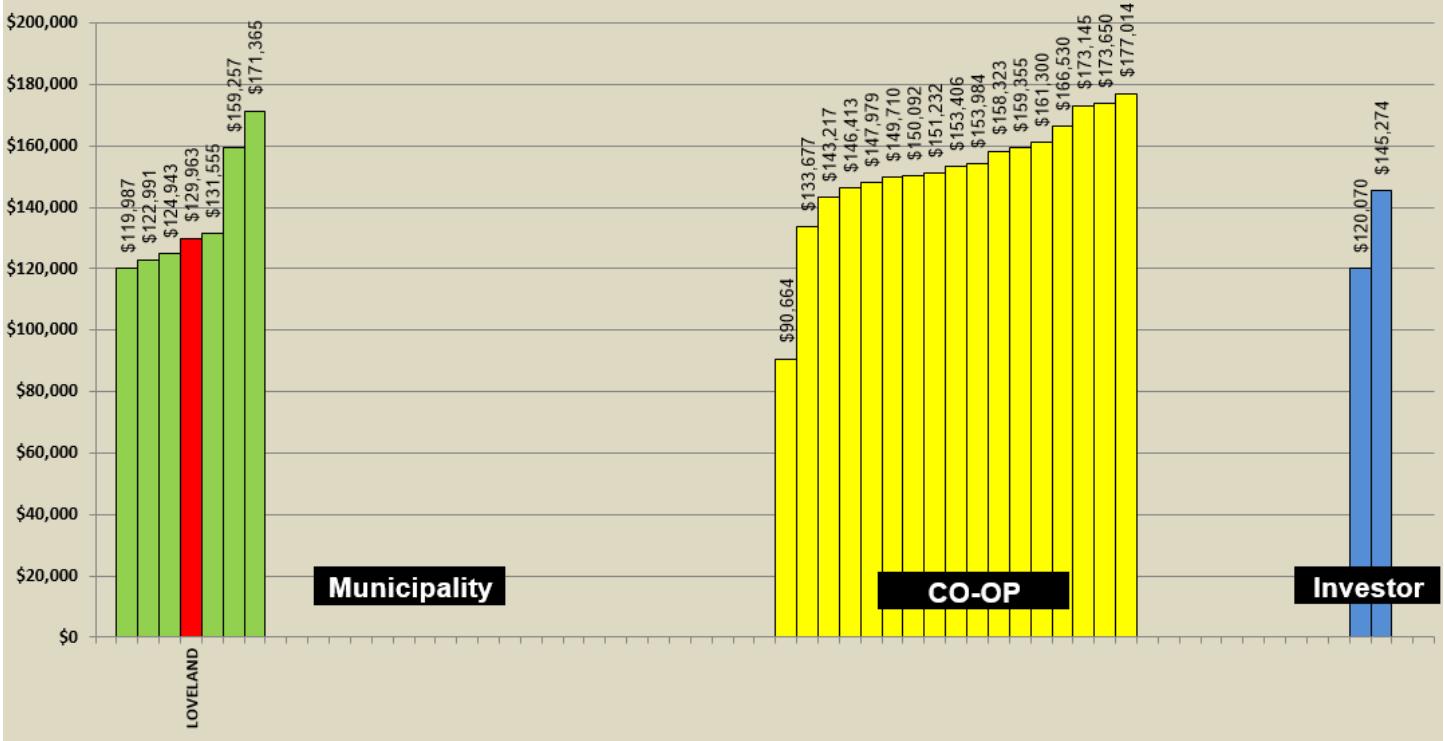
CAMU Small Commercial Survey
January 2017 - Cost of 2,000 kWh + 10 kW



CAMU Large Commercial Survey
January 2017 - Cost of 45,000 kWh + 130 kW



CAMU Industrial Survey
January 2017 - Cost of 1,900,000 kWh + 3,000 kW



Poudre Valley REA Annual Surcharge Payment: We submitted our annual surcharge payment to Poudre Valley REA at the end of January to compensate them for customers we have taken from them through annexations over the past 10 years. The total amount paid to PVREA for 2016 was \$7,169. This amount is expected to decrease significantly in 2017, as many of the customers that were subject to the 5% surcharge reached the end of the 10-year period since date of annexation at the conclusion of 2016.

CUSTOMER RELATIONS:

Community Outreach: Customer Relations will be participating in the following upcoming events:

1. Children's Day on March 10, 2017
2. Community Stewardship Lecture Series, "Growing Vegetables" on March 14, 2017
3. "Five Ways to Celebrate Earth" on April 14, 2017

Facebook Insights (February - 2017):

Reach - 1096
Engagement - 63
Impressions - 8988

Media: Reporter Herald – February 23, 2017: [Wintry weather returns to Loveland](#). The article referenced email updates sent to Key Accounts during weather related power disturbances on Platte River's transmission system. On February 23rd high winds snow and ice caused transmission lines in the northern part of the state and Wyoming to 'gallop'. [Galloping](#) or dancing lines can occur when freezing rain collects on lines, causing a jumping motion. Power lines can sway in high winds, but it's the combo of wind and ice that causes them to gallop more forcefully.

Reporter Herald – February 25, 2017: [Power outage planned Tuesday for Big Thompson Canyon](#). The paper printed LWP's press release regarding a planned power outage in the Big Thompson Canyon.

LWP Project Communications: Big Thompson Canyon: Customer Relations has designed and executed media outreach, in coordination with the Power Division, on planned outages in Big Thompson Canyon. Outreach includes including eNews, social media posts, website updates and press releases.

Canyon Circuit 911 Construction: Customer Relations is designing an outreach plan for the Canyon Circuit 911 Construction project. Outreach for this two year project will include a project page on LWP's website, eNews, direct mailings, social media posts and press releases.

Water Conservation: Garden In A Box: Staff has been preparing for the 2017 Garden In A Box Program. The Garden-In-A-Box Program offers a simple approach to water-wise gardening by providing professionally designed gardens containing perennial, Xeric (low-water) plants. Sales start March 1, 2017 and Loveland water customers will be eligible for \$25 discounts off Xeric gardens. Discounts are limited and available on a first-come, first-serve bases.

ATTACHMENTS:

 Attachment A: Northern Water's e-Waternews, February 2017

Attachment A



February 2017

Stay Connected



www.northernwater.org

Snow, snow and more snow

Thank you, January.

Numerous storms last month provided much-needed precipitation in Colorado's mountains. As a result, all eight of the watersheds monitored by Northern Water currently have above-average snow water content, and the most probable streamflow forecasts are also well above average.

As of Feb. 14, statewide snowpack was 147 percent of normal. And the two major river basins Northern Water monitors for its forecasts, the Upper Colorado and South Platte basins, were at 147 and 142 percent of normal, respectively.

Beginning each February, Northern Water's Water Resources Department releases monthly snowpack and streamflow forecasts. The forecasts provide:

- Snow water content comparisons in the eight watersheds Northern Water monitors
- April through July maximum, minimum and most probable streamflow forecasts

<http://campaign.r20.constantcontact.com/render?m=1120850989511&ca=a7a71705-05b1-...> 2/16/2017

C-BT Project storage also remains above average for this time of year. On February 1, active storage in the project was 530,331 acre-feet, or 121 percent of normal.

Regional Pool Program

Keep an eye out for a possible Regional Pool Program allocation in March. Slightly more than 12,000 acre-feet of RPP water is available for release in 2017, and Northern Water's Board of Directors has allocated RPP water the past two years. The Board will discuss making an allocation available in March. If directors make an allocation from the RPP during the March 9 Board meeting, those interested in bidding on the water will find information and required forms at www.northernwater.org/RegionalPool.

Those interested in receiving RPP information can register for an account at www.northernwater.org and select 'E-mail me updates on the Regional Pool Program.'

Colorado Water Resources and Power Development Authority appointment

The Colorado Water Resources and Power Development Authority has a new board member, Northern Water's Judy Skram. Skram, a Senior Accountant in the Financial Services Department, has been with Northern Water since 2010.

Governor Hickenlooper appointed Skram in November 2016, and the Colorado Senate confirmed her appointment on Feb. 7. Skram will serve as a representative of the South Platte Drainage Basin, with expertise in water project financing. She is filling a board position previously held by Northern Water Assistant General Manager Don Carlson, who served on the board from 2009 to 2016.

The Colorado Water Resources and Power Development Authority provides low-cost financing to governmental agencies in Colorado, primarily for water and wastewater infrastructure development.



C-BT Project dam safety

With recent media attention directed toward California's Oroville Dam, Northern Water has received inquiries about the safety of C-BT Project dams. All of the C-BT Project's dams and reservoirs are owned by the U.S. Bureau of Reclamation. A joint operating agreement between Northern Water and Reclamation allocates shared costs to operate and maintain C-BT Project infrastructure.

Dam safety is critical for both Northern Water and Reclamation. All high-hazard dams managed by Reclamation's Eastern Colorado Area Office have emergency action plans. Along with regular maintenance to C-BT Project infrastructure, Reclamation's cyclical, 8-year dam safety program includes:

- Annual site inspections (years 1-3 and 5-7)
- Periodic facility reviews (year 4)
- A comprehensive review (year 8)

See this [Fort Collins Coloradoan](#) story for additional information on dam safety in Northern Colorado.

Annual Report and CAFR coming soon

Northern Water's 2016 Annual Report, as well as the 2016 Northern Water and Municipal Subdistrict Comprehensive Annual Financial Reports, will be printed and distributed in the next few months. To receive any of these reports via email, visit www.northernwater.org, register for a Northern Water online account, and select the type of news and information you would like to receive.

O&M update - Boulder Feeder Canal

Last summer Northern Water's Distribution Systems Department staff found a section of the Boulder Feeder Canal that was leaking badly. During January, department crews excavated an 800-foot section of the canal, lined it with clay, and then armored it with rock. Clay lined canal sections have proven very successful in areas known for seepage. See the before and after photos below.



Compacting the clay in the bottom of the Boulder Feeder Canal.



Placement of rock to protect the compacted clay.

Save the date

- **March 2:** Planning & Action Session, 9 a.m., Northern Water Berthoud headquarters
- **March 9:** Board meetings, 9 a.m., Northern Water Berthoud headquarters
- **April 11:** Northern Water's Spring Water Users meeting, The Ranch, Loveland
- **May 20:** Conservation Gardens Fair, Northern Water Berthoud headquarters