



REGULAR MEETING AGENDA

CALL TO ORDER

NEW EMPLOYEE INTRODUCTIONS

APPROVAL OF MINUTES – 1/17/2017

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

1. Solar Generation – Patrick Eitenbichler

INFORMATIONAL ITEMS

2. Cyber Security – Cree Goodwin
3. Electric Legislative Update – Kim O’Field
4. Water Legislative Update – Ryan Van Pelt
5. Water Supply Update – Ryan Van Pelt

CONSENT AGENDA

6. Namaqua Pump Station Contract Award – Leslie Moening

REGULAR AGENDA

7. Acquisition of additional storage and revised Third Amendment to Fifth Interim Agreement for Windy Gap Firing Project – Ryan Van Pelt
8. Consideration of PRPA Notice of Transfer for Windy Gap Units - ***Executive Session pursuant to City Charter Section 4-4(c) and Section 24-6-402(4)(a)(e) & (g), C.R.S.*** – Derek Turner
9. Northern Water Invitation to Bid on 75 ac-ft of C-BT Water – Joe Bernosky

STAFF REPORTS

10. PVREA Surcharge Recalculation – Brieana Reed-Harmel and Alicia Calderón
11. Preliminary 2017 Financial Report – Jim Lees
12. New Unified Development Code – Greg George
13. Revised 2018 Goals – Joe Bernosky

COMMISSION & COUNCIL REPORTS

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".

Commission Members Present: Dave Kavanagh, David Schneider, Gary Hausman (Chair), Gene Packer, Larry Roos, John Butler, Randy Williams, Sean Cronin, Alternate Stephanie Fancher-English (Arrived at 4:15pm)

Commission Members Absent: Dan Herlihey

Council Liaison: Steve Olson

City Staff Members Present: Allison Bohling, Bob Miller, Brieana Reed-Harmel, Carlos Medina, Courtney Whittet, Daniel Daneshka, Derek Turner, Frank Lindauer, Gretchen Stanford, Jim Lees, Joe Bernosky, John Beckstrom, Kim Reeves, Leslie Moening, Larry Howard, Michael McCrary, Nathan Alburn, Roger Berg, Ryan Van Pelt, Tanner Randall, Tom Greene,

Guest Attendance: Patrick Eitenbichler

CALL TO ORDER: Gary Hausman called the meeting to order at 4:01 pm.

APPROVAL OF MINUTES: Hausman asked for a motion to approve the minutes of the December 13, 2017 meeting.

Comments: Change Gary Hausman to Dan Herlihey on the Call to Order and Approval of Minutes.

Motion: Dave Schneider made the motion.

Second: Gene Packer seconded the motion. The minutes were approved unanimously.

INFORMATIONAL ITEMS

Item 1: Substructure & Directional Boring Large Projects Pre-Qualification – Kim Reeves

The purpose of this item is to present a new City process that pre-qualifies contractors for Substructure & Boring Large Projects.

Informational Item only. No action required.

CONSENT AGENDA

Item 3: 2018 Biosolids Contract Renewal with Veris Environmental LLC – Michael McCrary

This item is to approve the 2018 contract renewal for hauling and land application of biosolids from the Wastewater Treatment Plant.

Recommendation: Adopt a motion to approve a one-year renewal of the biosolids hauling and land application contract for 2018 with Veris Environmental, LLC in an amount not to exceed \$616,500 and authorize the City Manager to execute the contract on behalf of the City.

Motion: Item 2 pulled by Gary Hausman. John Butler made the motion to approve Item 3 as written.

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

REGULAR AGENDA

Item 4: Big Thompson Canyon Voltage Conversion Contract Increase & Construction Update – Frank Lindauer

The purpose of this item is to award the contract to GE Construction, Inc. for the 2018 Annual Substructure Projects Bid 2017-70.

Recommendation: Adopt a motion approving the contract for Phase 2 of the Circuit 911 Voltage Conversion with Power Contracting, LLC in accordance with bid document 16-087 with a not-to-exceed amount to \$650,000.00 and authorize the City Manager to sign the contract on behalf of the City.

Motion: John Butler made the motion.

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

Item 5: Boyd Parallel Interceptor Project – Phase 1 Construction Contract – Tanner Randall

This is for the approval of the construction contract for Phase 1 of the Boyd Parallel Interceptor Project (W1601H).

Recommendation: Adopt a motion to award the contract for Boyd Parallel Interceptor to Connell Resources in an amount not to exceed \$3,550,202 and authorize the City Manager to execute the contract on behalf of the City.

Motion: John Butler made the motion.

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

Item 6: Amended and Restated Ownership, Operations, and Maintenance Agreement for the Home Supply Dam and Related Facilities – Larry Howard

The City entered into an Agreement with the Consolidated Home Supply Irrigating and Reservoir Company (the “Company”) in 1895, allowing the City to share the use of the Company’s “Home Supply Dam” to divert water for treatment and delivery to the City in exchange for the City agreeing to share in the costs of maintenance and repair of the Dam. The Dam is a critical component for water delivery to both the City and the Company. This Agreement updates the terms of funding, operating, maintaining, rehabilitating, or replacing the Home Supply Dam as necessary to continue diversions and deliveries for both parties.

Recommendation: Adopt a motion recommending that the Loveland City Council approve an agreement with Consolidated Home Supply Ditch and Reservoir Company related to the shared use of the Home Supply Dam by the City and the Company, as reflected in and based on the agreed-upon concepts shown in the draft agreement dated January 5, 2018, or as revised by City Staff negotiators in form and substance as necessary to reach agreement with the Company.

Motion: Randy Williams made the motion.

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

Item 7: Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firing Project Water Activity Enterprise, and the City of Loveland for Participation in the Windy Gap Firing Project – Larry Howard

The Windy Gap Firing Project participants desire to continue the Fifth Phase of the project, working to complete the acquisition of all permits and approvals and additional land acquisition. This will allow work to continue on those activities as well as moving into detailed engineering design including preparation of plans and specifications, planning and implementation of required mitigation and enhancement measures and related activities. Approval of this proposed Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firing Project Water Activity Enterprise and the City of Loveland (Fifth Interim Agreement) allows this permitting and design work to continue and would approve the City’s allocation of funding according to its pro-rata storage entitlement in the Project.

Recommendation: Approve a motion recommending that City Council adopt a resolution directing the Mayor to execute the Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern

Colorado Water Conservancy District Windy Gap Firing Project Water Activity Enterprise and the City of Loveland.

Motion: John Butler made the motion.

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

Item 2: 2017 4th Quarter Goal Updates & 2018 Goals – Joe Bernosky

This item is to review progress on our 2017 utility goals and to establish goals for 2018.

Recommendation: Review and approve the 2017 Goals Update Report and 2018 Goals determined through discussion at this LUC meeting for use at the 2018 Boards & Commissions Summit.

Motion: Bernosky tabled this item for further discussion at a future meeting.

COMMISSION/COUNCIL REPORTS

Item 6: Commission/Council Reports

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: Steve Olson discussed the Boards & Commissions Summit and that Council would like to see additional interaction between City Council and the Boards & Commissions. Boards & Commissions Summit will be March 8th from 5:30 – 7:30 pm at the Police & Courts Building. This year will be in a different format, rather than an agenda with speakers, it will be a flexible format utilizing the World Café method.

City Council retreat on January 27th, 7:00 am – 4:00 pm at The Group Publishing, open to the public, however public input will be limited to discussions during breaks.

Regarding Municipal Broadband, the Council is split 5-4. Olsen would like to take the issue back to the voters, as Olsen currently feels that we should not put the financial risk on customers that do not want broadband as a municipal utility.

Dan Herlihey:

Dave Kavanagh:

Dave Schneider:

Gene Packer: Would like to see the LUC members bring goals for LUC to the next meeting.

Gary Hausman:

John Butler:

Larry Roos: PRPA Zero Net Carbon presentation – 1. It bothers him that they always refer to the emissions as carbon emissions, this is inaccurate as it is actually CO₂. 2. Would like to give feedback to PRPA as LUC. 3. Would also like to give feedback to PRPA regarding joining the Energy Market.

Randy Williams: 1. Thank you to Council Liaison Steve Olson for attending LUC meetings. 2. Would like to mention the new trend of drinking raw water as beneficial to health.

Sean Cronin:

Stephanie Fancher-English:

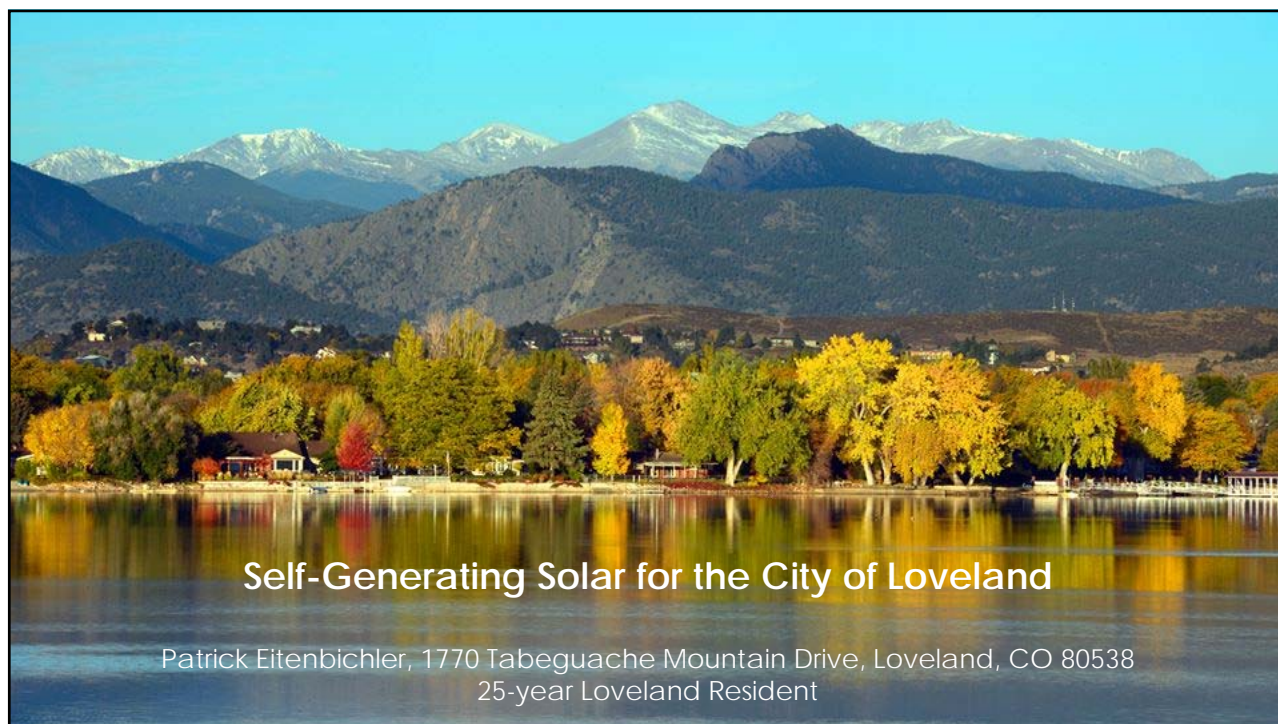
DIRECTOR'S REPORT

Item 7: Director's Report – Joe Bernosky

ADJOURN The meeting was adjourned at 6:46 pm. The next LUC Meeting will be February 21, 2018 at 4:00 pm.

Respectfully submitted,

Courtney Whittet
Recording Secretary
Loveland Utilities Commission

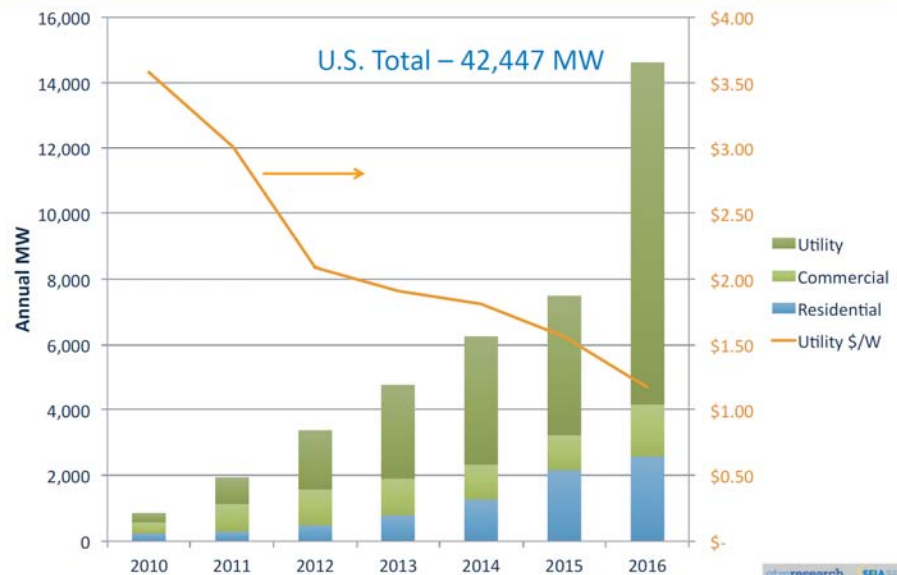


Accelerating adoption of self-generating solar
without negative impact to others

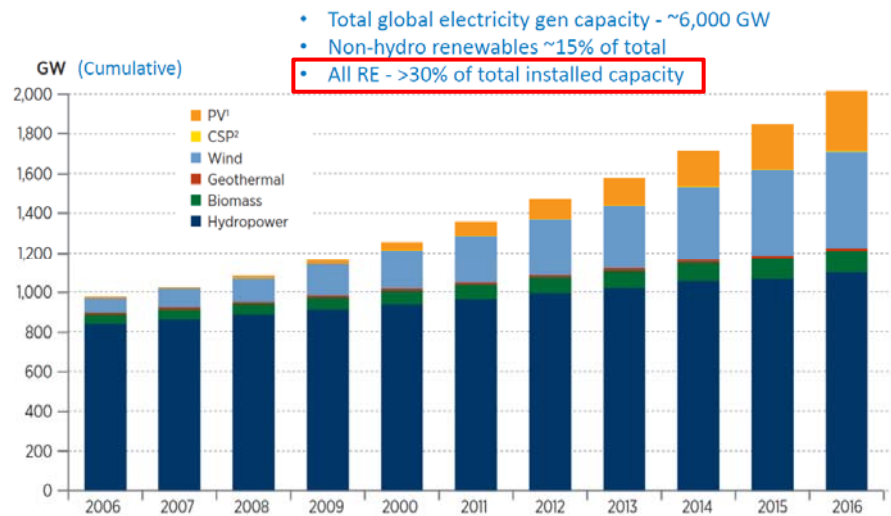


The Energy Landscape Is Changing Quickly

Solar Cost per Watt Drops Sharply – Adoption Exponential



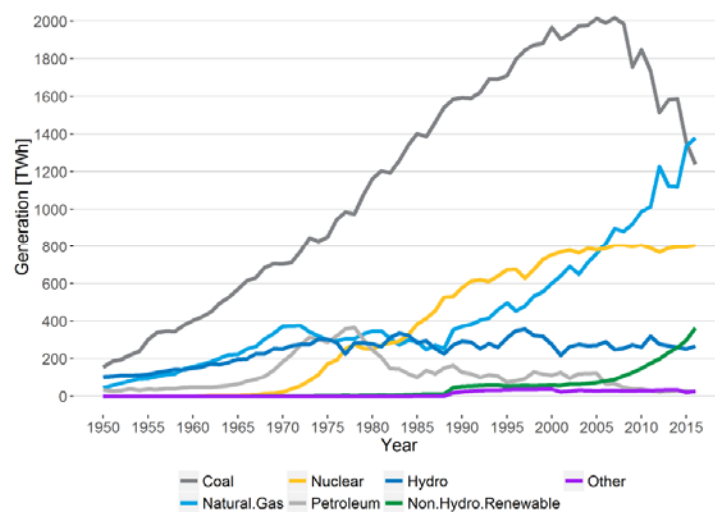
Renewable Power Generation Doubled in the Last 10 Years



NATIONAL RENEWABLE ENERGY LABORATORY

4

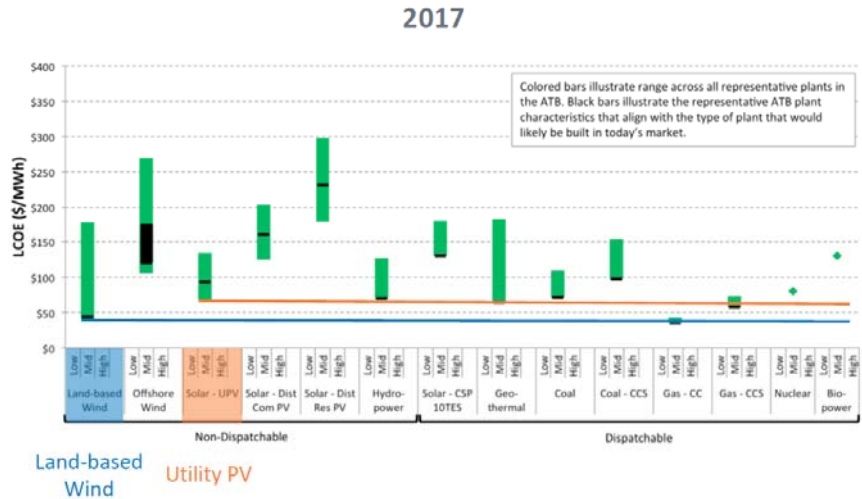
U.S. Trends: Gas & Non-Hydro Renewables Up Significantly



NATIONAL RENEWABLE ENERGY LABORATORY

29

Cost Comparisons: Solar/Wind Very Competitive



NATIONAL RENEWABLE ENERGY LABORATORY

14

Our Air Quality Is Quite Poor...
... Imposing Significant Costs On Residents

Pay less for power → Pay more to address health issues

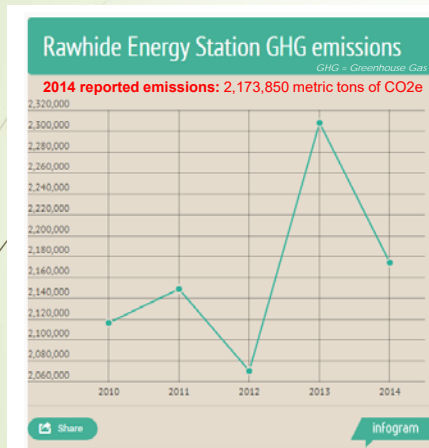
Larimer County ranks in the bottom 20% nationally



<http://www.lung.org/our-initiatives/healthy-air/sota/city-rankings/states/colorado/larimer.html>



\$36,000 per year for Nucala to improve asthma control



Larimer County:

- Deaths: 4
- Heart Attacks: 8
- Asthma Attacks: 130

http://www.catf.us/fossil/problems/power_plants/

<http://www.coloradoan.com/story/news/2016/07/14/meet-larimer-countys-5-biggest-polluters/86818052/>

In short: What do we want Loveland to be known for?



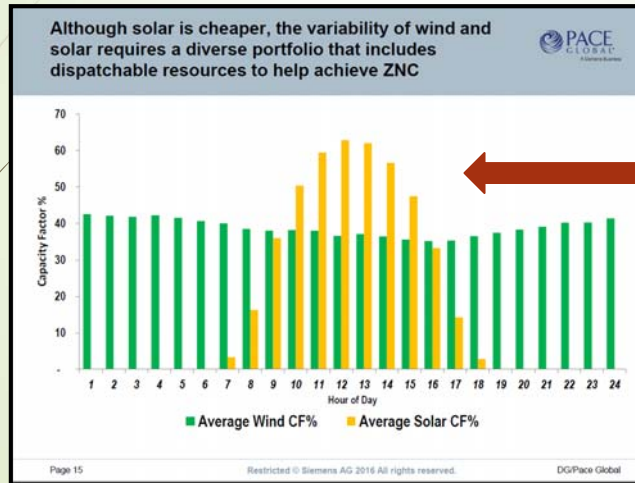
The city with one of the worst air quality ratings in the country?

The city with one of the best programs to improve air quality in the country?



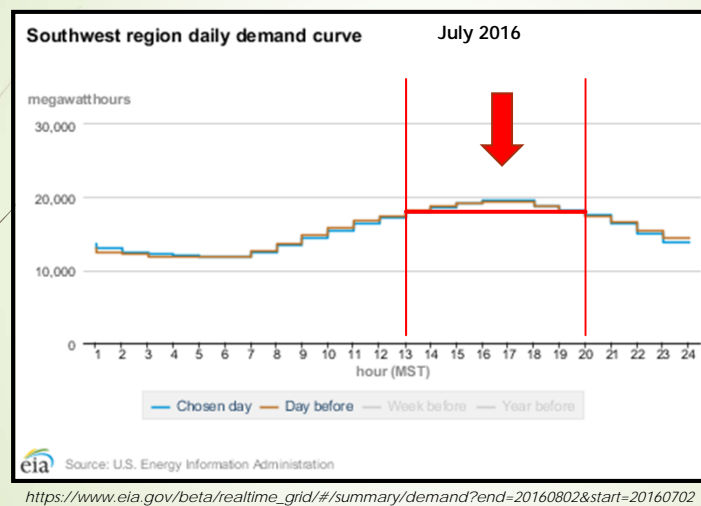
Key Benefits of Residential Solar to Loveland

Self-Gen Solar reduces need for commercial solar → Reduced capital investment



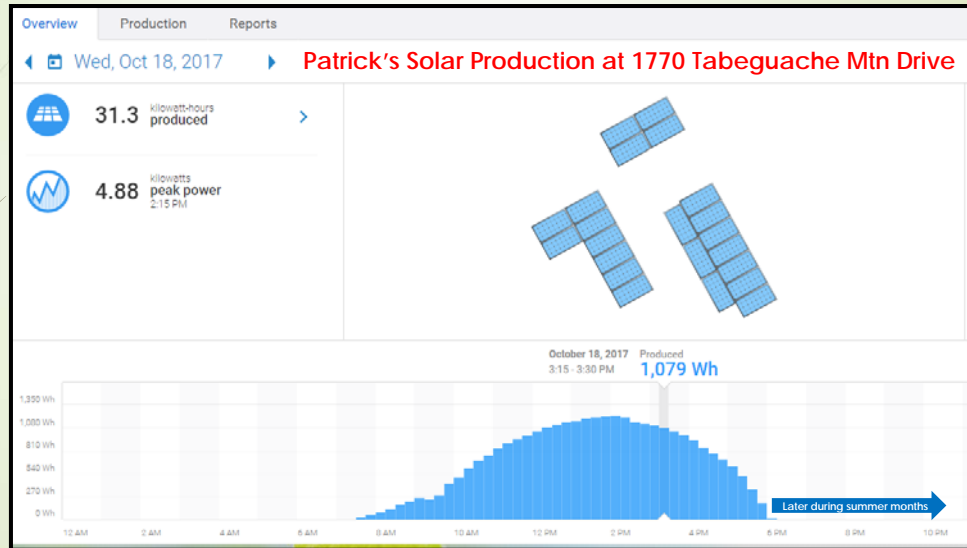
As confirmed by the 'Net Zero Carbon' consultants, every residential solar installation will reduce the need to build solar farms in the future.

Self-Gen Solar reduces peak load → Reduced capital investment



Residential rooftop solar contributes power to the grid when it is needed most – reducing the need for investment to build additional power plants.

Self-Gen Solar reduces peak load → Reduced capital investment




Other Self-Gen Solar benefits reducing need for capital investment



- Rooftop solar provides low voltage power – delivered over a short distance to the neighbor's house – reducing need for transformers
- Transformers run cooler
- Reduced need for additional transmission lines
- Less load fluctuation



Encouraging Solar Power Generation in Loveland



Patrick's Current Situation

- Installed a solar system for 100% of annual power usage
- Cost of 6.6kW Solar Panel Installation: \$13,500 (after federal tax rebate)
- Total annual cost of power from City of Loveland:
 - Before installation: \$840
 - After installation: ~\$500
 - **Est. Payback Period in Loveland: ~40 years**
 - Est. Payback Period in Fort Collins: ~20 years

Proposal: Making it a win-win for Self-Gen Customers & the City

Current cost structure (2018) feels arbitrary and risky:

kW Capacity	Base Charge
Up to 1.49	\$17.27
1.50 – 2.49	\$19.74
2.50 – 3.49	\$22.21
3.50 – 4.49	\$24.68
4.50 – 5.49	\$27.15
5.50 – 6.49	\$29.62
6.50 – 7.49	\$32.09
7.50 – 8.49	\$34.56
8.50 – 9.49	\$37.03
9.50 – 10.49	\$39.50

Pay customers for excess power
at retail rate

vs. base charge of \$6 in Fort Collins and \$8 in Boulder

Proposed cost structure is straight forward and makes financial sense:

- **Base Charge:** Same as residential customers (currently \$14.80/month)
- **Meter In Reading:** Self-Gen customers pay for kWh consumed on a monthly basis at the residential rate
- **Meter Out Reading:** Self-Gen customers get reimbursed by the City for kWh contributed to the grid at the renewable wholesale rate (= what the City pays for wind/solar power)

This will not count against the contributions from the Self-Gen Customers because the City would pay the same per kWh cost to PRPA

My 'Ask' to the LUC

- Would you be willing to consider my proposal – and 'run the numbers' – considering the many (financial) benefits Self-Gen Customers provide to the City?
 - Improved air quality / lower health care costs
 - Less capital investment required by PRPA
- Would you be willing to re-look at the cost-of-service charge (\$7,874.50 transferred to Self-Gen Customers)?
- Would you sponsor me to share my presentation with the City Council to update the rate schedule for 2019?



THANK YOU!!

ITEM TITLE:

Cyber Security

DESCRIPTION:

This is a brief description of the current Cyber Security Policy for both the Power and Water divisions.

SUMMARY:**City of Loveland Electric Department/PRPA owned SCADA**

In 2015, Platte River convened an internal cross-functional management level team to develop a comprehensive security policy document covering both cyber and physical security. The standards contained within the document are based on the NIST framework. The policy was approved by executive management in early 2016. The original team continues to meet on a regular basis to review the policy document, provide updates, and develop strategies to implement the policy standards.

Platte River recently joined the Cyber Mutual Assistance program offered through the Edison Electric Institute (EEI), along with more than 70 other utilities. Given the small size of the organization, this will continue to be the most reliable source of support in the event of a cyber incident. PRPA's active participation in APPA and LPPC committees also ensures access to timely information. Exercising in preparation for cyber incidents will be rolled into the overall emergency response plan. NERC also issued an advisory concerning malware targeting electric industry assets. Whether or not a response is required to NERC, staff conducts scans of our business systems to ensure all remain secure.

Most IT staff has completed the Security + certification, and has attended SANs training, a highly regarded cyber training resource. As vacancies occur, staff is placing a heavier emphasis on experience in cyber security.

Along with participating in the LPPC's cyber security task force, PRPA participates in a regional Rapid Cyber Information Sharing Group led by WAPA. The goal of that group is to share cyber information on a more real-time basis, and forge relationships that facilitate information sharing in the future. Platte River also joined the Cyber Mutual Assistance program, along with 70+ other utilities. PRPA are members of E-ISAC and MS-ISAC, both of whom provide regular updates on cyber or physical threats

City of Loveland Water Department SCADA

The water SCADA network is completely segregated from the City network. Each plant has its own network that is separate from the City wide network and the only connection between the two networks are the SCADA servers. If something were to happen, staff can completely isolate away from the City network (internet) and run each plant without an internet connection.

Wireless interfaces are not allowed with the city's SCADA network. This means the city does not allow third party vendors or vendor equipment to include wireless connections to its SCADA system. The City just rejected Enviromix at the WWTP on the coarse bubble mixing system control panels to include wireless connections. The City also does not allow HVAC or other vendor software access to its SCADA network.

Staff completes software and application patches from the software vendor when required. Administrator privileges are extremely limited on all of the SCADA computers. Staff relies on IT for all security maintenance of the City network. The City limits the remote control of remote lift stations, pump stations, and tanks in its system from the SCADA system for security reasons.

City of Loveland Information Technology Department

The Information Technology Department uses application security, information security, network security, and user education in an effort to prevent cybersecurity attacks like viruses, malware, and ransom ware – to try to keep our networks, servers, computers, software, and data secure from attacks. However, incidents do occur, and when they do staff identifies the problem and the extent of the security breach, take steps to prevent the event from propagating, and determine how to remove the root cause and protect City resources moving forward. In the event of a data breach, the City has steps to identify the data effected and follow up steps to restore the data as defined in its business continuity/disaster recovery plan.

RECOMMENDATION:

Information item only. No action required.

**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:**

Please see Attachment A for the 2018 Legislative Preview Report and Attachment B for the Legislative Tracking Sheet of current state bills from CAMU.




Federal Update:

A key federal issue related to electric legislation is to preserve the tax exemption for local governments and APPA and CAMU will be staying diligent on this topic at the federal level. Please see Attachment C for current information on the status of tax exemption for municipal bonds. The City has and continues to offer our support of this issue.

RECOMMENDATION:

Information item only. No action required.

ATTACHMENTS:

-  Attachment A: CAMU 2018 Legislative Preview
-  Attachment B: Legislative Tracking Sheet
-  Attachment C: APPA Article – *President Trump signs tax bill that keeps tax exemption for municipal bonds*

2018 LEGISLATIVE PREVIEW



Colorado Association of Municipal Utilities



CAMU LEGISLATIVE COMMITTEE

The CAMU legislative committee is comprised of the entire CAMU municipal membership. The purpose of the committee is to adopt official legislative positions for the association and to guide CAMU's overall lobbying strategy. Positions are adopted on a consensus basis and CAMU does not advocate on issues where the committee is not in full agreement.

2018 KEY LEGISLATIVE DEADLINES

- 01/10 Legislature Convenes
- 01/26 Deadline to Introduce Senate Bills
- 01/31 Deadline to Introduce House Bills
- 02/28 Deadline to Pass Bills in Chamber of Origin
- 03/26 Long Bill (Approps.) Introduced in House
- 03/30 Final Passage of Long Bill in the House
- 04/02 Deadline to Pass House Bills in Senate
- 04/06 Final Passage of Long Bill in the Senate
- 04/09 Deadline to Pass Senate Bills in House
- 04/13 Long Bill Conf. Cmte. Report Final
- 05/09 Legislature Adjourns Sine Die

Issues Framing the Session

KEY ISSUES >

REVENUES, ROADS, RIGS, & RESPECT

Every legislative session has defining issues that drive the debates which ultimately set the tone and general atmosphere of the General Assembly. In 2018 these issues are shaping up to be fixes to the revenues lost by special districts as a result of a "glitch" in last year's rural hospital bill; the drive by the GOP to steer projected revenue surpluses into road projects (all puns intended); and the degree to which oil & gas drilling is regulated in Colorado.

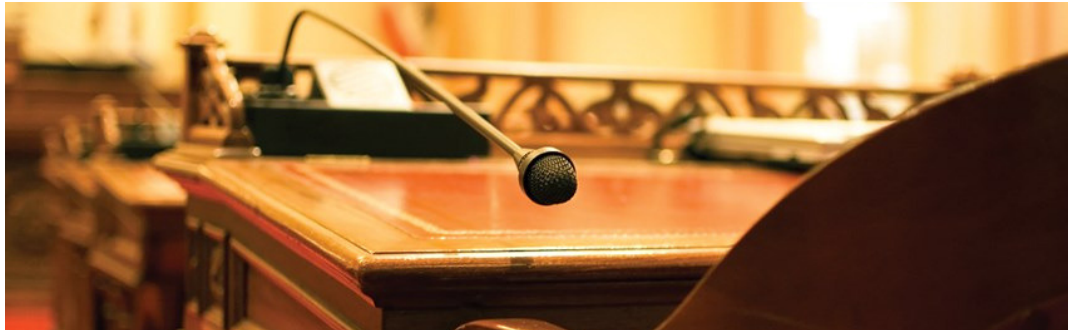
While the partisan debates over these issues alone would be enough to create a fractious atmosphere at the Capitol, this session has the added challenge of at least four members of the General Assembly (2 Republicans and 2 Democrats) being accused of sexual harassment. Interpersonal relationships are the very foundation upon which the legislative process is built and the process simply cannot function properly without a culture of mutual respect at the Capitol. The weight of mistrust hangs heavy over the start of the 2018 Session and it remains to be seen how this will impact the legislative process as the General Assembly works to instill a culture of mutual respect.



FORECAST>

ELECTION YEAR FIGHTS

2018 is an election year and members of both parties will introduce "messaging" legislation that is more geared towards generating campaign talking points than actually being signed into law. However, as was the case last year, the chambers have split party control (Republicans with a one-vote majority in the Senate and Democrats with a 5-vote majority in the House), and it will be very difficult to pass legislation that is not bipartisan in nature.



DEVELOPMENTS TO KEEP AN EYE ON >

POSSIBLE CHANGES TO 811 LAW

Among the most significant issues CAMU will be address in in 2018 are proposed changes to Colorado's 811 law (also known as "Call-before-you-dig"). In late 2016, the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) found Colorado's 811 law to be insufficient for protecting interstate natural gas infrastructure, finding fault with Colorado's two-tier 811 membership systems and the lack of an enforcement mechanism in the state law. Since then, the Colorado 811 Association has been advocating for changes to be made to Colorado's laws to bring our state into PHMSA compliance. Sens. Scott (R-07) and Donovan (D-05) have taken-up championing this effort and have agreed to run legislation authored by the 811 and the Colorado Contractor's Association.

CAMU has been deeply engaged in this effort since it launched and we have advocated for the primacy of local permits; clarity on the liabilities and responsibilities associated with service lateral locates; the inclusion of pre-marking in state law; and, most importantly, ensuring proposed statewide enforcement schemes do not violate municipal protections under the State Constitution.

As this issue develops into legislation for the 2018 Session, CAMU will be directly engaged in the process to ensure our member's interests are protected.

BY THE NUMBERS

100

Members of
the Colorado Legislature

35

Members of the
Colorado
Senate

18

Senate
Republicans

9

Republicans
Represent
CAMU in the
Senate

17

Senate
Democrats

5

Democrats
Represent
CAMU in the
Senate

65

Members of the
Colorado
House

37

House
Democrats

10

Democrats
Represent
CAMU in the
House

28

House
Republicans

14

Republicans
Represent
CAMU in the
House

1

Governor

(D)

3

2018 CAMU LEGISLATORS

SENATE

MEMBER	DISTRICT	CAMU COMMUNITIES
Jerry Sonnenberg (R)	01	Burlington, Fleming, Fort Morgan, Haxtun, Holyoke, Julesburg, Wray, Yuma
Kevin J. Grantham (R) * Senate President	02	Colorado Springs, Fountain
Kerry Donovan (D)	05	Aspen, Delta, Gunnison
Randy Baumgardner (R)	08	Glenwood Springs, Oak Creek
Kent Lambert (R)	09	Colorado Springs
Owen Hill (R)	10	Colorado Springs
Michael Merrifield (D)	11	Colorado Springs
Bob Gardner (R)	12	Colorado Springs
John Kefalas (D)	14	Fort Collins
Kevin Lundberg (R)	15	Estes Park, Loveland
Matt Jones (D)	17	Longmont
Stephen Fenberg (D)	18	Lyons
Vicki Marble (R)	23	Frederick
Larry Crowder (R)	35	Center, Granada, Holly, La Junta, Lamar, Las Animas, Springfield, Trinidad

2018 CAMU LEGISLATORS

HOUSE

MEMBER	DISTRICT	CAMU COMMUNITIES
Jonathan Singer (D)	11	Lyons, Longmont
Mike Foote (D)	12	Longmont
Shane Sandridge (R)	14	Colorado Springs
Dave Williams (R)	15	Colorado Springs
Larry Liston (R)	16	Colorado Springs
Tony Exum (D)	17	Colorado Springs
Pete Lee (D)	18	Colorado Springs
Paul Lundeen (R)	19	Colorado Springs
Terri Carver (R)	20	Colorado Springs
Lois Landgraf (R)	21	Colorado Springs, Fountain
Dylan Roberts (D)	26	Oak Creek
Judy Reyher (R)	47	La Junta
Perry Buck (R)	49	Estes Park
Hugh McKean (R)	51	Loveland
Joann Ginal (D)	52	Fort Collins
Jeni Arndt (D)	53	Fort Collins
Yeulin Willett (R)	54	Delta
Robert E. Rankin (R)	57	Glenwood Springs
Barbara McLachlan (D)	59	Gunnison

2018 CAMU LEGISLATORS

HOUSE

MEMBER	DISTRICT	CAMU COMMUNITIES
Millie Hamner (D)	61	Aspen, Gunnison
Donald Valdez (D)	62	Center
Lori Saine (R)	63	Frederick
Kimmi Lewis (R)	64	Granada, Holly, Lamar, Las Animas, Springfield, Trinidad
Jon Becker (R)	65	Burlington, Fleming, Fort Morgan, Haxtun, Holyoke, Julesburg, Wray, Yuma

WWW.COLORADOPUBLICPOWER.ORG



Attachment B



Colorado Association of Municipal Utilities 2018 State Legislative Tracking Sheet

HB18-1061 **No Encryption Of Dispatch Radio Communications**

Comment:

Position: **Monitor**

Short Title: No Encryption Of Dispatch Radio Communications

Sponsors: K. Van Winkle

Summary: The bill states that each entity of the state government and each entity of the government of each city, county, and city and county (government entity) shall broadcast its dispatch radio communications without encryption such that the communications may be monitored by commercially available radio receivers and scanners; except that:

★ A government entity may encrypt tactical radio communications or investigative radio communications so long as the encryption is necessary to preserve the tactical integrity of an operation, protect the safety of law enforcement officers or other emergency responders, or prevent the destruction of property; and

★ An investigative unit of a government entity engaged in the investigation of criminal conduct or potential criminal conduct may encrypt its radio communications.

Any government entity that encrypts any of its dispatch radio communications shall disclose on its public website and make available for public inspection a list of its radio communication channels, a description of the functions allocated to those channels, and an indication of which of the channels are always encrypted or sometimes encrypted. In describing the functions of the channels, the government entity shall indicate whether each channel is used for

tactical radio communications or investigative radio communications.

Any person has standing to bring an action for injunctive relief in district court against any sheriff, chief of police, fire chief, or other administrative head of any government entity for an allegedly unlawful encryption of dispatch radio communications.

Any person who monitors dispatch radio communications of a government entity for the purpose of perpetrating or attempting to perpetrate criminal activity or assisting another person in the furtherance of criminal activity commits a class 3 misdemeanor.

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

Status: 1/10/2018 Introduced In House - Assigned to State, Veterans, & Military Affairs
1/18/2018 House Committee on State, Veterans, & Military Affairs Postpone Indefinitely

Amendments:

Bill Version: Introduced

HB18-1085

Health Effects Industrial Wind Turbines

Comment:

Position: **Monitor**

Short Title: Health Effects Industrial Wind Turbines

Sponsors: P. Lundeen

Summary: The bill requires the department of public health and environment to research and compile information on the health effects of noise and stray voltage from industrial wind energy turbines on humans and animals. The department must report research results to the general assembly by January 1, 2020, and present the report to a joint legislative committee of reference. The research and reporting requirements are repealed July 1, 2020.

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

Status: 1/18/2018 Introduced In House - Assigned to Transportation & Energy
2/8/2018 House Committee on Transportation & Energy Postpone Indefinitely

Amendments:

Bill Version: Introduced

HB18-1107 **Prewire Residence For Electric Vehicle Charging Port**

Comment:**Position:** **Monitor****Short Title:** Prewire Residence For Electric Vehicle Charging Port**Sponsors:** M. Weissman / K. Priola

Summary: Under existing law, builders must offer a 'solar prewire' option to purchasers of certain newly constructed residences. The bill applies a similar requirement to facilitate the installation of electric vehicle charging systems by purchasers of new residences, both in traditional detached, single-family homes and also in buildings that contain owner-occupied condominium units.
(Note: This summary applies to this bill as introduced.)

Status: 1/18/2018 Introduced In House - Assigned to Transportation & Energy
 2/8/2018 House Committee on Transportation & Energy Refer Unamended to House Committee of the Whole
 2/13/2018 House Second Reading Passed - No Amendments

Amendments:**Bill Version:** Engrossed

HB18-1128 **Protections For Consumer Data Privacy**

Comment:**Position:** **Monitor****Short Title:** Protections For Consumer Data Privacy**Sponsors:** C. Wist | J. Bridges / K. Lambert | L. Court

Summary: Except for conduct in compliance with applicable federal, state, or local law, the bill requires public and private entities in Colorado that maintain paper or electronic documents (documents) that contain personal identifying information (personal information) to develop and maintain a written policy for the destruction and proper disposal of those documents. Entities that maintain, own, or license personal information, including those that use a nonaffiliated third party as a service provider, shall implement and maintain reasonable security procedures for the personal information. The notification laws governing disclosure of unauthorized acquisitions of unencrypted and encrypted computerized data are expanded to specify who must be notified following such unauthorized acquisition and what must

be included in such notification.

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

Status: 1/19/2018 Introduced In House - Assigned to State, Veterans, & Military Affairs

Amendments:

Bill Version: Introduced

SB18-003

Colorado Energy Office

Comment:

Position: **Monitor**

Short Title: Colorado Energy Office

Sponsors: R. Scott

Summary: The Energy Office has negotiated compromise language with Senate sponsors and the measure passed the Senate Committee with bipartisan support. Discussion will now focus on funding solutions. However, we are anticipating additional challenges to making changes to the CEO mission once the bill reaches the House.

Status: 1/10/2018 Introduced In Senate - Assigned to Agriculture, Natural Resources, & Energy
1/18/2018 Senate Committee on Agriculture, Natural Resources, & Energy Refer Amended to Appropriations

Amendments: [Amendments](#)

Bill Version: Pre-Amended

SB18-009

Allow Electric Utility Customers Install Energy Storage Equipment

Comment: **The bill only applies to IOUs.**

Position: **Monitor**

Short Title: Allow Electric Utility Customers Install Energy Storage Equipment

Sponsors: S. Fenberg | K. Priola / F. Winter | P. Lawrence

Summary: The bill declares that consumers of electricity have a right to install, interconnect, and use energy storage systems on their property, and that this will enhance the reliability and efficiency of the electric grid, save money, and reduce the need for additional electric generation facilities.

The bill directs the Colorado public utilities commission to adopt rules governing the installation, interconnection, and use of customer-sited energy storage systems.

(Note: This summary applies to the reengrossed version of this bill as introduced in the second house.)

Status: 1/10/2018 Introduced In Senate - Assigned to Agriculture, Natural Resources, & Energy
 1/25/2018 Senate Committee on Agriculture, Natural Resources, & Energy Lay Over Unamended - Amendment(s) Failed
 2/1/2018 Senate Committee on Agriculture, Natural Resources, & Energy Refer Amended to Senate Committee of the Whole
 2/7/2018 Senate Second Reading Passed with Amendments - Committee, Floor
 2/8/2018 Senate Third Reading Passed - No Amendments

Amendments: [Amendments](#)

Bill Version: Pre-Amended

SB18-047

Repeal Tax Credits Innovative Vehicles

Comment:

Position: **Monitor**

Short Title: Repeal Tax Credits Innovative Vehicles

Sponsors: V. Marble / L. Saine

Summary: The bill repeals the income tax credits for innovative motor vehicles and innovative trucks for purchase and leases entered into on or after January 1, 2019.

For the 2018-19 state fiscal year and each fiscal year thereafter through the 2020-21 state fiscal year, the bill requires the state controller to credit an amount of tax revenue estimated to be retained by the repeal of the income tax credits to the highway users tax fund.

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

Status: 1/10/2018 Introduced In Senate - Assigned to Finance
 2/6/2018 Senate Committee on Finance Refer Unamended to Appropriations

Amendments:

Bill Version: Introduced

SB18-064	Require 100% Renewable Energy By 2035
Comment:	This bill is a messaging bill and CAMU will oppose. The rate setting language pertaining to municipal net metering violates the State Constitution.
Position:	Oppose
Short Title:	Require 100% Renewable Energy By 2035
Sponsors:	M. Jones / M. Foote
Summary:	The bill updates the renewable energy standard to require that all electric utilities, including cooperative electric associations and municipally owned utilities, derive their energy from 100% renewable sources by 2035. It also eliminates the installation caps on customer DG and infringes upon municipal rate making in the Net Metering language.
Status:	1/12/2018 Introduced In Senate - Assigned to Agriculture, Natural Resources, & Energy 2/1/2018 Senate Committee on Agriculture, Natural Resources, & Energy Postpone Indefinitely
Amendments:	
Bill Version:	Introduced

SB18-117	Collect Long-term Climate Change Data
Comment:	
Position:	Monitor
Short Title:	Collect Long-term Climate Change Data
Sponsors:	K. Donovan / C. Hansen
Summary:	The bill requires the department of public health and environment to collect and report on greenhouse gas emissions data. <i>(Note: This summary applies to this bill as introduced.)</i>
Status:	1/29/2018 Introduced In Senate - Assigned to State, Veterans, & Military Affairs
Amendments:	
Bill Version:	Introduced

SB18-128

Legislative Approval For State Agency Fee Increase

Comment:**Position:****Deliberating****Short Title:**

Legislative Approval For State Agency Fee Increase

Sponsors:

B. Gardner / L. Liston

Summary:

Beginning September 1, 2018, the bill requires all state agency fee increases to start on July 1 of a given year, with the exception of an emergency fee increase. A state agency shall not increase a fee unless:

- ★ On or before the February 1 prior to the starting date of the increase, the state agency submits a fee increase proposal, which includes specified information, to the joint budget committee;
- ★ A majority of the members on the joint budget committee approve the fee increase as it is described in the fee increase proposal and without alteration; and
- ★ A grant of authority to the state agency for the fee increase is included in authorizing legislation, which is enacted and becomes law.

A state agency may adopt an emergency fee increase that does not meet these conditions, but on or before the next February 1 the state agency is required to submit a fee increase proposal for the emergency fee. If this fee increase proposal is approved by the joint budget committee and included in authorizing legislation, then the state agency may continue to impose the increased fee.

If a grant of authority for the associated emergency fee increase is not included in the next possible authorizing legislation, then the state agency is required to lower the fee to the amount it was prior to the increase and refund the increased amount of the fee to the fee payer. If a refund is impossible, then the state agency is required to immediately reduce the fee from its original amount by an amount equal to the emergency fee increase and keep it at that level until the amount of the lost revenue offsets the additional revenue from the increased fee. Thereafter, the fee may return to its original amount.

If a state agency adopts a fee increase after April 1, 2018, but prior to September 1, 2018, the fee increase is treated like an emergency fee for which the state agency is required to submit a fee increase proposal.

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

Status:

1/29/2018 Introduced In Senate - Assigned to Finance

Amendments:

Bill Version: Introduced

SJM18-002

Eliminate Energy Subsidies

Comment:

Position: **Monitor**

Short Title: Eliminate Energy Subsidies

Sponsors: M. Jones / M. Foote

Summary: *** No bill summary available ***

Status: 1/12/2018 Introduced In Senate - Assigned to Agriculture, Natural Resources, & Energy
1/25/2018 Senate Committee on Agriculture, Natural Resources, & Energy Postpone Indefinitely

Amendments:

Bill Version: Introduced

Attachment C



[\(https://www.publicpower.org/\)](https://www.publicpower.org/)

*Powering Strong
Communities*

BONDS AND FINANCING

President Trump signs tax bill that keeps tax exemption for municipal bonds

January 9, 2018 [Paul Ciampoli \(/people/paul-ciampoli\)](#)

President Trump in December signed into law a measure, H.R. 1, which retains the current-law tax exemption for municipal bonds, but prohibits the issuance of tax-exempt advance refunding bonds and tax credit bonds after Dec. 31, 2017.

The ability to currently refund outstanding debt is not affected under the new law.

Retaining the tax exemption for municipal bonds has been the American Public Power Association's top legislative priority.

Retention of the tax exemption for municipal bonds will save public power utilities, as well as their customers, billions of dollars annually.

In October, the Association released a letter from more than 450 public power utilities to congressional Republican leaders and administration officials in support of their decision to retain the current-law tax exemption for municipal bonds in a tax reform framework that was announced by President Trump in September.

Over the last decade, public power utilities have used tax-exempt municipal bonds to finance more than 1,200 projects worth \$97 billion. Financing these electric system investments with taxable debt would have increased costs by an estimated \$4.5 billion every year — costs that would be borne by public power customers.

“Because of a huge amount of work by stakeholders — including public power utilities — we got the message across to Members of Congress that bonds finance the investments that make our communities livable and commerce possible,” wrote John Godfrey, Senior Government Relations Director at the Association, in a December blog posted to the Association’s website prior to Trump’s signing H.R. 1 into law.

“In turn, House and Senate lawmakers that understood the importance of municipal bonds to their constituents prevailed and the underlying tax exemption for municipal bonds remained intact in the tax reform bill,” wrote Godfrey. “This is worth restating. Despite pressure to find roughly \$4 trillion of new revenue, states, tribes, and localities will still be able to finance critical infrastructure investments without the added weight of a federal tax on municipal bond interest. That includes tax-exempt private activity bonds.”

Godfrey noted that while power-related private activity bonds are rare, they are helpful for financing enhancements to hydroelectric projects.

Association strongly opposed repeal of advance refunding bonds

The Association strongly opposed the repeal of advance refunding bonds.

About half of all refunding bonds issued by public power utilities in the last five years were advance refunding bonds, with net present value savings of at least \$600 million.

A repeal precludes such savings in the future or forces public power utilities into complicated swap transactions to take advantage of interest rate changes if sought more than 90 days in advance of redemption.

Tags [Washington Report \(/Tags/Washington-Report\)](/Tags/Washington-Report)

Topics [Bonds And Financing \(/Topic/Bonds-And-Financing\)](/Topic/Bonds-And-Financing)

**ITEM TITLE:**

Water Legislative Update

DESCRIPTION:

This item is 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 71st Colorado General Assembly convened on January 10, 2018 and will run through May 9, 2018. The Colorado Water Congress, through its State Affairs Committee, is currently tracking Colorado state house and senate bills related to water. This committee meets each Monday morning during the legislative session. After a bill is 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 hyperlink in the left most column of the Bill Status Report. Once a bill is killed in a committee or lost in a floor vote, it will be removed from this list. A bill of interest to water providers is:

House Bill 18-019 Water & Wastewater: Expanded Duration for Revolving Loans: Pursuant to the federal Clean Water Act and the federal Safe Water Drinking Act, the Colorado Water Resources and Power Development Authority (CWRPDA) makes loans under its water pollution control revolving fund and its drinking water revolving fund. Under state law, the duration of any water pollution control loan made by the authority must not exceed 20 years after a projects completion. However, the Clean Water Act now allows for loans up to the lesser of 30 years or the projected useful life of the project, as determined by the state. This proposed legislation, submitted by the Water Resources Review Committee, would remove the 20-year limitation on water pollution control loans and authorizes the authority to make loans in compliance with the Clean Water Act and the Safe Water Drinking Act.




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 closing 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 (see attachment C).

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: CWC, State Affairs Committee, Water Bill Status Sheet
-  Attachment B: Colorado Water Bill Summary
-  Attachment C: CWC, 2018 Federal Priorities

Colorado Water Congress 2018 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			
HB18-1008	Mussel-Free Colorado Act	16-Jan	10-Jan	22-Jan	31-Jan	Ap									
HB18-1053	Reclaimed Water Use for Marijuana Cultivation	16-Jan	10-Jan	29-Jan	Ap										
HB18-1069	Reclaimed Water Use for Toilet Flushing	22-Jan	10-Jan	29-Jan	Ap										
HB18-1073	Water District Ability Contract Water Assets	5-Feb	16-Jan	29-Jan	7-Feb	12-Feb									
HB18-1093	Reclaimed Water Use for Edible Crops	5-Feb	18-Jan	29-Jan	Ap										
HB18-1151	Colorado Water Conservation Board Approve Deficit Irrigation Pilot Projects		31-Jan	12-Feb Ag											
HB18-1199	Aquifer Storage-and-recovery Plans		5-Feb												
HB18-1201	Severance Tax Voter-approved Revenue Change		5-Feb												
HB18-1215	Safe Disposal Naturally Occur Radioactive Material		5-Feb												
SB18-019	Expanded Duration for CWRPDA Revolving Loans	16-Jan	10-Jan	1/18 Ag		23-Jan	24-Jan	26-Jan	12-Feb						
SB18-038	Reclaimed Water Use on Industrial Hemp	16-Jan	10-Jan	1/18 Ag	Ap										

			First House					Second House							
Bill No.	Short Title	CWC Position	Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading	Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading	First House Repass	Conference Committee	Governor
SB18-041	Authorize Water Use Incidental Sand & Gravel Mines	16-Jan	10-Jan	1/18 Ag		23-Jan	24-Jan	26-Jan	12-Feb						
SB18-134	Public Utilities Commission Deregulate Nonprofit Water Utilities		29-Jan	8-Feb Ag	13-Feb										
SB18-143	Parks and Wildlife Measures to Increase Revenue		29-Jan	13-Feb F											
SJM18-004	Memorialize Foermer Congressman Ray Kogovsek	12-Feb	5-Feb				6-Feb	6-Feb				9-Feb			
SJR18-003	Water Projects Eligibility Lists	16-Jan	12-Jan				17-Jan	26-Jan					2-Feb		6-Feb

[illegible]

Bill did not go to second committee or no action required (black)			HIE= Health, Insurance, and Environment											
			J = Judiciary											
<u>CWC POSITION</u>			LG = Local Government Committee											
Bill scheduled for activity in CWC State Affairs (yellow)			SVMA = State, Veterans, and Military Affairs Committee											
Support (green)			TE = Transportation and Energy Committee											
Oppose (orange)			UA = Upon Adjournment											
Amend (blue)			UR = Upon Recess											
Monitor, Neutral, No Position														

Attachment B

2018 Colorado Water Bill Summary

HOUSE BILL 18-1008 MUSSEL FREE Colorado Act – CONCERNING THE FINANCING OF THE DIVISION OF PARKS AND WILDLIFE'S AQUATIC NUISANCE SPECIES PROGRAM, AND, IN CONNECTION THEREWITH, CREATING AN AQUATIC NUISANCE SPECIES STAMP FOR THE OPERATION OF MOTORBOATS AND SAILBOATS IN WATERS OF THE STATE, INCREASING PENALTIES RELATED TO THE INTRODUCTION OF AQUATIC NUISANCE SPECIES INTO THE WATERS OF THE STATE, AND COMBINING TWO SEPARATE FUNDS RELATED TO THE AQUATIC NUISANCE SPECIES PROGRAM INTO ONE FUND.

CWC Position: Support

Bill Summary: Water Resources Review Committee. **Section 3** of the bill updates a legislative declaration concerning aquatic nuisance species to encourage the federal government to dedicate sufficient funding and resources to the detection, prevention, control, and eradication of aquatic nuisance species for federally owned or managed aquatic resources and water infrastructure in Colorado.

Section 4 defines "motorboat" and "sailboat".

Section 5 authorizes the division of parks and wildlife (division) to seek reimbursement from a conveyance owner (i.e., motor vehicles, trailers, and watercraft) for the storage and decontamination of a conveyance that has been impounded and quarantined due to the suspected presence of an aquatic nuisance species.

Section 6 requires an in-state resident registering a motorboat or sailboat in Colorado for use on or after January 1, 2019, to pay a \$25 fee for an aquatic nuisance species stamp in addition to the watercraft registration fee. A nonresident using a motorboat or sailboat in waters of the state on or after January 1, 2019, is required to pay a \$50 fee for an aquatic nuisance species stamp.

Section 7 increases penalties related to aquatic nuisance species and creates new penalties for failing to purchase an aquatic nuisance species stamp; failing to comply with a qualified peace officer's or an authorized agent's request to stop, detain, and inspect a vessel; and launching a vessel without first obtaining a vessel inspection at an aquatic nuisance species check station.

Section 8 combines the division of parks and outdoor recreation aquatic nuisance species fund and the division of wildlife aquatic nuisance species fund into a single fund: The division of parks and wildlife aquatic nuisance species fund.

Sections 1, 2, 9, and 10 make conforming amendments.

HOUSE BILL 18-1053 Reclaimed Water Use for Marijuana Cultivation - CONCERNING THE ALLOWABLE USES OF RECLAIMED DOMESTIC WASTEWATER, AND, IN CONNECTION THEREWITH, ALLOWING RECLAIMED DOMESTIC WASTEWATER TO BE USED FOR MARIJUANA CULTIVATION.

CWC Position: Support

Bill Summary: Water Resources Review Committee. The bill codifies rules promulgated by the water quality control commission (commission) of the Colorado department of public health and environment concerning allowable uses of reclaimed domestic wastewater, which is wastewater that has been treated for subsequent reuses other than drinking water.

Section 3 of the bill defines 3 categories of water quality standards for reclaimed domestic wastewater, sets forth the allowable uses for each water quality standard category, and adds marijuana cultivation as an allowable use for reclaimed domestic wastewater. Section 3 also authorizes the commission to establish new categories of water quality standards and to recategorize any use of reclaimed domestic wastewater to a less stringent category of water quality standard.

Section 3 also authorizes the division of administration in the department of public health and environment to grant variances for uses of reclaimed domestic wastewater.

Sections 1, 2, and 4 make conforming amendments.

HOUSE BILL 18-1069 Reclaimed Water Use for Toilet Flushing - CONCERNING THE ALLOWABLE USES OF RECLAIMED DOMESTIC WASTEWATER, AND, IN CONNECTION THEREWITH, ALLOWING RECLAIMED DOMESTIC WASTEWATER TO BE USED FOR TOILET FLUSHING.

CWC Position: Support

Bill Summary: The bill codifies rules promulgated by the water quality control commission (commission) of the Colorado department of public health and environment concerning allowable uses of reclaimed domestic wastewater, which is wastewater that has been treated for subsequent reuses other than drinking water.

Section 3 of the bill defines 3 categories of water quality standards for reclaimed domestic wastewater, sets forth the allowable uses for each water quality standard category, and adds toilet and urinal flushing in multifamily residential and nonresidential structures as allowable uses for reclaimed domestic wastewater. Section 3 also authorizes the commission to establish new categories of water quality standards and to recategorize any use of reclaimed domestic wastewater to a less stringent category of water quality standard. Section 3 also authorizes the division of administration in the department of public health and environment to grant variances for uses of reclaimed domestic wastewater.

Sections 1, 2, and 4 make conforming amendments.

HOUSE BILL 18-1073 Water District Ability Contract Water Assets - CONCERNING WATER DISTRICTS' ABILITY TO ENTER INTO CONTRACTS REGARDING THEIR WATER-RELATED ASSETS.

CWC Position: Support

Bill Summary: The bill authorizes water districts, including water activity enterprises, to enter into contracts for water and the capacity in works and allows the contracts to be based on municipalities' authority to contract for water and sewer facilities. It also specifies that water conservancy districts' contracts can be for municipal and industrial use by the recipient of the water.

HOUSE BILL 18-1093 Reclaimed Water Use for Edible Crops - CONCERNING THE ALLOWABLE USES OF RECLAIMED DOMESTIC WASTEWATER, AND, IN CONNECTION THEREWITH, ALLOWING3 RECLAIMED DOMESTIC WASTEWATER TO BE USED FOR FOOD CROPS.-

CWC Position: Support

Bill Summary: The bill codifies rules promulgated by the water quality control commission (commission) of the Colorado department of public health and environment concerning allowable uses of reclaimed domestic wastewater, which is wastewater that has been treated for subsequent reuses other than drinking water.

Section 3 of the bill defines 3 categories of water quality standards for reclaimed domestic wastewater, sets forth the allowable uses for each water quality standard category, and adds food crop irrigation as an allowable use for reclaimed domestic wastewater. Section 3 also authorizes the commission to establish new categories of water quality standards and to recategorize any use of reclaimed domestic wastewater to a less stringent category of water quality standard. Section 3 also authorizes the division of administration in the department of public health and environment to grant variances for uses of reclaimed domestic

wastewater.

Sections 1, 2, and 4 make conforming amendments.

HOUSE BILL 18-1151 Colorado Water Conservation Board Approve Deficit Irrigation Pilot Projects - CONCERNING THE AUTHORIZATION OF DEFICIT IRRIGATION PILOT PROJECTS APPROVED BY THE COLORADO WATER CONSERVATION BOARD.

CWC Position: Support

Bill Summary: Current law allows the Colorado water conservation board to approve up to 15 pilot projects for agricultural water leasing or fallowing projects. The bill expands the types of projects that may be approved to include deficit irrigation projects, which use less than the optimal amount of water on a particular crop. The bill also excludes from the determination of historical consumptive use decreases in use resulting from deficit irrigation projects to conserve or lease water.

HOUSE BILL 18-1199 Aquifer Storage-and-recovery Plans - CONCERNING A PROCESS FOR THE GROUND WATER COMMISSION TO USE FOR APPROVING AQUIFER STORAGE-AND-RECOVERY PLANS, AND, IN CONNECTION THEREWITH, REQUIRING THAT THE GROUND WATER COMMISSION PROMULGATE RULES GOVERNING ITS IMPLEMENTATION OF THE PROCESS.

CWC Position: Support

Bill Summary: The bill authorizes a person to apply to the ground water commission (commission) for approval of an aquifer storage-and-recovery plan and requires the commission to promulgate rules governing the application process and the requirements that an aquifer storage-and-recovery plan must meet to be approved.

HOUSE BILL 18-1201 Severance Tax Voter-approved Revenue Change - CONCERNING A VOTER-APPROVED REVENUE CHANGE TO ALLOW THE STATE TO RETAIN AND SPEND AN AMOUNT EQUAL TO STATE SEVERANCE TAX REVENUES.

CWC Position: Support

Bill Summary: The bill requires the secretary of state to refer a ballot issue at the general election held on November 6, 2018, to seek voter approval for the state to retain and spend an amount equal to state severance tax revenue. The change only has effect in years when the state would otherwise be required to make a refund under section 20 of article X of the state constitution (TABOR) and is conditioned on the state not:

- Repealing or reducing any of the existing severance tax exemptions or credits; or
- Reducing the percentage of the severance tax revenue that is allocated to local governments.

If the state does any of these actions, then the state's authority to retain and spend revenues based on the voters' approval of the referred ballot issue is rescinded at that time and going forward.

HOUSE BILL 18-1215 Safe Disposal Naturally Occur Radioactive Material - CONCERNING ENHANCED PROTECTIONS REGARDING THE DISPOSAL OF NATURALLY OCCURRING RADIOACTIVE MATERIALS.

CWC Position: Support

Bill Summary: Current law allows the state board of health to adopt rules concerning the disposal of naturally occurring radioactive materials (NORM) only after the federal environmental protection agency (EPA) has adopted rules concerning the disposal of NORM. The EPA has not adopted the rules. The bill:

- Requires the state board to adopt rules for the disposal of NORM and technologically enhanced NORM (TENORM); and
- While the state board is conducting its rule-making investigation, temporarily prohibits the disposal of oil and gas exploration and production waste (EP waste) with potentially high concentrations of radionuclides at a facility that is not specifically approved and designated to receive the waste unless:
 - The generator of the waste has sampled and tested the EP waste on a per-shipment basis or in a representative and statistically valid manner approved by the state board; and
 - The results of the test indicate that the EP waste contains low levels of TENORM.

A generator of EP waste must file reports with the state board.

SENATE BILL 18-019 Expanded Duration for CWRPDA Revolving Loans - CONCERNING AN EXPANSION OF THE DURATION FOR WHICH THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY MAY MAKE A LOAN UNDER THE AUTHORITY'S REVOLVING LOAN PROGRAMS.

CWC Position: Support

Bill Summary: Water Resources Review Committee. Pursuant to the federal clean water act and the federal "Safe Water Drinking Act", the Colorado water resources and power development authority (authority) makes loans under its water pollution control revolving fund and its drinking water revolving fund. Under state law, the duration of any water pollution control loan made by the authority must not exceed 20 years after project completion; however, the federal clean water act now allows for loans up to the lesser of 30 years or the projected useful life of the project, as determined by the state. The bill removes the 20-year limitation on water pollution control loans and authorizes the authority to make loans in compliance with the clean water act and the "Safe Water Drinking Act".

SENATE BILL 18-038 Reclaimed Water Use on Industrial Hemp - CONCERNING THE ALLOWABLE USES OF RECLAIMED DOMESTIC WASTEWATER, AND, IN CONNECTION THEREWITH, ALLOWING RECLAIMED DOMESTIC WASTEWATER TO BE USED FOR INDUSTRIAL HEMP CULTIVATION.

CWC Position: Support

Bill Summary: Water Resources Review Committee. The bill codifies rules promulgated by the water quality control commission (commission) of the Colorado department of public health and environment concerning allowable uses of reclaimed domestic wastewater, which is wastewater that has been treated for subsequent reuses other than drinking water.

Section 3 of the bill defines 3 categories of water quality standards for reclaimed domestic wastewater, sets forth the allowable uses for each water quality standard category, and adds industrial hemp cultivation as an allowable use for reclaimed domestic wastewater. Section 3 also authorizes the commission to establish new categories of water quality standards and to recategorize any use of reclaimed domestic wastewater to a less stringent category of water quality standard. Section 3 also authorizes the division of administration in the department of public health and environment to grant variances for uses of reclaimed domestic wastewater. **Sections 1, 2, and 4** make conforming amendments.

SENATE BILL 18-041 Authorize Water Use Incidental Sand & Gravel Mines - CONCERNING THE ABILITY OF OPERATORS OF SAND AND GRAVEL MINES TO USE WATER INCIDENTAL TO SAND AND GRAVEL MINING OPERATIONS TO MITIGATE THE IMPACTS OF MINING.

CWC Position: Support

Bill Summary: Water Resources Review Committee. Current law requires operators of sand and gravel open mines that expose groundwater to the atmosphere to obtain a well permit and either: A replacement plan approved by the ground water commission for designated groundwater; or a plan for augmentation approved by the water court or a plan of substitute supply approved by the state engineer for tributary groundwater. The bill specifies that the replacement plan (in section 1 of the bill) or the plan of substitute supply (in section 2) and the permit may authorize uses of water incidental to open mining for sand and gravel, including specifically (among other things) the mitigation of impacts from mining and dewatering.

SENATE BILL 18-134 Public Utilities Commission Deregulate Nonprofit Water Utilities - CONCERNING THE EXEMPTION OF NONPROFIT WATER COMPANIES FROM REGULATION BY THE PUBLIC UTILITIES COMMISSION.

CWC Position: Support

Bill Summary: Under current law, the public utilities commission is directed to grant simplified regulatory treatment to water companies that serve fewer than 1,500 customers. The bill expands on this concept by deregulating water companies that are registered as nonprofits, so long as their rates, charges, and terms and conditions of service are just and reasonable. The commission retains the right to entertain a complaint of unjust or unreasonable rates or practices, and to take remedial action, if the complaint is authorized by specified public officials or other persons.

SENATE BILL 18-143 Parks and Wildlife Measures to Increase Revenue - CONCERNING MEASURES TO INCREASE REVENUE FOR THE PARKS AND WILDLIFE DIVISION, AND, IN CONNECTION THEREWITH, SETTING CERTAIN HUNTING, FISHING, PARKS, AND RECREATION FEES.

CWC Position: Support

Bill Summary:

Section 1 adds a nonstatutory short title.

Section 2 of the bill makes legislative findings.

Section 3 adds "preference point" to the documents listed under the definition of "license".

Sections 4 and 12 add "sponsorships", "contributions", and "donations" to the list of money transfers that the parks and wildlife commission (commission) is authorized to receive and expend.

Sections 5 and 9 change the name of the wildlife management public education advisory council to the wildlife council.

Section 6 raises the amount of residential and nonresidential license fees, stamp fees, and surcharges for certain hunting and fishing activities. Section 6 also: Authorizes the commission to apply a consumer price index adjustment to hunting and fishing fees; establishes an annual residential youth fishing fee; and, together with section 7, moves a reference to the state migratory waterfowl stamp fee amount.

Section 7 also allows the division of parks and wildlife (division) to grant up to 25% of the money derived from sales of the state migratory waterfowl stamp to nonprofit organizations implementing the North American waterfowl management plan.

Section 8 authorizes the commission to establish by rule a special licensing program for young adult hunters and anglers.

Section 10 requires the division to prepare reports on increased licensing fees and to present the reports to the agricultural committees in the house of representatives and the senate.

Section 11 removes the restriction on the commission's ability to raise or lower park fees and charges only if the commission reasonably anticipates that the annual revenues from the fees and charges will not increase by more than 20% above the annual amount earned from fees and charges as they existed on July 1, 2011. Section 11 also establishes a maximum fee increase that the commission may impose by rule for park passes in any one year as a one-dollar increase for a daily park pass and a \$10 increase for an annual park pass.

Section 13 removes the \$200,000 limitation on the amount that may be held in the stores revolving fund, which fund is maintained for acquiring stock for warehousing and distributing supplies for retail sales to visitors, and requires that the fund be continuously appropriated.

Section 14 removes the \$5 cap on the fee that the division may charge a person to replace a lost or destroyed pass or registration. The fee may be set by the commission by rule in an amount up to 50% of the cost of the original pass or registration.

Section 15 removes a requirement that an aspen leaf annual park pass be affixed to the vehicle for which the pass was issued.

Section 16 directs the commission to determine, by rule, how the columbine annual park pass will be displayed to enter a state park or recreation area.

SJM BILL 18-004 - Memorialize Former Congressman Ray Kogovsek

CWC Position: Support

Bill Summary: None available

SJR BILL 18-003 - 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: None available

Attachment C



Colorado Water Congress EST 1958

2018 Federal Priorities

Authorization / Funding for Control of **Aquatic Nuisance** (Invasive) Species

USDA Conservation Programs (**Farm Bill**)

Watershed and **Forest Health**

Infrastructure Funding

Short-term Infrastructure Package

Maintaining Existing Programmatic Funding (ex. State Revolving Loan)

Financing Mechanisms Other than Federal Appropriations

Water Transfer Rule Legislation

Abandoned Mine Reclamation

Superfund Programmatic Funding for Abandoned Mines (ex. Gold King)

Good Samaritan Legislation

Regulatory Changes due to **Climate Variability**

Endangered Species Recovery Implementation Programs and ESA Reform

Upper Colorado River

San Juan River Basin

Platte River

Hemp Irrigation from Federal Projects

USFS and BLM **Management Plans**

NEPA and **Permit Streamlining**

Water Rights Protection Act

Waters of the United States Rule-making

Other Colorado Priorities

U.S. Bureau of Reclamation **Colorado River Basin Study**

Colorado River **Drought Contingency** Planning

NRCS Funding for Manual **Snow Course** Measurement

Approved December 21, 2017

**ITEM TITLE:**

Water Supply Update

DESCRIPTION:

Raw water supply update.

SUMMARY:

NRCS Colorado SNOTEL Snow Water Equivalent (SWE) Map:

- Indicates the South Platte Basin is at 95% of Median SWE (1981-2010)
- Overall Statewide we are currently at 69% of Median SWE

Locations of Bear Lake & Lake Irene SNOTEL Sites:

- Bear Lake SNOTEL site is in the upper Big Thompson River Basin
- Lake Irene SNOTEL site is in the upper Colorado River Basin

Bear Lake NRCS SNOTEL Site:

- First Graph shows the SWE from October 2017 through February 13, 2018 (red) compared to 2002, 2015, 2016, 2017, and the 30-year Median (1981-2010)
- As of February 13, 2018, the SWE was 8.2 inches
- Second Graph shows the entire snow accumulation and melt-off period from October through mid-June
- For 2018 thus far, the SWE accumulation is trending between the 30-year median SWE and the 2002 drought. However, it shows a relatively steep slope upwards starting in February with the recent snow accumulation.
- SWE usually peaks out in April, so we are still fairly early in the snow accumulation season and we could get some major spring snows like what occurred in 2017.

Northern Native Supplies Report:

- SWSI – Northern Water Surface Supply Index (consolidates reservoir storage, SWE, and precipitation)
- SWSI Graph Indicates District 4 (Thompson River Basin) is currently at an index value of +2, or “Above Normal Supply”
- The map “Departure from Normal Precipitation (in.) – January 2018” shows the watershed above the Northern Front Range, particularly in Rocky National Park area, with a “Near Normal” condition with a range of approximately 0.3 to -0.3.
- The local storage volume of the Thompson River Basin is at 124% of average.





Next Two Graphs - NRCS SNOTEL as of January 8, 2018

- Lake Irene SWE at 12.2 inches, or 82% of Median
- Bear Lake SWE at 7.5 inches, or 82% of Median

RECOMMENDATION:

Information item only. No action required.

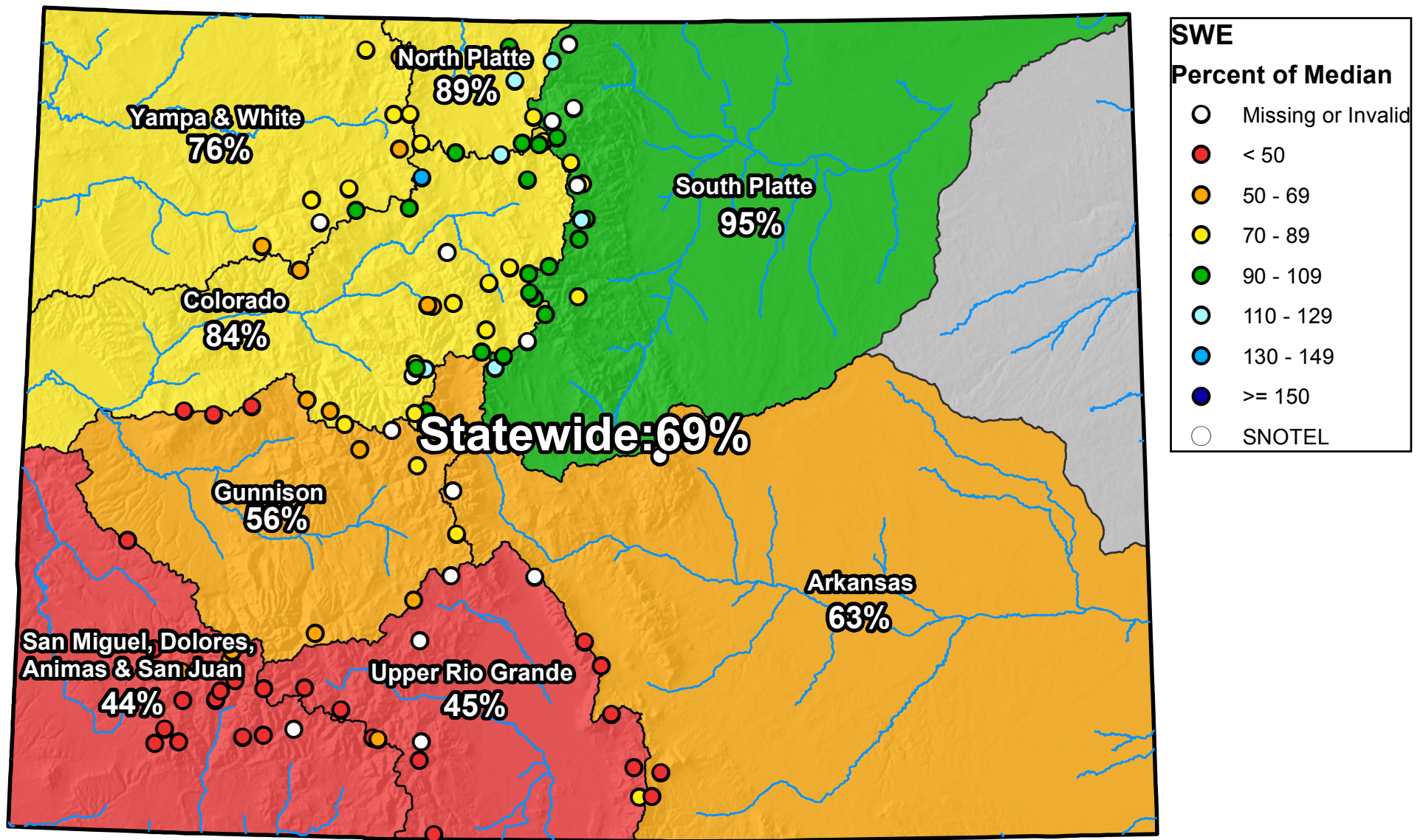
ATTACHMENTS:

-  Attachment A: Colorado SNOTEL Update Map
-  Attachment B: Snow-Water Equivalent at Bear Lake
-  Attachment C: Native Water Supplies Report
-  Attachment D: Snowpack and Streamflow Comparisons from Northern Water

Attachment A

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

Current as of Feb 13, 2018



0 25 50 100 150 200 Miles

53

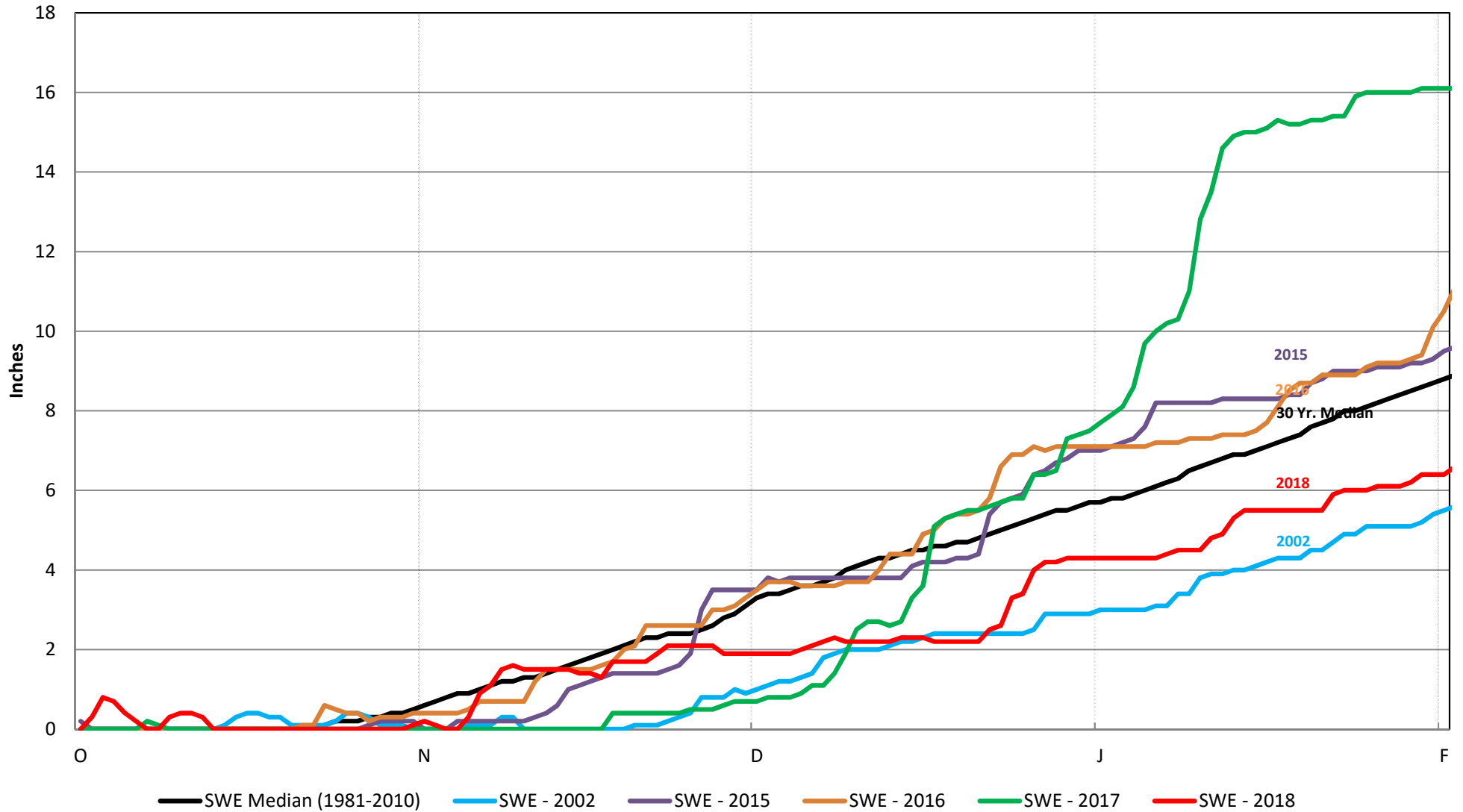


United States Department of Agriculture

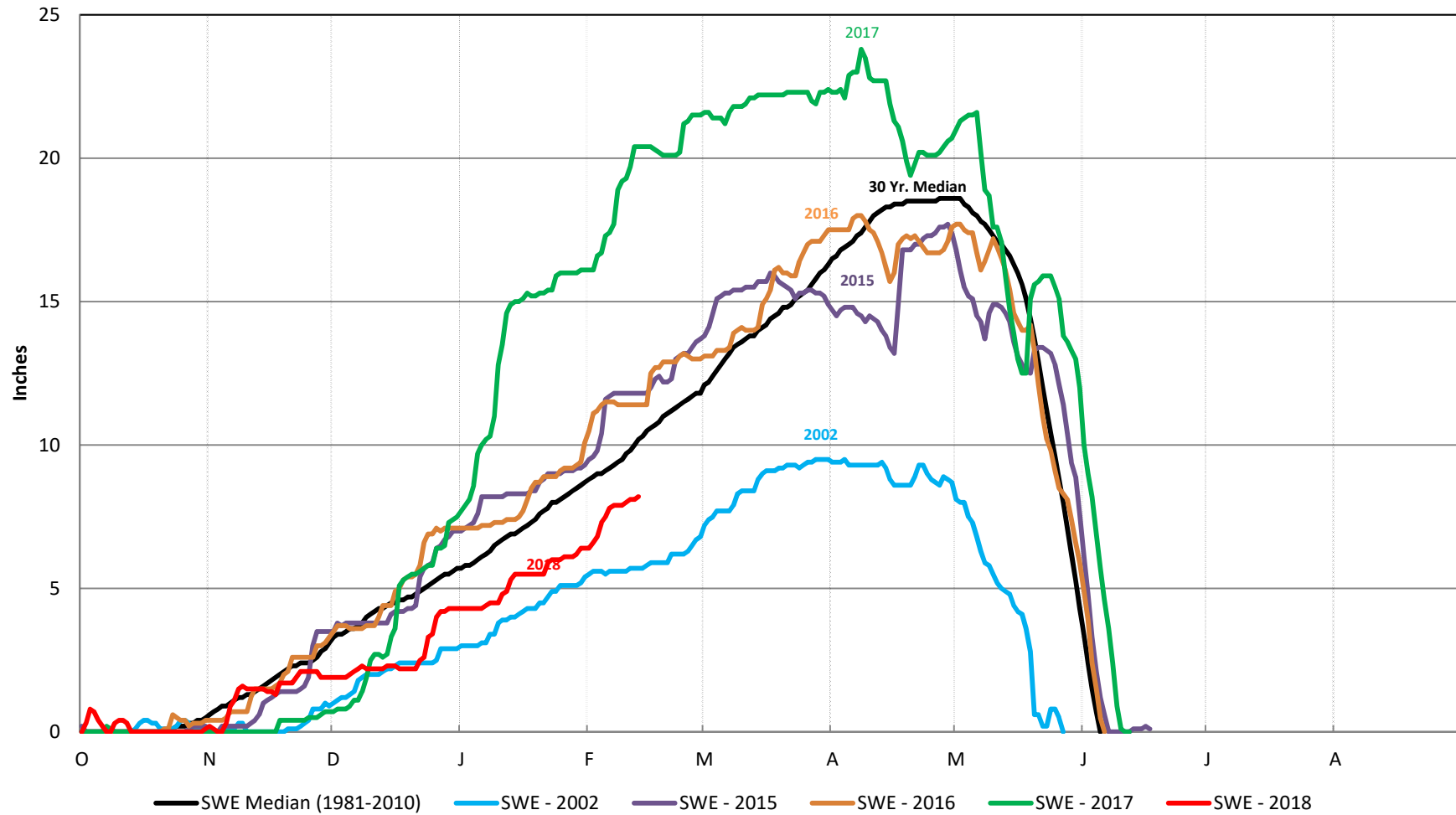
Natural Resources Conservation Service

Attachment B

Snow - Water Equivalent at Bear Lake as of February 1, 2018



Snow - Water Equivalent at Bear Lake as of February 13, 2018

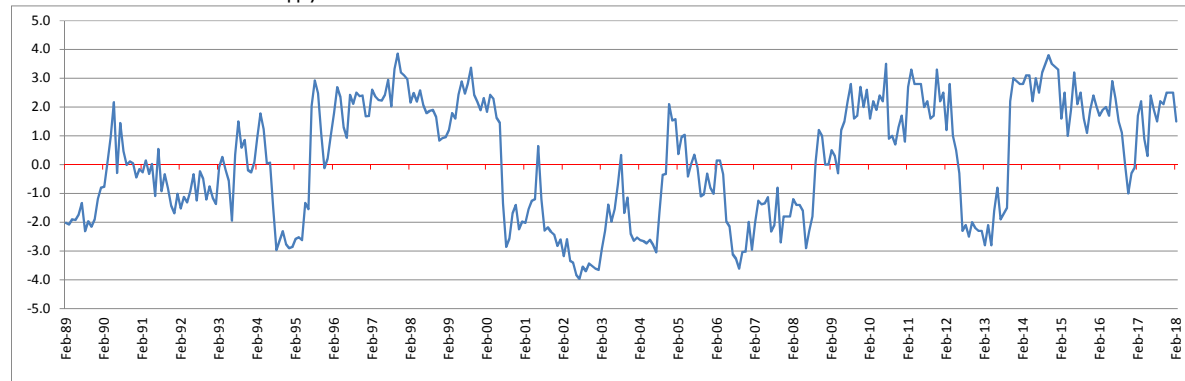


Attachment C

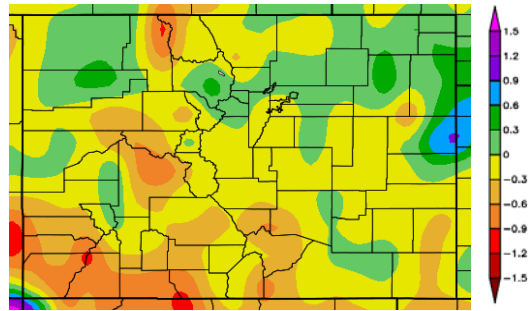
Native Water Supplies Report February 1, 2018

Northern Water Surface Water Supply Index

Current Value= 1.50



Departure from Normal Precipitation (in.) - January 2018



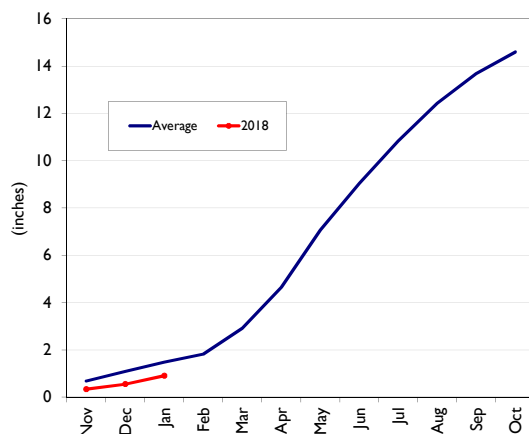
map source: NOAA Regional Climate Center

The Northern Water Surface Water Supply Index (SWSI) consolidates reservoir storage, streamflow (or Snow Water Equivalent during the winter), and precipitation into a single index value which ranges between -4.2 and +4.2.

The SWSI scale can be subjectively described as follows:

SWSI	Designation
+4	Abundant Supply
+2	Above Normal Supply
0	Near Normal
-2	Moderate Drought
-4	Severe Drought

District Mean Areal Precipitation - Cumulative Year to Date



Local Storage Summary

(acre-feet)	February 1	Average	% Average
Districts 1, 2 & 64 (So Platte)	236,025	211,335	112%
District 3 (Poudre)	158,566	126,519	125%
District 4 (Thompson)	85,211	68,813	124%
District 5 (St. Vrain & Left Hand)	44,778	41,780	107%
District 6 (Boulder Creek)	24,254	20,257	120%
Total Native Storage	548,834	468,704	117%

January Precipitation Summary

(inches)	Jan	YTD
District Mean Areal Precipitation*	0.36	0.91
Key Northern Water Weather Stations		
Fort Collins	0.28	0.91
Greeley	0.47	1.40
Longmont	0.44	1.42
Fort Morgan	0.15	0.44
Sterling	0.38	0.83

*computed using CoCoRaHS and Northern Water stations.

Attachment D

Snowpack and Streamflow Comparisons February 1, 2018



Snow Water Content

% of Average

Colorado's Statewide Snowpack	59%
Upper Colorado River ⁽¹⁾	81%
South Platte Tributaries ⁽²⁾	74%

Snow-Water Content Comparisons (inches)

Watershed	February 1, 2018 Snow-Water Content			February 1 Comparative Snow-Water Content			
	2018	Average	% Avg	2017	2016	2015	2002
Blue River	7.4	8.8	84%	140%	104%	112%	74%
Upper Colorado River	7.5	9.7	77%	142%	96%	84%	64%
Willow Creek	5.8	6.6	88%	167%	116%	69%	54%
Fraser River	6.7	8.9	75%	131%	119%	96%	68%
Poudre River	7.2	8.7	82%	138%	88%	80%	53%
Big Thompson River	6.1	8.6	71%	153%	100%	99%	58%
St. Vrain River	4.3	6.8	63%	174%	97%	92%	56%
Boulder Creek	5.5	6.9	80%	151%	100%	89%	59%

Apr-Jul Maximum, Minimum

and Most Probable Streamflow Forecasts (1000 af)

Watershed	Forecast Minimum	Most Probable	Forecast Maximum	Apr-Jul Avg ⁽³⁾	Most Prob % Average
Blue River	159	231	317	275	84%
Upper Colorado River	139	192	254	220	87%
Willow Creek	25	40	59	47	85%
Fraser River	64	96	133	117	82%
Poudre River	113	203	292	225	90%
Big Thompson River	51	78	118	90	87%
St. Vrain River	45	74	110	88	84%
Boulder Creek	34	49	69	54	91%
South Platte Tributaries		404		457	88%

Precipitation within District Boundaries ⁽⁴⁾

	Totals	Average	% Average
January	0.36	0.38	95%
Nov-Jan	0.91	1.47	62%

(1) Includes the Colorado, Willow Creek, Fraser and Blue River Watersheds

(2) Includes the Poudre, Big Thompson, Saint Vrain and Boulder Creek Watersheds

(3) Average for the period 1981-2010

(4) Computed using CoCoRaHS and Northern Water Stations

Snow Update

Based on Data from NRCS SNOTEL Sites

2/5/2018

Upper Colorado River Basin						
Station Name	Basin	Elevation (ft)	Snow Water Equivalent (SWE)			
			Current (in)	Last Year (in)	Median (in) ¹	Current as % of Median
Berthoud Summit	Fraser	11,300	9	13.4	10.9	83%
Fool Creek	Fraser	11,150	12.2	15.0	--	--
Fremont Pass	Blue	11,400	9.4	12.9	9.5	99%
Grizzly Peak	Blue	11,100	9.7	17.5	9.3	104%
High Lonesome	Upper Colorado	10,620	NA	13.5	--	--
Hoosier Pass	Blue ²	11,400	8.7	11.1	9	97%
Jones Pass	Fraser ²	10,400	6.2	10.9	8.2	76%
Lake Irene	Upper Colorado	10,700	12.2	19.7	14.8	82%
Never Summer	Willow Creek ²	9,540	11.6	16.7	12.9	90%
Phantom Valley	Upper Colorado	9,030	7	11.1	6.6	106%
Stillwater Creek	Upper Colorado	8,720	5.1	9.6	5.5	93%
Willow Creek Pass	Willow Creek	9,540	8.4	13.5	7.9	106%

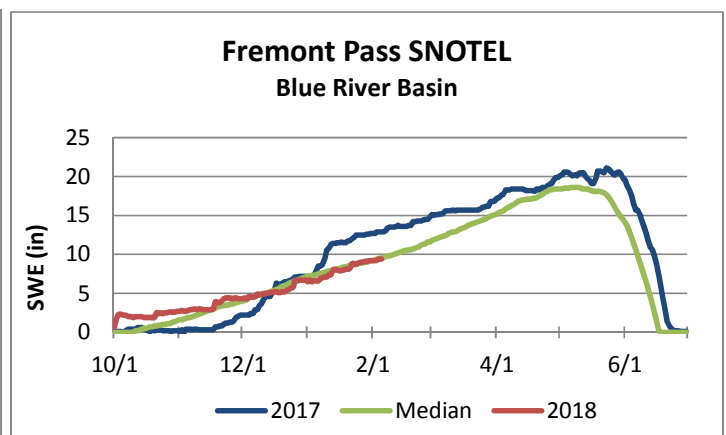
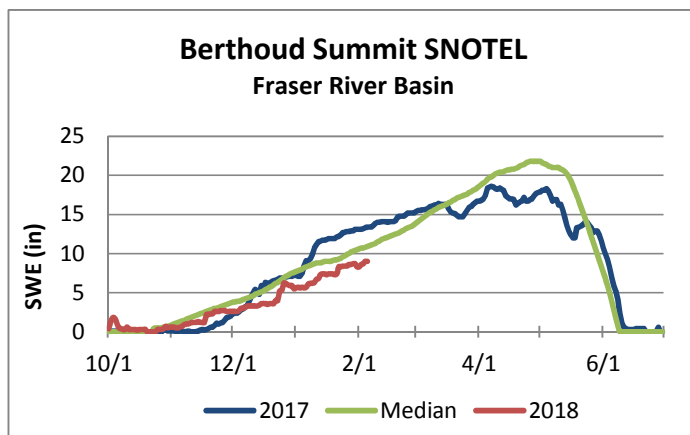
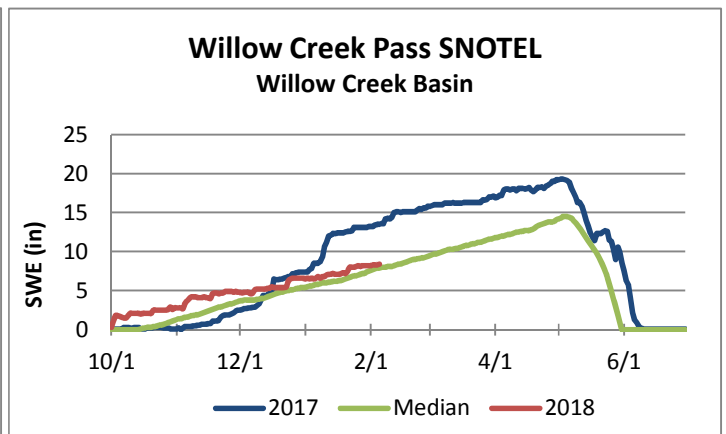
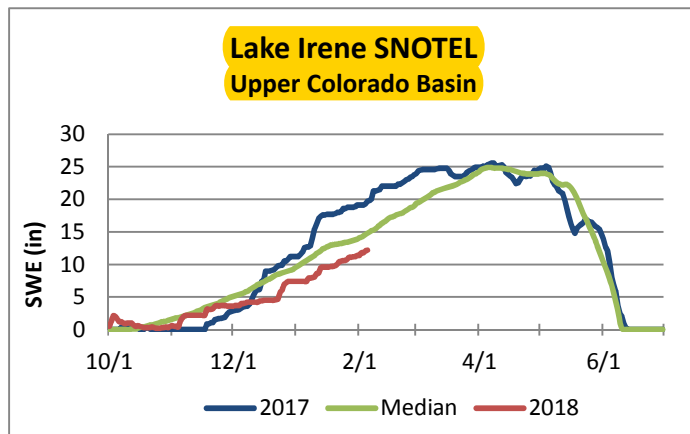
¹ Median Snow Water Equivalent (1981-2010)

² SNOTEL stations are outside of, but near the basin.

Notes:

- Fool Creek Station began data collection October 2011; there is not enough data to compute a median.

- High Lonesome Station began data collection October 2013; there is not enough data to compute a median.



Snow Update

Based on Data from NRCS SNOTEL Sites

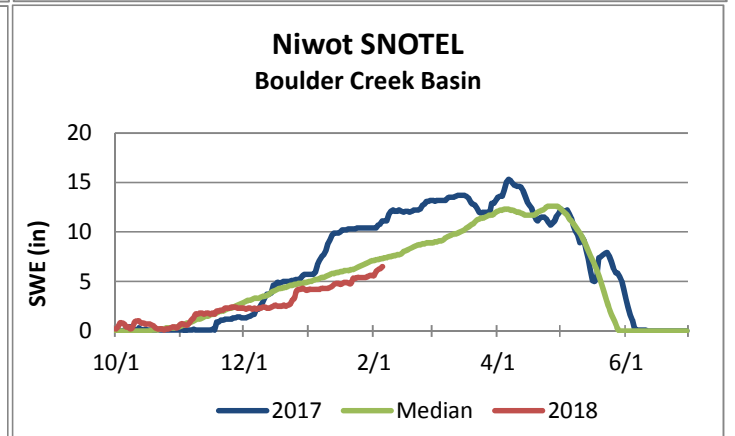
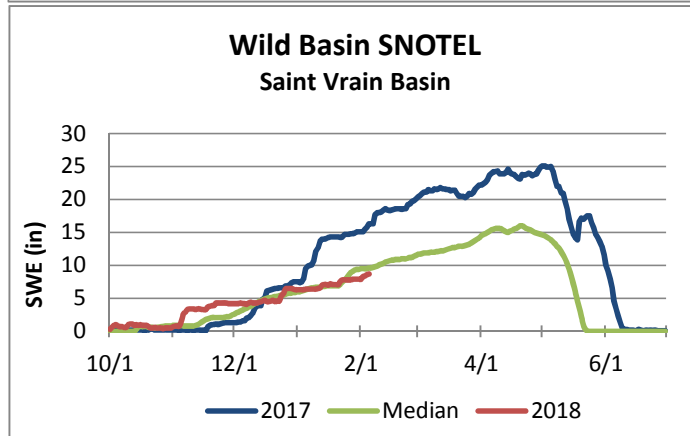
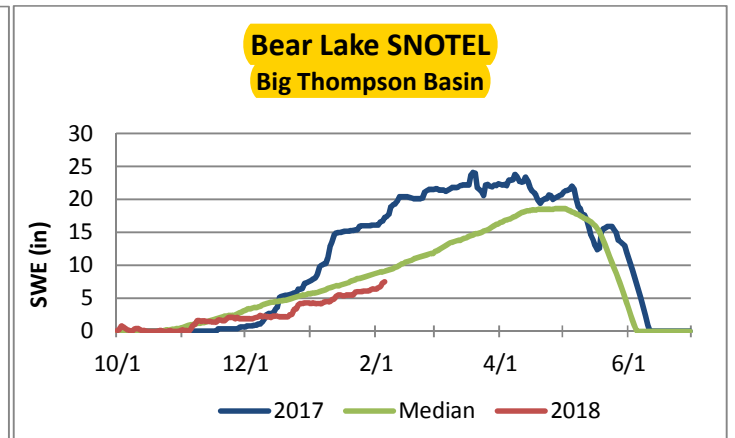
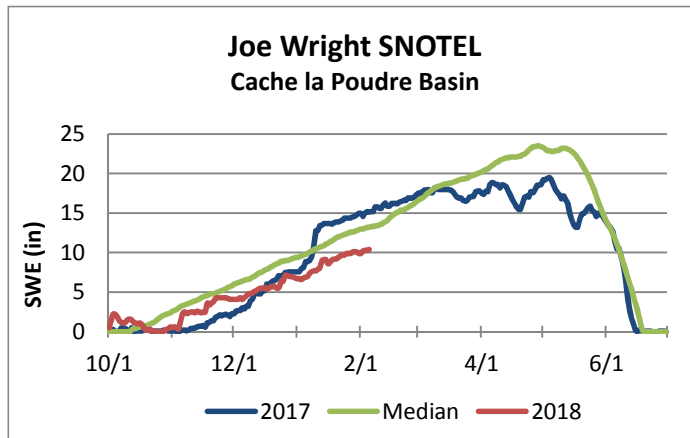
2/5/2018

South Platte River Basin						
Station Name	Basin	Elevation (ft)	Snow Water Equivalent (SWE)			
			Current (in)	Last Year (in)	Median (in) ¹	Current as % of Median
Bear Lake	Big Thompson	9,500	7.5	17.3	9.1	82%
Copeland Lake	Saint Vrain	8,600	2.2	9.4	3.4	65%
Deadman Hill	Cache la Poudre	10,220	12.7	15.0	10.4	122%
Hourglass Lake	Cache la Poudre	9,380	6.5	8.8	--	--
Joe Wright	Cache la Poudre	10,120	10.4	15.1	13.2	79%
Lake Eldora	Boulder Creek	9,700	6.7	11.2	6.9	97%
Niwot	Boulder Creek	9,910	6.5	11.1	7.3	89%
University Camp	Boulder Creek	10,300	9.1	14.7	9.1	100%
Wild Basin	Saint Vrain	9,560	8.7	16.3	9.6	91%
Willow Park	Big Thompson	10,700	9	12.9	10.5	86%

¹ Median Snow Water Equivalent (1981-2010)

Notes:

-Hourglass Lake Station began data collection October 2008; there is not enough data to compute a median.



**ITEM TITLE:**

Namaqua Pump Stations Improvements and Raw Water Bypass

DESCRIPTION:

The purpose of this item is to award a construction contract to the lowest qualified bidder for the Namaqua Pump Stations Improvements and Raw Water Bypass.

SUMMARY:

The purpose of this project is the rehabilitation of the City's existing Namaqua Pumps at the Morning Drive Pump Station and minor rehabilitation to the tank at the Namaqua Hills Pump Station. The existing Namaqua P2 (pressure zone) pumps at Morning Drive Pump Station have reached the end of their useful life. The City can no longer maintain or find replacement parts for the pumps. The work at the Morning Drive Pump Station includes but is not limited to the replacement of two pumps with 250 gpm pumps with variable frequency drives (VFD's) and one 1,000 gpm municipal duty pump with a VFD. The work at the Namaqua Hills Pump Station includes minor rehabilitation to the tank including a new tank hatch and a connection for the Loveland Fire Authority. Coupled with this pump station work is the installation of a raw water bypass at the Water Treatment Plant. The work will include the installation of a raw water bypass to allow raw water to bypass the WTP and flow back into the Big Thompson River. This includes the furnishing and installing of new piping and appurtenances inside the existing sleeve valve vault. This bypass project will allow for the City to meet augmentation requirements. Please see Attachments B and C for the location of the Namaqua pump station service area and raw water bypass at the WTP.

Below is a summary tabulation of bidders:

Name of Bidder	Lillard & Clark Construction, Co., Inc.	Archer Western Construction, LLC	Integrated Water Services, Inc.	Aslan Construction, Inc.	Stanek Constructors, Inc.	Dan's Custom Construction Inc.
TOTAL	\$879,000.00	\$918,920.00	\$951,400.00	\$961,900.00	\$1,024,000.00	\$1,047,800.00




Please see Attachment A for detailed bid tabulation. The Water Department will have adequate funds available to construct the project once the 2017 roll-over funds become available in March 2018.

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

RECOMMENDATION:

Adopt a motion to award the contract for the Namaqua Pump Stations Improvements and Raw Water Bypass to Lillard & Clark Construction Company, Inc. in an amount not to exceed \$879,000.00 and authorize the City Manager to execute the contract on behalf of the City.

ATTACHMENTS:

-  Attachment A: Tabulation of Bids
-  Attachment B: Namaqua Water Pump Stations Service Area
-  C: Raw Water Bypass

Attachment A

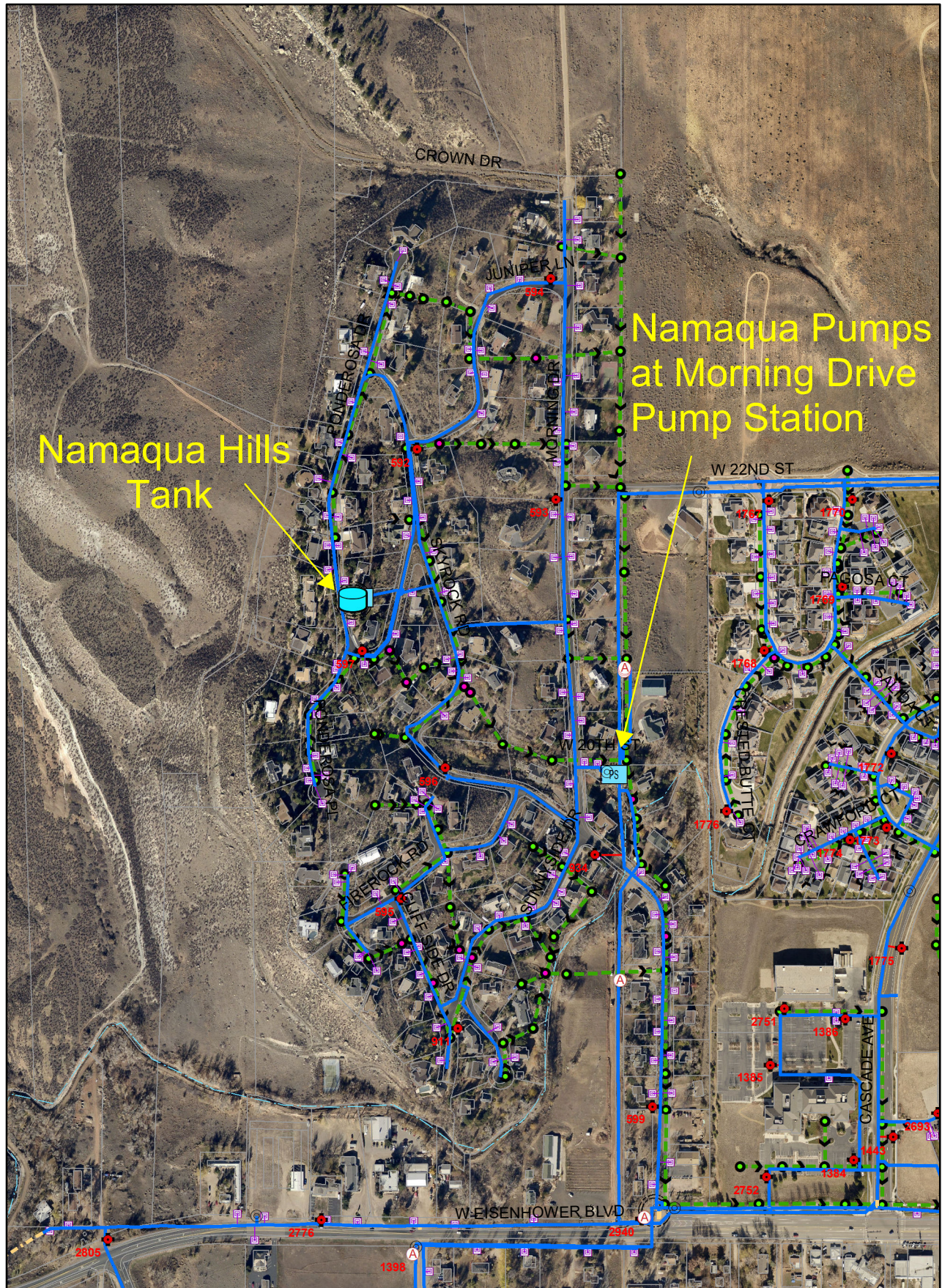
BIDS RECEIVED: Thursday, February 8, 2018 @ 2:00PM
 PROJECT NAME: Namaqua Pump Stations Improvements and Raw Water Bypass (W1606C)
 BID NUMBER: 2018-09
 BIDS TABULATED BY:



NAME OF BIDDER				Lillard & Clark Construction Co., Inc.	Archer Western Construction, LLC	Integrated Water Services, Inc.	Asian Construction, Inc.	Stanek Constructors, Inc	Dan's Custom Construction Inc.
BIDDER'S CONTACT INFORMATION				Paul Wagner 3775 South Knox Court Denver, CO 80236 Ph: (303) 761-3170 Fax: (303) 762-1710	Bill Nelson 8703 Yates Drive, Suite 105 Westminster, CO 8031 Ph: (720) 465-6743 Fax: (972) 457-8501	Jeff Thomas 4001 N. Valley Drive Longmont, CO 80504 Ph: (720) 221-4366 Fax: (720) 207-5056	Michael Pephrey 120 Bunyan Avenue, Suite 200 Berthoud, CO 80513 Ph: (970) 344-1040 Fax: (970) 344-1045	Robert S. Stanek 651 Corporate Circle, Suite 108 Golden, CO 80401 Ph: (303) 980-8233 Fax: (303) 980-8145	Dan LaCue 20905 Weld County Road 2 Brighton, CO 80603 (303) 356-8043 Fax: (303) 654-1970
ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
A	Lump Sum	1	EA	\$792,000.00	\$872,570.00	\$844,900.00	\$895,000.00	\$889,000.00	\$823,800.00
B	Lump Sum	1	EA	\$12,000.00	\$18,000.00	\$44,100.00	\$30,000.00	\$35,000.00	\$118,000.00
C	Lump Sum	1	EA	\$75,000.00	\$28,350.00	\$62,400.00	\$36,900.00	\$100,000.00	\$106,000.00
TOTAL LUMP SUM BID (\$):				\$879,000.00	\$918,920.00	\$951,400.00	\$961,900.00	\$1,024,000.00	\$1,047,800.00

ATTACHMENT 4-A - BID TABULATION

Attachment B



ATTACHMENT 4-B - NAMAQUA WATER PUMP STATION
SERVICE AREA

Attachment C



ATTACHMENT 4-C - RAW WATER BYPASS

*For return augmentation to the river

**ITEM TITLE:**

Acquisition of additional storage capacity and revised Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise, and the City of Loveland for Participation in the Windy Gap Firming Project.

DESCRIPTION:

The City of Longmont is nearing approval of sale to Platte River Power Authority of 2,000 acre-feet of additional storage capacity in the Windy Gap Firming Project (Chimney Hollow Reservoir). Because PRPA has authority to commit to 16,000 acre-feet of storage capacity, it has offered to the City of Loveland the ability to acquire 136 acre-feet of storage capacity which it will hold after the acquisition from Longmont. The revised storage capacity amounts based on the pending transactions from Longmont to PRPA, and PRPA to Loveland, are reflected in a proposed revised Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland (Fifth Interim Agreement). The Fifth Interim Agreement is necessary to continue development of the Project into detailed engineering design including preparation of plans and specifications, planning and implementation of required mitigation and enhancement measures and related activities. Approval of this proposed Third Amendment would approve the City's additional storage capacity and allocation of funding according to the revised pro-rata storage entitlement in the Project.

SUMMARY:

In the time since the Utilities Commission's January meeting, when it considered and recommended approval of the City's execution of the Third Amendment to the Fifth Interim Agreement, participants in the project have proposed transfers of capacity in the Project, leading to a need to revise the estimated costs of the Third Amendment. Additionally, in that time, the City of Loveland has been presented with an opportunity to acquire additional storage in the project. A brief history of Loveland's participation in the Fifth Interim Agreement for the Windy Gap Firming Project follows:

- It is anticipated that by late February 2018, PRPA will complete an acquisition of an additional 2,000 acre-feet of storage in Chimney Hollow Reservoir from the City of Longmont. The acquisition by PRPA will result in it holding an excess of 136 acre-feet of storage capacity.
- Based on the authority and direction from the Loveland City Council's Resolution # R-72-2016 (attached as Attachment F), whereby the City Council directed City staff and the City Manager to increase the City's participation in the Project up to 10,000 acre-feet of storage, City Staff have indicated interest in acquiring the 136 acre-feet of storage from PRPA for an estimated cost of \$69,784, based on the pass through cost reflecting the same price, per acre-foot of storage, that PRPA paid the City of Longmont for the storage volume.
- This acquisition would result in Loveland's total subscription in the Project increasing from 9,451 acre-feet to 9,587 acre-feet of storage in the Windy Gap Firming Project, with a currently estimated 2018 cost of \$958,700 for Phase Five of the Firming Project.

If approved, Loveland's portion of the Fifth Interim Agreement costs under this revised Third Amendment to the Fifth Interim Agreement are projected to be \$958,700 during 2018 based upon the City's proposed

new subscription amount of 9,587 acre-feet in the 90,000 acre-foot project. The Fifth Phase of the Project, covered by the Fifth Interim Agreement, allows work to continue to move forward on detailed engineering design, and planning and implementation of required mitigation and enhancement measures and related activities. Of particular emphasis is amending the Windy Gap Project decrees in Water Court to accommodate necessary accommodations in mitigation and project enhancements. Also critical is development of alternatives for financing the Project, jointly or individually.

Sufficient 2018 budgeted funds exist for this purpose in the Raw Water budget, Project W038AA. Per Municipal Code 3.12.060A and 3.12.060B, the LUC must approve Water and Power contracts above \$500,000 or any change order that causes a contract to equal or exceed \$500,000 and which, when combined with all previous change orders, equals or exceeds 20% of the original contract amount.


RECOMMENDATION:

Approve a motion recommending the City Manager execute an agreement necessary to acquire an additional 136 acre-feet of storage capacity in the Windy Gap Firming Project (Chimney Hollow Reservoir).

Approve a motion recommending that City Council adopt a resolution directing the Mayor to execute the revised Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland.

ATTACHMENTS:

- 🌀 Attachment A – revised Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland. Exhibit C to this Attachment A includes a table of estimated costs for 2018.
- 🌀 Attachment B – Second Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland, May 12, 2017. Exhibit B to this Attachment B includes a table of estimated costs during 2017.
- 🌀 Attachment C: Minutes of the February 7, 2017 Windy Gap Participants Meeting showing discussion of the distribution of 3,820 AF of unsubscribed capacity in the 90,000 AF Firming Project among the participants. A spreadsheet shows Loveland's portion of the distribution was 451 AF, to add to the 9,000 AF of capacity it had at that time.
- 🌀 Attachment D – Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Conservancy District Windy Gap Firming Project Water Activity Enterprise, and the City of Loveland, with attachments, August 30, 2016. This increased Loveland's subscription in the Project from 7,000 acre-feet to 9,000 acre-feet.
- 🌀 Attachment E – Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District, Windy Gap Firming Project Water Activity Enterprise and the City of Loveland, March 1, 2016. Exhibit A to this Attachment F includes a table of estimated costs for 2016 when the City's subscription in the Project was 7,000 acre-feet.
- 🌀 Attachment F – Resolution #R-72-2016, A Resolution Directing Loveland Water and Power Department to Pursue Negotiations for an Increase in the City of Loveland's Participation in the Windy Gap Firming Project from 7,000 acre-feet to up to 10,000 acre-feet of Storage.
- 🌀 Attachment G – Proposed Resolution approving and authorizing the execution of a Third Amendment to the Fifth Interim Agreement with the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise, for continued participation in the Windy Gap Firming Project.

 Attachment H – Agreement between the City and Platte River Power Authority for Sale and Purchase of Windy Gap Project Storage Capacity.

Attachment A

THIRD AMENDMENT TO FIFTH INTERIM AGREEMENT BETWEEN THE
MUNICIPAL SUBDISTRICT,
NORTHERN COLORADO WATER CONSERVANCY DISTRICT
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,
AND
THE CITY OF LOVELAND
FOR PARTICIPATION IN THE
WINDY GAP FIRING PROJECT

This Third Amendment is made and entered into as of _____, 2018, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, whose address is 200 North Wilson Avenue, Loveland, CO 80537 ("Participant"), for the purpose of amending the Fifth Interim Agreement between the parties (the "Agreement").

RECITALS

WHEREAS, The WGF Enterprise is continuing work on the Fifth Phase of the Project which consists of completion of all local, state and federal permits and approvals required for the Project; detailed engineering design including preparation of plans and specifications for contractor procurement; additional land acquisition; planning and implementation of required mitigation and enhancement measures; and related activities. Completion of the Fifth Phase of the Project on behalf of the Participants will require additional funding in 2018; and

WHEREAS, In September of 2016, the City of Loveland executed an Amendment to the Fifth Interim Agreement which adjusted their storage capacity in the Project and which is considered the First Amendment to the Fifth Interim Agreement.

WHEREAS, In March of 2017, all Participants executed an Amendment to the Fifth Interim Agreement which adjusted their storage capacity in the Project and adjusted each Participant's costs to date based on the revised storage allocation, and which is considered the Second Amendment to the Fifth Interim Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, the Parties agree as follows:

1. The Agreement is amended by deletion of paragraph 3 and the substitution of the following new paragraph 3.

3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fifth Phase of the Project.

A. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fifth Phase of the Project was \$1,438,658 for the 2016 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2016 calendar year costs.

B. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fifth Phase of the Project was \$1,260,713 for the 2017 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2017 calendar year costs.

C. The WGF Enterprise estimates that Participant's pro rata share of the cost of the Fifth Phase of the Project is \$958,700 for the 2018 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2018 calendar year costs on or before March 1, 2018. This estimated cost will not be increased or exceeded without the prior written approval of Participant.

If the Fifth Phase of the Project cannot be completed within these estimated costs, the WGF Enterprise is not obligated to complete the Fifth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibits A, B and C are tables showing the pro rata share of the costs of the Project for each Participant for 2016, 2017 and 2018 based upon then-current allocations of capacity in the Project.

2. All other terms and conditions of the Agreement shall continue in full force and effect except as specifically amended herein.

CITY OF LOVELAND

MUNICIPAL SUBDISTRICT, NORTHERN
COLORADO WATER CONSERVANCY
DISTRICT, ACTING BY AND THROUGH THE
WINDY GAP FIRING PROJECT WATER
ACTIVITY ENTERPRISE

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Windy Gap Firing Project
Amended Allocation of Costs for Fifth Interim Agreement (Phase 5)

Participant	Requested Storage Volume (af)	Share of Phase 5 Cost
Broomfield	25,200	\$ 4,028,243
CWCWD	330	\$ 52,751
Erie	6,000	\$ 959,105
Fort Lupton	1,050	\$ 167,843
Greeley ²	8,750	\$ 1,398,695
Lafayette	1,800	\$ 287,732
Little Thompson WD	4,850	\$ 775,277
Longmont	10,000	\$ 1,598,509
Louisville	2,700	\$ 431,597
Loveland ¹	9,000	\$ 1,438,658
PRPA	12,000	\$ 1,918,211
Superior	4,500	\$ 719,329
TOTAL	86,180	\$ 13,775,950

Notes: 1. This Exhibit A reflects Loveland's revised storage capacity based on a September 2016 Amendment to 5th Interim Agt.

2. Greeley's "Share of Phase 5 Cost" includes \$279,739 that Greeley will pay as the result of the reallocation of WGFP capacity from Evans to Greeley.

EXHIBIT B

Windy Gap Firing Project Allocation of Costs for Second Amendment to Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in 2017: **\$ 10,464,291**

Participant	Requested Storage Volume (af)	Total Participant Contributions Through 2015	Phase 4 Participant Contributions Through 2015	Phase 5 2016 Participant Contributions	Phase 4+5 Participant Contributions to Date	2017 Un-adjusted Participant Contributions	Phase 4+5 Participant Obligation to Date	Phase 4+5 Participant Payment Adjustment	2017 Adjusted Participant Contributions
				\$ 13,775,950		\$ 10,464,291			
Broomfield	26,464	\$ 4,814,330	\$ 3,852,466	\$ 4,028,243	\$ 7,880,709	\$ 3,076,966.63	\$ 8,077,903	\$ 197,194	\$ 3,274,160
CWCWD	346	67,624	\$ 50,448	\$ 52,751	\$ 103,198	\$ 40,229.39	\$ 105,613	\$ 2,415	\$ 42,645
Erie	6,000	1,127,959	\$ 948,081	\$ 959,105	\$ 1,907,187	\$ 697,619.40	\$ 1,831,447	\$ (75,740)	\$ 621,880
Fort Lupton	1,103	110,720	\$ 110,720	\$ 167,843	\$ 278,563	\$ 128,245.70	\$ 336,681	\$ 58,118	\$ 186,364
Greeley ¹	9,189	2,180,569	\$ 1,586,660	\$ 1,398,695	\$ 2,985,355	\$ 1,068,404.11	\$ 2,804,861	\$ (180,494)	\$ 887,910
Lafayette	900	377,587	\$ 275,176	\$ 287,732	\$ 562,908	\$ 104,642.91	\$ 274,717	\$ (288,191)	\$ (183,548)
Little Thompson WD	4,850	511,419	\$ 511,419	\$ 775,277	\$ 1,286,696	\$ 563,909.02	\$ 1,480,420	\$ 193,724	\$ 757,633
Longmont	10,000	2,963,224	\$ 2,047,162	\$ 1,598,509	\$ 3,645,671	\$ 1,162,699.00	\$ 3,052,412	\$ (593,259)	\$ 569,440
Louisville	2,835	567,348	\$ 412,762	\$ 431,597	\$ 844,360	\$ 329,625.17	\$ 865,359	\$ 20,999	\$ 350,624
Loveland	9,451	1,971,377	\$ 1,284,331	\$ 1,438,658	\$ 2,722,989	\$ 1,098,866.82	\$ 2,884,834	\$ 161,846	\$ 1,260,713
PRPA	14,136	2,881,626	\$ 1,904,878	\$ 1,918,211	\$ 3,823,089	\$ 1,643,591.31	\$ 4,314,889	\$ 491,801	\$ 2,135,392
Superior	4,726	1,227,454	\$ 711,654	\$ 719,329	\$ 1,430,983	\$ 549,491.55	\$ 1,442,570	\$ 11,587	\$ 561,079
TOTAL	90,000	18,801,237	\$ 13,695,757	\$ 13,775,950	\$ 27,471,707	\$ 10,464,291	\$ 27,471,707	\$ 0	\$ 10,464,291

Phase 4 Cost per Acre Foot: \$ 305.24

Notes: 1. The calculation of "Phase 5 2016 Participants Contributions" allocated to Greeley includes \$279,739 that Greeley will pay in addition to Greeley's \$887,910 "2017 Adjusted Participant Contributions" as the result of the reallocation of WGFP capacity from Evans to Greeley.

Windy Gap Firing Project
Amended Allocation of Costs for Fifth Interim Agreement (Phase 5)

Participant	Requested Storage Volume (af)	Share of Phase 5 Cost
Broomfield	26,464	\$ 2,646,400
CWCWD	346	\$ 34,600
Erie	6,000	\$ 600,000
Fort Lupton	1,103	\$ 110,300
Greeley	9,189	\$ 918,900
Lafayette	900	\$ 90,000
Little Thompson WD	4,850	\$ 485,000
Longmont	8,000	\$ 800,000
Louisville	2,835	\$ 283,500
Loveland	9,587	\$ 958,700
PRPA	16,000	\$ 1,600,000
Superior	4,726	\$ 472,600
TOTAL	90,000	\$ 9,000,000

Note: Participation levels for Longmont, Loveland, and PRPA assume pending transfers of 2,000 acre-feet of storage from Longmont to PRPA and Loveland are approved by their respective Councils and Board. If approval is not obtained, the storage amounts will be 10,000 af for Longmont, 9,451 af for Loveland, and 14,136 af for PRPA. All other storage amounts and cost shares will remain unchanged.

Attachment B

SECOND AMENDMENT TO FIFTH INTERIM AGREEMENT BETWEEN THE
MUNICIPAL SUBDISTRICT,
NORTHERN COLORADO WATER CONSERVANCY DISTRICT
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,
AND
THE CITY OF LOVELAND
FOR PARTICIPATION IN THE
WINDY GAP FIRING PROJECT

This Second Amendment is made and entered into as of May 12, 2017, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, whose address is 200 North Wilson Avenue, Loveland, CO 80537 ("Participant"), for the purpose of amending the Fifth Interim Agreement between the parties (the "Agreement").

RECITALS

WHEREAS, The WGF Enterprise is continuing work on the Fifth Phase of the Project which consists of completion of all local, state and federal permits and approvals required for the Project; detailed engineering design including preparation of plans and specifications for contractor procurement; additional land acquisition; planning and implementation of required mitigation and enhancement measures; and related activities. Completion of the Fifth Phase of the Project on behalf of the Participants will require additional funding in 2017; and

WHEREAS, In September of 2016, the City of Loveland executed an Amendment to the Fifth Interim Agreement which adjusted their storage capacity in the Project and which is considered the First Amendment to the Fifth Interim Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, the Parties agree as follows:

1. Paragraph 2 of the Agreement is amended to provide that Participant's storage capacity in the Project shall be 9,451 acre feet of water, an increase of 451 acre feet.
2. The Agreement is amended by deletion of paragraph 3 and the substitution of the following new paragraph 3.
3. Participant agrees to provide to the WGF Enterprise funds for its

pro rata share of the costs necessary to complete the Fifth Phase of the Project.

A. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fifth Phase of the Project was \$1,438,658 for the 2016 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2016 calendar year costs.

B. The WGF Enterprise estimates that Participant's pro rata share of the cost of the Fifth Phase of the Project is \$1,260,713 for the 2017 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2017 calendar year costs on or before May 31, 2017. This estimated cost will not be increased or exceeded without the prior written approval of Participant.

If the Fifth Phase of the Project cannot be completed within these estimated costs, the WGF Enterprise is not obligated to complete the Fifth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibits A, and B are tables showing the pro rata share of the costs of the Project for each Participant for 2016 and 2017 based upon then-current allocations of capacity in the Project. The storage allocations and costs shown on Exhibit B reflect each Participant's share of estimated 2017 costs for the Fifth Phase based upon a revised allocation of storage capacity in the Project as described in Paragraph 2 of the Agreement. Each participant's cost reflects an appropriate adjustment on its payment obligation based on this revised storage allocation.

3. All other terms and conditions of the Agreement shall continue in full force and effect except as specifically amended herein.

CITY OF LOVELAND

MUNICIPAL SUBDISTRICT, NORTHERN
COLORADO WATER CONSERVANCY
DISTRICT, ACTING BY AND THROUGH
THE WINDY GAP FIRING PROJECT
WATER ACTIVITY ENTERPRISE

By: Stephen Adams
Name: STEPHEN C. ADAMS
Title: CITY MANAGER

By: Don Carlson
Name: DON CARLSON
Title: ASSIST GEN MGR

APPROVED AS TO FORM

BY: [Signature]
ASSISTANT CITY ATTORNEY

ATTEST:
[Signature]
Acting CITY CLERK

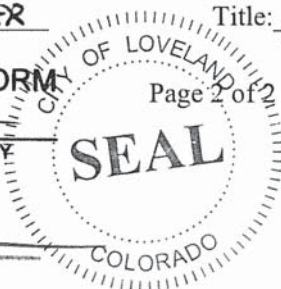


EXHIBIT A - Amended

Windy Gap Firming Project Amended Allocation of Costs for Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in 2016: \$ 13,775,950

Participant	Requested Storage Volume (af)	Share of Phase 5 Cost
Broomfield	25,200	\$ 4,028,243
CWCWD	330	\$ 52,751
Erie	6,000	\$ 959,105
Fort Lupton	1,050	\$ 167,843
Greeley ²	8,750	\$ 1,398,695
Lafayette	1,800	\$ 287,732
Little Thompson WD	4,850	\$ 775,277
Longmont	10,000	\$ 1,598,509
Louisville	2,700	\$ 431,597
Loveland ¹	9,000	\$ 1,438,658
PRPA	12,000	\$ 1,918,211
Superior	4,500	\$ 719,329
TOTAL	86,180	\$ 13,775,950

2016 Phase 5 Costs Per Acre-Foot of Storage: \$ 159.85

Notes: 1. This Exhibit A reflects Loveland's revised storage capacity based on a September 2016 Amendment to 5th Interim Agt.

2. Greeley's "Share of Phase 5 Cost" includes \$279,739 that Greeley will pay as the result of the reallocation of WGFP capacity from Evans to Greeley.

EXHIBIT B

Windy Gap Firing Project
Allocation of Costs for First Amendment to Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in 2017: \$ 10,464,291

Participant	Requested Storage Volume (af)	Total Participant Contributions Through 2015	Phase 4 Participant Contributions Through 2015	Phase 5 2016 Participant Contributions	Phase 4+5 Participant Contributions to Date	2017 Un-adjusted Participant Contributions	Phase 4+5 Participant Obligation to Date	Phase 4+5 Participant Payment Adjustment	2017 Adjusted Participant Contributions
				\$ 13,775,950		\$ 10,464,291			
Broomfield	26,464	\$ 4,814,330	\$ 3,852,466	\$ 4,028,243	\$ 7,880,709	\$ 3,076,966.63	\$ 8,077,903	\$ 197,194	\$ 3,274,160
CWCWD	346	67,624	\$ 50,448	\$ 52,751	\$ 103,198	\$ 40,229.39	\$ 105,613	\$ 2,415	\$ 42,645
Erie	6,000	1,127,959	\$ 948,081	\$ 959,105	\$ 1,907,187	\$ 697,619.40	\$ 1,831,447	\$ (75,740)	\$ 621,880
Fort Lupton	1,103	110,720	\$ 110,720	\$ 167,843	\$ 278,563	\$ 128,245.70	\$ 336,681	\$ 58,118	\$ 186,364
Greeley ¹	9,189	2,180,569	\$ 1,586,660	\$ 1,398,695	\$ 2,985,355	\$ 1,068,404.11	\$ 2,804,861	\$ (180,494)	\$ 887,910
Lafayette	900	377,587	\$ 275,176	\$ 287,732	\$ 562,908	\$ 104,642.91	\$ 274,717	\$ (288,191)	\$ (183,548)
Little Thompson WD	4,850	511,419	\$ 511,419	\$ 775,277	\$ 1,286,696	\$ 563,909.02	\$ 1,480,420	\$ 193,724	\$ 757,633
Longmont	10,000	2,963,224	\$ 2,047,162	\$ 1,598,509	\$ 3,645,671	\$ 1,162,699.00	\$ 3,052,412	\$ (593,259)	\$ 569,440
Louisville	2,835	567,348	\$ 412,762	\$ 431,597	\$ 844,360	\$ 329,625.17	\$ 865,359	\$ 20,999	\$ 350,624
Loveland	9,451	1,971,377	\$ 1,284,331	\$ 1,438,658	\$ 2,722,989	\$ 1,098,866.82	\$ 2,884,834	\$ 161,846	\$ 1,260,713
PRPA	14,136	2,881,626	\$ 1,904,878	\$ 1,918,211	\$ 3,823,089	\$ 1,643,591.31	\$ 4,314,889	\$ 491,801	\$ 2,135,392
Superior	4,726	1,227,454	\$ 711,654	\$ 719,329	\$ 1,430,983	\$ 549,491.55	\$ 1,442,570	\$ 11,587	\$ 561,079
TOTAL	90,000	18,801,237	#####	\$ 13,775,950	#####	\$ 10,464,291	\$ 27,471,707	\$ 0	\$ 10,464,291

Phase 4 Cost per Acre Foot: \$ 305.24

Notes: 1. The calculation of "Phase 5 2016 Participants Contributions" allocated to Greeley includes \$279,739 that Greeley will pay in addition to Greeley's \$887,910 "2017 Adjusted Participant Contributions" as the result of the reallocation of WGFP capacity from Evans to Greeley.

Attachment C

MINUTES OF
WINDY GAP PARTICIPANTS' COMMITTEE MEETING
HELD AT MUNICIPAL SUBDISTRICT,
NORTHERN COLORADO WATER CONSERVANCY DISTRICT
220 WATER AVENUE, BERTHOUD, COLORADO
February 7, 2017

I. CALL TO ORDER

Chairman Greg White called the meeting to order at 8:30 a.m. Windy Gap Participants' Committee (Committee) members in attendance were: Joe Taddeucci representing the City of Boulder; David Allen and Erin Messner representing the City and County of Broomfield; Paul Zilis and Andrea Kehrl representing the Town of Erie; Greg White representing the Town of Estes Park; Rick Fendel and Claud Hanes representing the City of Fort Lupton; Dick Leffler representing the Town of Frederick; Becky Doyle and Ken Huson representing the City of Longmont; Larry Howard, Alan Krcmarik, Jim Lees and Derek Turner representing the City of Loveland; Michael Cook representing the Little Thompson Water District; Heather Banks and Chris Fields representing the Platte River Power Authority; and Andrea Kehrl, Paul Nilles and Paul Zilis representing Superior Metropolitan District No. 1.; Steve Felton, representing the Town of Erie and Julie Depperman, representing the Platte River Power Authority, both joined the meeting via telephone conference call.

Also in attendance were: Assistant General Manager–Engineering Division Jeff Drager, and Legal Counsel Bennett Raley. See the attached attendance list for guests and additional staff.

II. INTRODUCTION OF VISITORS

Chairman White welcomed everyone to the meeting. Committee members, staff and visitors took several moments to introduce themselves to the group.

III. MINUTES OF JANUARY 10, 2017, MEETING

Chairman White requested a review of the January 10, 2017, Committee meeting minutes. Following a brief discussion Chairman White stated the minutes would stand approved as submitted.

IV. TREASURER'S REPORT

A. Income & Disbursements for January 2017

Chairman White asked for a presentation of the Subdistrict Treasurer's Report. Mr. John Budde referred to the Treasurer's Report and reviewed cash receipts, disbursements and transfers, revenue reserve bonds, other reserves, and financial transactions for the Windy Gap Project and the Windy Gap Firing Project (WGFP) as of January 31, 2017.

B. Transactions for January 2017

Mr. Budde reviewed the January 2016 disbursements for both the Subdistrict and for the WGFP accounts. The Committee had several questions for staff concerning the January 2017 disbursements.

C. WGFP Financing

Chairman White next asked for a discussion of joint financing by FirstSouthwest (FSW). Mr. Jason Simmons, FSW, referred the Committee to several handouts and reviewed: (1) current status of WGFP joint financing and the proposed \$90 million Colorado Water Conservation Board (CWCB) subordinate loan; (2) timing of the CWCB subordinate loan; (3) benefits of the CWCB subordinate loan; (4) credit enhancement structures; and (5) the comparison of WGFP water revenue bond rating alternatives. A general discussion and questions followed. Chairman White thanked Mr. Simmons for his presentation and attendance at the meeting.

V. WINDY GAP OPERATIONS

A. Windy Gap Project Snowpack & Streamflow Comparisons Update

Ms. Sarah Smith, Water Resources Engineer, referred the Committee to copies of the February 1, 2017, Snowpack and Streamflow Comparisons Report. She briefly reviewed: (1) Colorado statewide snowpack of 157 percent of average; (2) snow water content comparisons for the Upper Colorado River and its tributaries, ranging from 131-167 percent of average; (3) snow water content comparisons for the South Platte River and its tributaries, ranging from 137-176 percent of average; (4) most probable streamflow forecasts for the Upper Colorado River and its tributaries, ranging from 116-149 percent of average; and (5) most probable streamflow forecasts for the South Platte River and its tributaries, ranging from 115-128 percent of average.

B. Windy Gap Project Water Resources Report

Ms. Smith continued by referring the Committee to copies of the February 1, 2017, Windy Gap Water Resources Report. She briefly discussed: (1) the Berthoud Summit SnoTel data; (2) October 2016 - January 2017 Windy Gap Project deliveries of approximately 4,873 acre-feet; and (3) January 2017 Windy Gap Project deliveries of approximately 836 acre-feet. A brief discussion and questions followed.

VI. WINDY GAP FIRING PROJECT

Chairman White next requested an update of the WGFP. Mr. Drager discussed the current status of:

A. WGFP Levels of Participation

Mr. Drager referred the Committee to the following two handouts: (1) pro-rata allocation of 3,820 acre-feet of previously unallocated storage in Chimney Hollow Reservoir among all current WGFP participants, with the exception of the City of Longmont; and (2) WGFP projected cash flows and total project costs for each participant, including mitigation and enhancement costs.

Mr. Drager reviewed both handouts, including discussion of: (1) approximately 3,820 acre-feet of storage in Chimney Hollow Reservoir (based on a permitted 90,000 acre-foot total capacity) that had

not previously been subscribed for by any participants; (2) confirmation that all of the WGFP participants, with the exception of the City of Longmont, would like their pro-rata share of the additional unsubscribed storage capacity; and (3) an anticipated *Fifth Interim Participants Agreement for the WGFP*. A general discussion and questions followed.

B. U.S. Army Corps of Engineers 404 Permit

Mr. Drager next discussed the current status of the U.S. Army Corps of Engineers' (Corps) 404 Permit process, including: (1) the Subdistrict's pending submission of the WGFP draft wetland mitigation report to the Corps; (2) the Corps' current position regarding wetlands mitigation and mitigation for Waters of the United States (WOTUS); (3) mitigation versus enhancements; and (4) Corps' discretion regarding "applicant-proposed" mitigation. A general discussion ensued.

C. WGFP Engineering Design

U.S. Bureau of Reclamation MOU

Mr. Drager next referred the Committee to copies of a draft *Memorandum of Understanding between the Subdistrict, acting by and through its WGFP Water Activity Enterprise (WAE), and the U.S. Bureau of Reclamation (Reclamation)*, for Reclamation's evaluation of the proposed connection of the WGFP to Reclamation's Colorado-Big Thompson (C-BT) Project facilities. Mr. Drager reviewed the draft MOU, including scope, cost, potential conveyance options, and other details. He stated that staff would review the draft MOU with Directors during the February 10, 2017, Subdistrict Board meeting. He noted that one Reclamation proposal, not included in the draft MOU, is the eventual replacement of the Flatiron Power Plant's Unit No. 3 with a new pump station to lift water from Flatiron Reservoir to either Carter Lake or Chimney Hollow Reservoir. Mr. Drager asked WGFP participants to review the draft MOU and contact him with any questions or concerns. A brief discussion and questions followed.

Mr. Drager next reported on the current status of the WGFP engineering design by MWH, including: (1) a March 20-22, 2017, meeting of the WGFP Board of Consultants (BOC), which will also be attended by staff from both Reclamation and the Colorado State Engineer's Office (SEO); (2) three potential dam types for Chimney Hollow Reservoir (clay core/rock fill dam, asphalt core/rock fill dam, concrete face/rock fill dam); and (3) conveyance options. Additional discussion followed.

D. Wastewater Treatment Plant Upgrades

Mr. Drager next briefly discussed current, updated costs estimates for proposed upgrades to wastewater treatment plants in the Fraser and Upper Colorado River watersheds. He noted that costs estimates have doubled. A brief discussion followed regarding nitrogen reduction targets.

VII. WINDY GAP CONNECTIVITY CHANNEL

Mr. Drager reminded the Committee that the Windy Gap Connectivity Channel (WGCC) Stakeholder's Group, of which the Subdistrict is a member, had been awarded a Regional Conservation Partnership Program (RCPP) Grant through the Natural Resources Conservation

WGFP Storage Requests
January 10, 2017

Storage Target (af): 90,000
Current Unallocated Storage (af): 3,820
Total Storage for Participants Requesting Unallocated Storage: 76,180

Participant	Units Owned	Current Requested Storage Volume (af)	Request Unallocated Storage 1=yes, 0=no	Rounded Pro-rata Share of Unallocated Storage (af)	Total Requested Storage (af)
Broomfield	56	25,200	1	1,264.00	26,464.00
CWCWD	1	330	1	16.00	346.00
Erie	14	6,000	1	301.00	6,301.00
Evans	0	1,750	1	88.00	1,838.00
Fort Lupton	3	1,050	1	53.00	1,103.00
Greeley	52	7,000	1	351.00	7,351.00
Lafayette	1	1,800	1	90.00	1,890.00
Little Thompson WD	12	4,850	1	243.00	5,093.00
Longmont	80	10,000	0	-	10,000.00
Louisville	6	2,700	1	135.00	2,835.00
Loveland	40	9,000	1	451.00	9,451.00
PRPA	160	12,000	1	602.00	12,602.00
Superior	15	4,500	1	226.00	4,726.00
TOTAL	440	86,180		3,820.00	90,000.00

Attachment D

AMENDMENT TO THE FIFTH INTERIM AGREEMENT BETWEEN
THE MUNICIPAL SUBDISTRICT,
NORTHERN COLORADO WATER CONSERVANCY DISTRICT
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,
AND
THE CITY OF LOVELAND
FOR PARTICIPATION IN THE
WINDY GAP FIRING PROJECT

This Amendment is made and entered into as of 30th August, 2016, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, Colorado, whose address is 500 East Third Street, Loveland, Colorado 80537 ("Participant"), for the purpose of amending the Fifth Interim Agreement between the parties (the "Agreement").

1. Paragraph 2 of the Agreement is amended to provide that Participant's storage capacity in the Project shall be 9,000 acre feet of water, an increase of 2,000 acre feet.

2. Paragraph 3 of the Agreement is amended by replacing the amount "\$1,118,956" with the amount "\$1,438,658", which is an increase of \$319,702. An amended Exhibit A is attached to this First Amendment. Participant shall pay to the Subdistrict the increased amount due under the amended Paragraph 3 (\$319,702) on or before September 30, 2016.

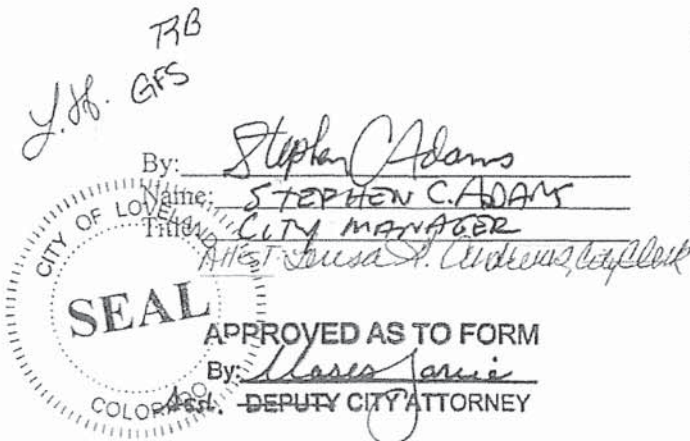
3. All other terms and conditions of the Agreement, as amended, shall continue in full force and effect except as specifically amended herein.

CITY OF LOVELAND, COLORADO

MUNICIPAL SUBDISTRICT, NORTHERN
COLORADO WATER CONSERVANCY
DISTRICT, ACTING BY AND THROUGH
THE WINDY GAP FIRING PROJECT
WATER ACTIVITY ENTERPRISE

By: Stephen Adams
Name: STEPHEN C. ADAMS
Title: CITY MANAGER

By: Eric W. Wilkerson
Name: ERIC W. WILKERSON
Title: GENERAL MANAGER



WGFP First Amendment LovelandP:\Data\Projects\Windy Gap Firing\Participants\Phase 5
Interim Agreements\WGFP First Amendment Loveland.Doc

RESOLUTION #R-72-2016

A RESOLUTION DIRECTING LOVELAND WATER AND POWER DEPARTMENT TO PURSUE NEGOTIATIONS FOR AN INCREASE IN THE CITY OF LOVELAND'S PARTICIPATION IN THE WINDY GAP FIRING PROJECT FROM 7,000 ACRE-FEET TO UP TO 10,000 ACRE-FEET OF STORAGE

WHEREAS, since the 1970s, the City of Loveland ("City") has been a participant in the Windy Gap Project, which is managed by the Municipal Subdistrict of the Northern Colorado Water Conservancy District ("Subdistrict"); and

WHEREAS, the City owns 40 units, which represent raw water, in the Windy Gap Project; and

WHEREAS, the Windy Gap Project water rights are junior and won't supply water during drought without storage; and

WHEREAS, on March 4, 2005 by Resolution #R-26-2005, the City specified a need for 6,000 acre-feet of storage in the Windy Gap Firing Project; and

WHEREAS, on May 6, 2008 by Resolution #R-50-2008, the City Council directed Loveland Water and Power Department staff to pursue negotiations for an increase in the City's participation in the Windy Gap Firing Project by up to 2,000 acre-feet, for a total of up to 8,000 acre-feet of storage; and

WHEREAS, on June 24, 2008 by Resolution #R-67-2008, the City Council directed Loveland Water and Power Department staff to pursue negotiations for an increase in the City of Loveland's participation in the Windy Gap Firing Project by up to 2,400 acre-feet, for a total of up to 8,400 acre-feet of storage; and

WHEREAS, the storage acquisition opportunities potentially available in the spring and summer of 2008 were 1,000 acre-feet from Platte River Power Authority ("PRPA") and 1,400 acre-feet from the City of Lafayette. The 1,000 acre-foot acquisition from PRPA was completed, but negotiations on the 1,400 acre-feet from the City of Lafayette were unsuccessful, which resulted in the current storage of 7,000 acre-feet; and

WHEREAS, the City Council continues to support the opportunity to increase the firm yield of the City's water portfolio and to increase the total participation in the Windy Gap Firing Project up to 10,000 acre feet of storage from the current level of 7,000 acre-feet and such increase will benefit the utility's customers and is in the best interest of Loveland's citizens; and

WHEREAS, if the City is successful in the acquisition, the cost per 1,000 acre-feet would require payment to the Subdistrict in the amount of \$159,851 per acre-foot and an addendum to the March 1, 2016 *Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firing Project Water Activity Enterprise and City of Loveland for Participation in the Windy Gap Firing Project*.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

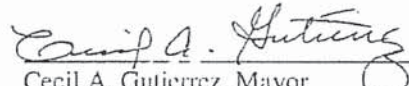
Section 1. That Loveland Water and Power Department staff are hereby directed to pursue negotiations for an increase in the City of Loveland's participation in the Windy Gap Firing Project from 7,000 acre-feet up to 10,000 acre-feet of storage.

Section 2. That the City Manager is hereby authorized, following consultation with the City Attorney's Office, to execute any agreements or other documentation necessary to acquire up to 3,000 additional acre-feet of storage in the Windy Gap Firing Project.

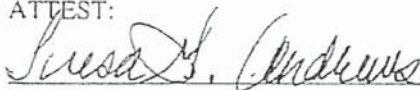
Section 3. That this Resolution shall supersede and replace any and all prior Resolutions setting the City's participation in the Windy Gap Firing Project, including but not limited to R-67-2008.

Section 4. That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this 2nd day of August, 2016.



Cecil A. Gutierrez, Mayor

ATTEST:


City Clerk



APPROVED AS TO FORM:


Assistant City Attorney

AGENDA
LOVELAND CITY COUNCIL MEETING
TUESDAY, AUGUST 2, 2016
(5:00 P.M.) DINNER – City Manager's Conference Room
(6:00 P.M.) REGULAR MEETING - City Council Chambers
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

NOTICE OF NON-DISCRIMINATION

It is the policy of the City of Loveland to provide equal services, programs and activities without regard to race, color, national origin, creed, religion, sex, disability, or age and without regard to the exercise of rights guaranteed by state or federal law. It is the policy of the City of Loveland to provide language access services at no charge to populations of persons with limited English proficiency (LEP) and persons with a disability who are served by the City.

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 política de la Ciudad de Loveland es proveer servicios, programas y actividades iguales sin importar la raza, color, origen nacional, credo, religión, sexo, discapacidad, o edad y sin importar el uso de los derechos garantizados por la ley estatal o federal. La política de la Ciudad de Loveland es proveer servicios gratis de acceso de lenguaje a la población de personas con dominio limitado del inglés (LEP, por sus iniciales en inglés) y a las personas con discapacidades quienes reciben servicios de la ciudad.

Si desea recibir más información en contra de la discriminación o si desea ayuda de traducción, por favor comuníquese con el Coordinador del Título VI de la Ciudad en TitleSix@cityofloveland.org al 970-962-2372. La Ciudad hará acomodaciones razonables para los ciudadanos de acuerdo con la Ley de Americanos con Discapacidades (ADA, por sus iniciales en inglés). Si desea más información acerca de la ADA o acerca de las acomodaciones, por favor comuníquese con el Coordinador de ADA de la Ciudad en adacoordinator@cityofloveland.org o al 970-962-3319.

Title VI and ADA Grievance Policy and Procedures can be located on the City of Loveland website at: cityofloveland.org/

Please Note: Starting times shown on agenda are estimates only; actual times may vary.

(6:00) REGULAR MEETING - City Council Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

(6:05) CONSENT AGENDA

Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. Members of the public will be given an opportunity to speak to the item before the Council acts upon it.

Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items.

Anyone making a comment during any portion of tonight's meeting should come forward to a

The password to the public access wireless network (colquest) is **accesswifi**

AGENDA ITEM: 20
MEETING DATE: 8/2/2016
TO: City Council
FROM: Bob Miller, Water and Power
 Larry Howard, Water and Power
PRESENTER: Greg Dewey, Civil Engineer – Water Resources



TITLE:
 A Resolution To Negotiate To Acquire Up To An Additional 3,000 Acre-Feet Of Windy Gap Firming Project Storage Space

RECOMMENDED CITY COUNCIL ACTION:

Approve the Resolution as recommended.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action. A denial would result in City's share remaining at 7000 acre-feet
3. Refer back to staff for further development and consideration. Any delay would likely result in loss of opportunity to acquire this storage space.

SUMMARY:

This is an administrative action item. The City of Loveland has the immediate opportunity to acquire an additional 2,000 acre-feet of storage space in the Windy Gap Firming Project, which would increase the city's full participation in the Windy Gap Firming Project from its current subscription of 7,000 acre-feet to 9,000 acre-feet of storage. The City may seek other opportunities to increase the participation up to 10,000 acre-feet of storage.

The LUC at its meeting on July 27, 2016 unanimously approved this item.

BUDGET IMPACT:

- ☐ Positive
☒ Negative
☐ Neutral or negligible

Acquiring additional storage has a negative financial impact on the City. Acquisition of each 1,000 acre-feet of storage space would require an immediate payment to Northern Water of \$159,851 and an addendum to the *March 1, 2016 Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and City of Loveland for Participation in the Windy Gap Firming Project* to reflect the increased storage capacity. This would adjust Loveland's proportional share on the ongoing Windy Gap Firming Project expenses for permitting and mitigation. Money is available in the 2016 budget for this purpose.

BACKGROUND:

The City of Loveland has the immediate opportunity to acquire an additional 2,000 acre-feet of storage in the 90,000 acre-foot Windy Gap Firming Project, as the City of Longmont has reduced its participation in the Windy Gap Firming Project by that amount. This would increase Loveland's full participation in the Windy Gap Firming Project from its current subscription of 7,000 acre-feet to 9,000 acre-feet of storage. Modeling indicates that this storage acquisition would increase the

City's overall firm yield value, available during drought conditions, by 500 acre-feet. At the currently estimated cost of approximately \$4,635 per acre-foot of storage this would increase the city's estimated Windy Gap Firming Project costs by \$9,270,000, or \$18,540 per acre-foot of firm yield. By comparison, an acre-foot of firm yield from the Colorado-Big Thompson Project currently costs about \$26,000.

The City's current total Windy Gap Firming Project cost for 7,000 acre-feet of storage, based on a February 9, 2016 estimate from Northern Water, is \$32,866,434, including \$2,084,608 already expended. Adding 2,000 acre-feet for a total of 9,000 acre-feet, thereby creating a total of 3,610 acre-feet of firm yield from the Project, would make the City's portion of the total estimated Project cost \$42,136,434.

Twice during 2008, City Council approved resolutions directing Loveland Water & Power staff to pursue negotiations intended to lead to an increase in the City's participation level in the project. The first was Resolution R-50-2008, authorizing an increase from 6,000 acre-feet to 8,000 acre-feet. The second Resolution R-67-2008 (*Attachment B*) refined that increase and authorized up to 8,400 acre-feet, as that was the number of acre-feet which City staff identified as being available. The storage acquisition opportunities then potentially available were 1,000 acre-feet from Platte River Power Authority (PRPA) and 1,400 acre-feet from the City of Lafayette. The 1,000 acre-feet acquisition from PRPA was completed, but negotiations on the 1,400 acre-feet from Lafayette were not successful. During those discussions, Council members expressed interest in having up to 10,000 acre-feet of storage in the Project, and requested that staff bring before them future opportunities for discussion and consideration.

Increasing the storage from 9,000 acre-feet to 10,000 acre-feet, would add an increment of 240 acre-feet to the City's firm yield, thereby creating a total of 3,850 acre-feet of firm yield from the Windy Gap Firming Project. This is reflected in *Attachment C*, as are the City's firm yield estimates for various City subscription amounts in the Windy Gap Firming Project. Using the currently estimated cost of approximately \$4,635 per acre-foot of storage, this would increase the city's estimated Project costs by \$4,625,000.

The attached resolution supports city staff efforts to acquire up to 10,000 acre-feet of storage in the Windy Gap Firming Project. A draft resolution for City Council consideration was provided at the July 27, 2016 LUC meeting, and the LUC unanimously supported this resolution.

REVIEWED BY CITY MANAGER:

SCA

LIST OF ATTACHMENTS:

1. Resolution for Consideration
2. Resolution R-67-2008
3. Graphical Representation of Increased Firm Yield

Attachment E

FIFTH INTERIM AGREEMENT BETWEEN THE
MUNICIPAL SUBDISTRICT,
NORTHERN COLORADO WATER CONSERVANCY DISTRICT
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,
AND
CITY OF LOVELAND
FOR PARTICIPATION IN THE
WINDY GAP FIRING PROJECT

This Agreement is made and entered into as of March 1, 2016, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, whose address is 500 East 3rd Street, Loveland, CO 80537 ("Participant").

Recitals

- A. The WGF Enterprise is developing a water storage project (the "Project") for the purpose of storing water produced by the Windy Gap Project, or other water that is physically and legally capable of being introduced into the Project from the facilities of the Colorado-Big Thompson Project.
- B. Overall Project costs will be divided among the entities which participate in the Project.
- C. The First Phase of the Project consisted of preliminary studies to evaluate potential reservoir sites. The First Phase has been accomplished and there appear to be a number of potential reservoir sites that may serve the needs of the Project.
- D. The Second Phase of the Project consisted of engineering work, environmental studies, alternatives analysis and related work. The Second Phase is complete.
- E. The Third Phase of the Project, consisted of environmental and other permitting, further engineering studies, and preliminary design work, but not land acquisition.
- F. The Fourth Phase of the Project consisted of a continuation of the activities started in the Third Phase, plus land acquisition, and is complete.
- G. The Fifth Phase of the Project consists of continuation of work to obtain local, state and federal permits and approvals required for the Project; detailed engineering design including preparation of plans and specifications for contractor procurement; additional land acquisition; planning and implementation of required mitigation and enhancement measures; development of contracts and other agreements that will be required to

integrate the Project with the Windy Gap Project; development of alternatives for financing the Project; and related activities ("the Fifth Phase"). Completion of the Fifth Phase of the Project on behalf of the Participants will require additional funding.

Agreement

1. Participant agrees to participate in the Fifth Phase of the Project under and pursuant to the terms and conditions of this Agreement. Participation in the Fifth Phase of the Project in no way obligates Participant to subsequent phases of the Project or to continue involvement in the Project in any manner.
2. Participant's storage capacity allocation in the Project shall be 7,000 acre-feet of water. Participant may request a change in allocated storage capacity for the Project. The change will be implemented by the WGFP Enterprise only if it will not adversely affect local, state, and federal permits and approvals for the Project, so long as any increased costs are paid by the Participant. In addition, Participant may increase its allocated storage capacity only if there is sufficient unallocated storage capacity in the Project to accommodate the increase. In the event that more than one participant seeks to increase its allocated storage capacity, and there is not sufficient unallocated storage capacity in the Project to accommodate all requested increases, the unallocated Project storage capacity shall be allocated to each participant seeking an increase pro rata based on such participant's capacity allocation in the Fifth Phase of the Project. If a change in Participant's capacity is made, the formula for allocation of costs among the participants shall be changed accordingly so that each participant pays a share of the Fourth and Fifth Phase costs of the Project after the change equal to the participant's share of the final allocation of storage capacity in the Project.
3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fifth Phase of the Project. The WGF Enterprise estimates that Participant's pro rata share of the costs of the Fifth Phase of the Project is \$1,118,956 for the 2016 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2016 calendar year costs on or before March 1, 2016. This estimated cost will not be increased or exceeded without the prior written approval of Participant. However, if the Fifth Phase of the Project cannot be completed within this estimated cost, the WGF Enterprise is not obligated to complete the Fifth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibit A is a table showing the pro rata share of the costs of the Fifth Phase of the Project for each Participant based upon current allocations of capacity in the Project.
4. In the event that Participant fails to make any of the payment set forth above at the specified time, the WGF Enterprise shall have the right to terminate this Agreement and cease all work on the Project for the benefit of Participant. The WGF Enterprise shall give Participant thirty (30) days' advance written notice of its intention to terminate this Agreement and cease work on the Project for Participant's benefit under this paragraph.

Participant shall have until the end of said 30-day period in which to make all past due payments in full in order to cure its default hereunder. Participant shall in any event be responsible for its pro rata share of costs of the Fifth Phase of the Project actually incurred by the WGF Enterprise up to the date of termination of this Agreement.

5. The WGF Enterprise agrees to diligently pursue the Fifth Phase of the Project in good faith to the extent that funds therefor are provided by the Participant under this Agreement and by other Participants under similar agreements. By entering into this Agreement and accepting payments from Participant, the WGF Enterprise does not obligate itself to, nor does the WGF Enterprise warrant, that it will proceed with construction of the Project beyond the Fifth Phase or that it will construct or operate the Project. At the end of the Fifth Phase, the WGF Enterprise will determine after consultation with the participants whether to proceed with the Project. The WGF Enterprise agrees that, if the participants provide all required funding, if the WGF Enterprise has the ability, and if the Project is feasible and practical, it will pursue the construction and operation of the Project if requested to do so by sufficient participants to fully fund the Project. In such event, the Participant shall have the right to participate in the funding, construction and operation of the Project in the amount of storage capacity allocated to Participant in paragraph 2 above, so long as the Project as finally configured is sufficiently large to accommodate the total amount of storage capacity allocated to all participants in the Fifth Phase of the Project. If the Project as finally configured is not sufficiently large to accommodate the total amount of storage capacity allocated to all participants in the Fifth Phase of the Project, the available storage capacity in the Project shall be allocated to each participant pro rata based on such participant's capacity allocation in the Fifth Phase of the Project. In the event that the WGF Enterprise decides not to proceed with the Project, it will so notify Participant and this Agreement will immediately and automatically terminate upon the giving of such notice.
6. In the event of termination of the Project, Participant shall not be entitled to any return of funds paid to the WGF Enterprise for the Project, unless payments by Participants exceed the WGF Enterprise's costs, in which case a pro rata refund will be made. In the event of such termination, Participant shall be entitled to receive copies of any work products developed by the WGF Enterprise or its consultants on behalf of Participant, and WGF Enterprise shall convey to Participant, as a tenant in common with all other Participants who have not been terminated under paragraph 4 above, a pro rata interest in all real and personal property acquired by the WGF Enterprise for the Project with funds provided under this Agreement or similar agreements with other Participants.
7. Participant shall have the right to assign this Agreement and Participant's rights hereunder, with the written consent of the WGF Enterprise, which consent shall not be unreasonably withheld, to any person or entity that is eligible to receive water deliverable through the Project and that is financially able to perform this Agreement.
8. In the event that this Agreement is terminated for any reason, Participant shall not be entitled to any return of any funds paid to the WGF Enterprise for the Project, and the

WGF Enterprise shall have no further obligations to Participant, except as provided in Paragraph 6 above for those Participants who have not been terminated under paragraph 4 above.

9. This Agreement is the entire agreement between the WGF Enterprise and Participant regarding participation in the Project and shall be modified by the parties only by a duly executed written instrument approved by Participant and the WGF Enterprise's Board of Directors.
10. This Agreement is subject to approval by the WGF Enterprise's Board of Directors and shall become binding on the WGF Enterprise only upon such approval.
11. This Agreement is for the 2016 Fiscal Year. Expenditures for subsequent fiscal years will be the subject of Amendments to this Agreement.

TJB

MUNICIPAL SUBDISTRICT,
NORTHERN COLORADO WATER
CONSERVANCY DISTRICT, ACTING
BY AND THROUGH THE WINDY GAP
FIRMING PROJECT WATER ACTIVITY
ENTERPRISE

By: William D. Cahill
Name: William D. Cahill
Title: City Manager

By: Eric W. Wilkinson
Name: ERIC W. WILKINSON
Title: GENERAL MANAGER

APPROVED AS TO FORM
BY: Olivia D.
ASSISTANT CITY ATTORNEY



ATTEST:

[Signature]
Deputy City Clerk

EXHIBIT A

Windy Gap Firming Project Allocation of Costs for Fifth Interim Agreement (Phase 5)

Estimated NEPA Costs due March 1, 2016: \$ 13,775,950

Participant	Requested Storage Volume (af)		Share of Phase 5 Cost
Broomfield	25,200	\$	4,028,243
CWCWD	330	\$	52,751
Erie	6,000	\$	959,105
Evans	1,750	\$	279,739
Fort Lupton	1,050	\$	167,843
Greeley	7,000	\$	1,118,956
Lafayette	1,800	\$	287,732
Little Thompson WD	4,850	\$	775,277
Longmont	12,000	\$	1,918,211
Louisville	2,700	\$	431,597
Loveland	7,000	\$	1,118,956
PRPA	12,000	\$	1,918,211
Superior	4,500	\$	719,329
TOTAL	86,180	\$	13,775,950

Attachment F

RESOLUTION #R-72-2016

A RESOLUTION DIRECTING LOVELAND WATER AND POWER DEPARTMENT TO PURSUE NEGOTIATIONS FOR AN INCREASE IN THE CITY OF LOVELAND'S PARTICIPATION IN THE WINDY GAP FIRING PROJECT FROM 7,000 ACRE-FEET TO UP TO 10,000 ACRE-FEET OF STORAGE

WHEREAS, since the 1970s, the City of Loveland ("City") has been a participant in the Windy Gap Project, which is managed by the Municipal Subdistrict of the Northern Colorado Water Conservancy District ("Subdistrict"); and

WHEREAS, the City owns 40 units, which represent raw water, in the Windy Gap Project; and

WHEREAS, the Windy Gap Project water rights are junior and won't supply water during drought without storage; and

WHEREAS, on March 4, 2005 by Resolution #R-26-2005, the City specified a need for 6,000 acre-feet of storage in the Windy Gap Firing Project; and

WHEREAS, on May 6, 2008 by Resolution #R-50-2008, the City Council directed Loveland Water and Power Department staff to pursue negotiations for an increase in the City's participation in the Windy Gap Firing Project by up to 2,000 acre-feet, for a total of up to 8,000 acre-feet of storage; and

WHEREAS, on June 24, 2008 by Resolution #R-67-2008, the City Council directed Loveland Water and Power Department staff to pursue negotiations for an increase in the City of Loveland's participation in the Windy Gap Firing Project by up to 2,400 acre-feet, for a total of up to 8,400 acre-feet of storage; and

WHEREAS, the storage acquisition opportunities potentially available in the spring and summer of 2008 were 1,000 acre-feet from Platte River Power Authority ("PRPA") and 1,400 acre-feet from the City of Lafayette. The 1,000 acre-foot acquisition from PRPA was completed, but negotiations on the 1,400 acre-feet from the City of Lafayette were unsuccessful, which resulted in the current storage of 7,000 acre-feet; and

WHEREAS, the City Council continues to support the opportunity to increase the firm yield of the City's water portfolio and to increase the total participation in the Windy Gap Firing Project up to 10,000 acre feet of storage from the current level of 7,000 acre-feet and such increase will benefit the utility's customers and is in the best interest of Loveland's citizens; and

WHEREAS, if the City is successful in the acquisition, the cost per 1,000 acre-feet would require payment to the Subdistrict in the amount of \$159,851 per acre-feet and an addendum to the March 1, 2016 *Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firing Project Water Activity Enterprise and City of Loveland for Participation in the Windy Gap Firing Project*.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

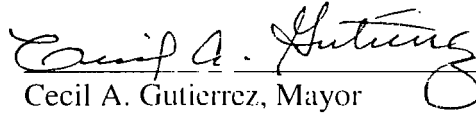
Section 1. That Loveland Water and Power Department staff are hereby directed to pursue negotiations for an increase in the City of Loveland's participation in the Windy Gap FIRMING Project from 7,000 acre-feet up to 10,000 acre-feet of storage.

Section 2. That the City Manager is hereby authorized, following consultation with the City Attorney's Office, to execute any agreements or other documentation necessary to acquire up to 3,000 additional acre-feet of storage in the Windy Gap FIRMING Project.

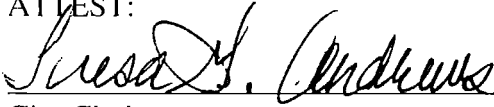
Section 3. That this Resolution shall supersede and replace any and all prior Resolutions setting the City's participation in the Windy Gap FIRMING Project, including but not limited to R-67-2008.

Section 4. That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this 2nd day of August, 2016.


Cecil A. Gutierrez, Mayor

ATTEST:


City Clerk



APPROVED AS TO FORM:


Assistant City Attorney

Attachment G

RESOLUTION #R-____-2018

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A THIRD AMENDMENT TO THE FIFTH INTERIM AGREEMENT WITH THE MUNICIPAL SUBDISTRICT, NORTHERN COLORADO WATER CONSERVANCY DISTRICT WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE, FOR CONTINUED PARTICIPATION IN THE WINDY GAP FIRING PROJECT

WHEREAS, since the 1970s, the City of Loveland (“City”) has been a participant in the Windy Gap Project (“Project”), a water storage project managed by the Municipal Subdistrict of the Northern Colorado Water Conservancy District (“Subdistrict”); and

WHEREAS, the City owns 40 units, which represent raw water, in the Project; and

WHEREAS, the Project water rights are junior in priority and will not reliably yield raw water without storage; and

WHEREAS, in recent years, the Subdistrict and Project participants have pursued additional engineering and operational strategies designed to improve the reliability and yield of Windy Gap Project units (the “Windy Gap Firing Project”); and

WHEREAS, previous phases of the Windy Gap Firing Project studied potential reservoir sites, conducted feasibility-level engineering work, environmental studies, and development of preliminary design plans; and

WHEREAS, on February 16, 2016 by Resolution #R-17-2016, the City Council directed the Mayor and City Clerk to enter into the Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firing Project Water Activity Enterprise, and City of Loveland, Colorado for Participation in the Windy Gap Firing Project (“Fifth Interim Agreement”) in order to fund the Subdistrict’s continued work to obtain local, state, and federal permits and approvals, detailed engineering design, additional land acquisition, mitigation and enhancement measures, and contract development (the “Fifth Phase”) of the Windy Gap Firing Project; and

WHEREAS, the City executed the Fifth Interim Agreement with the Subdistrict on March 1, 2016; and

WHEREAS, on August 2, 2016, by Resolution #R-72-2016, the City Council directed staff of the Loveland Water and Power Department to pursue negotiations and execute any agreements necessary to increase the City’s participation in the Windy Gap Firing Project from 7,000 acre-feet up to a total of 10,000 acre-feet of storage; and

WHEREAS, on August 30, 2016, the City executed an Amendment to the Fifth Interim Agreement to increase the City’s participation in the Windy Gap Firing Project from 7,000 to 9,000 acre-feet (the “First Amendment”); and

WHEREAS, on May 2, 2017 by Resolution #R-39-2017, the City Council directed the Mayor and City Clerk to enter into the Second Amendment of the Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City, recognizing the City's revised participation level in the Windy Gap Firming Project of 9,451 acre-feet and committing additional funds pro rata to continue completion of the Fifth Phase; and

WHEREAS, on May 17, 2017, the United State Army Corps of Engineers issued a final Record of Decision approving the required federal permit for construction and operation of the Windy Gap Firming Project, including construction of Chimney Hollow Reservoir; and

WHEREAS, on _____, 2018, the Department of Water and Power acquired an additional 136 acre-feet of storage in the Windy Gap Firming Project from the Platte River Power Authority pursuant to the City Council's direction in Resolution #R-72-2016, resulting in the City's current subscribed storage participation in the Project as 9,587 acre-feet; and

WHEREAS, the Subdistrict requires additional funds to complete the Fifth Phase and is requesting that all participants, including the City, execute another amendment to the Fifth Interim Agreement that commits additional funds pro rata based on the City's participation level to complete the Fifth Phase of the Windy Gap Firming Project (the "Third Amendment"); and

WHEREAS, the Subdistrict estimates Loveland's pro rata share for the Fifth Phase is \$958,000.00 for 2018 and adequate funds exist for this purpose in the Raw Water budget; and

WHEREAS, the Loveland Utilities Commission recommends that the City enter into the Third Amendment to the Fifth Interim Agreement; and

WHEREAS, the City Council finds that participation in the Windy Gap Firming Project will benefit the City's water utility ratepayers and is in the best interests of Loveland's citizens; and

WHEREAS, the City Council desires to enter into the Third Amendment to the Fifth Interim Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the "Third Amendment to Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City for Participation in the Windy Gap Firming Project" ("Third Amendment to Fifth Interim Agreement"), attached hereto as Exhibit A and incorporated herein by reference, is approved, and the Mayor and City Clerk are authorized to execute and enter into the Third Amendment to Fifth Interim Agreement on behalf of the City of Loveland.

Section 2. That the Mayor is authorized, following consultation with the City Attorney, to approve changes to the Third Amendment to Fifth Interim Agreement in form or in substance, as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

Section 3. That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this ____ day of March, 2018.

Jacki Marsh, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

DRAFT

Attachment H

AGREEMENT FOR SALE AND PURCHASE OF WINDY GAP PROJECT STORAGE CAPACITY

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2018 by and between the Platte River Power Authority ("Platte River"), a political subdivision of the State of Colorado, and the City of Loveland, Colorado ("Loveland"), a home rule Colorado municipal corporation. Platte River and Loveland may be referred to collectively as the "Parties").

RECITALS

A. Platte River and Loveland are included within the boundaries of the Northern Colorado Water Conservancy District ("NCWCD") and within the boundaries of the NCWCD's Municipal Subdistrict ("Municipal Subdistrict").

B. Platte River and Loveland have subscribed to storage capacity in the Windy Gap Firming Project ("Firming Project"), a water storage project being developed by the Windy Gap Firming Project Water Activity Enterprise ("WGF Enterprise") for storing water produced by the Windy Gap Project, the water diversion and storage project operated by the Municipal Subdistrict pursuant to various agreements with participants, including the Windy Gap Reservoir, pumping plant, pipeline, water rights and associated works.

C. Platte River anticipates receiving an assignment of additional water storage capacity in the Firming Project which will result in a surplus of 136 acre feet of storage capacity and which will cause it to exceed its projected requirements of 16,000 acre feet.

D. Platte River desires to transfer and assign to Loveland its anticipated surplus storage capacity to Loveland, on the terms and conditions set forth herein.

AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, and in further consideration of the promises and covenants contained herein, the Parties agree as follows:

1. **Conveyance of Surplus Storage Capacity.** Contingent upon its receipt of additional units of storage capacity in the Firming Project, which in combination with

its subscribed storage capacity will result in a surplus of storage capacity above and beyond its projected requirements of 16,000 acre feet, Platte River shall assign and convey to Loveland all of its right, title, and interest in and to the storage capacity which exceeds 16,000 acre feet (the "Surplus Storage Capacity"). It is anticipated that the Surplus Storage Capacity will be 136 acre feet. This conveyance shall include all rights, privileges, credits, and benefits attributable to said Surplus Storage Capacity, as well as Platte River's prorated share attributable to the Surplus Storage Capacity of all of its interests in all amounts, monies, proceeds, funds, and assets held or owned by or for the benefit of the WGF Enterprise or the Municipal Subdistrict, including but not limited to capital assets of the Firming Project, surplus construction funds for the Firming Project and any other funds established by the WGF Enterprise or Municipal Subdistrict, and all of the WGF Enterprise's or Municipal Subdistrict's allocation and rights in the Firming Project associated with the Surplus Storage Capacity. The assignment and conveyance of the Surplus Storage Capacity shall be effective as of the date Loveland remits the Participation Reimbursement Amount to Platte River as provided in Paragraph 2 of this Agreement. If Platte River does not receive an assignment of storage capacity which, in combination with its subscribed storage capacity, will result in storage capacity above and beyond its projected requirements of 16,000 acre feet, Platte River shall have no obligation to convey any storage capacity to Loveland, and Loveland shall have no obligation to remit any payments or other consideration to Platte River for Surplus Storage Capacity.

2. Payment of Costs Associated with Surplus Storage Capacity. For and in consideration of the assignment and conveyance of the Surplus Storage Capacity, Loveland shall, on or before _____, 2018, remit the sum of \$_____ to Platte River as reimbursement of Platte River's participation expenses in the Firming Project related to the Surplus Storage Capacity (the "Participation Reimbursement Amount"). If the Surplus Storage Capacity conveyed hereunder is less than 136 acre feet, the Participation Reimbursement Amount shall be pro-rated accordingly. In addition, commencing as of the date this Agreement is executed, Loveland shall pay any pro-rata share of costs or assessments that NCWCD or the WGF Enterprise may require Windy Gap Firming Project participants to pay in association with said Surplus Storage Capacity.

4. Notification of Municipal Subdistrict. Within five (5) days of the payment of the Participation Reimbursement Amount to Platte River, the Parties shall jointly notify the Municipal Subdistrict of the assignment and conveyance of the Surplus Storage Capacity hereunder by transmitting a letter in the form attached hereto as Exhibit A.

5. **Further Assurances.** Platte River and Loveland shall take all reasonable actions which may be necessary to effect the assignment and conveyance of the Surplus Storage Capacity to Loveland and to facilitate the transactions contemplated hereunder.

6. **Warranty to Title.** Platte River expressly represents and warrants that, as of the effective date of the assignment to Loveland, title to the Surplus Storage Capacity shall be free and clear of all encumbrances.

7. **Transfer Fees.** Loveland shall pay all transfer fees or other costs charged by the Municipal Subdistrict, NCWCD or the WGF Enterprise, if any, associated with the assignment and conveyance of the Surplus Storage Capacity to Loveland.

8. **Default/Disputes.** In the event that either party defaults in making or performing any obligation provided for in this Agreement, the non-defaulting party shall give written notice of the default by mailing or delivering same to the defaulting party. If the default is not cured within thirty (30) days after delivering or mailing the notice, then the non-defaulting party shall have the right to pursue any remedies available under this Agreement and Colorado law including, but not limited to, specific performance. Venue for any such legal proceeding shall be the District Court for Larimer County, Colorado. The Parties expressly waive the right to a trial by jury in any action to interpret or enforce the terms of this Agreement, and it is agreed that the prevailing party in such action shall be entitled to an award of its reasonable costs and attorney's fees in addition to any other relief that may be awarded.

9. **Notice.** Any notice required hereunder shall be in writing and:

(a) Delivered by personal service to the person or persons whose rights, remedies, or obligations are sought to be affected; or

(b) Mailed by prepaid United States certified mail, return receipt requested, addressed to the respective and appropriate party as follows:

To Platte River: Platte River Power Authority
 c/o Fuels and Water Manager
 2000 E. Horsetooth Road
 Fort Collins, CO 80525

with copy to: Joe Wilson, Esq.
 Platte River Power Authority
 2000 E. Horsetooth Road

Fort Collins, CO 80525

To Loveland: City of Loveland Department of Water and Power
200 N. Wilson Ave.
Loveland, CO 80537

Loveland, CO

with copy to: City Attorney
City of Loveland
500 E. 3rd St
Loveland, CO 80537

Any party, by notice properly given to the others, may change its address to which notice may be mailed.

10. Entire Agreement. This Agreement contains the entire agreement between the Parties and supersedes and replaces any prior agreements or understandings between the Parties concerning the subject matter herein. Loveland and Platte River expressly represent and warrant that they have not relied upon any statement, representation, or promise made by any party or the agent of any party concerning the subject matter of this Agreement that is not set forth herein.

11. Modifications. This Agreement may be modified, amended, changed, or terminated, in whole or in part, only by an agreement in writing duly authorized and executed by the parties.

12. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

13. Governmental Immunity. The parties understand and agree that the monetary limitations and all other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended from time to time, may apply to actions arising from or related to this Agreement. This Agreement in no way constitutes a waiver for either party or their rights, immunities, and other protections provided for by law.

IN WITNESS WHEREOF, the parties have executed this Agreement the date and year first written above.

CITY OF LOVELAND, COLORADO

By: _____

ATTEST

City Clerk

APPROVED AS TO FORM

Assistant City Attorney

PLATTE RIVER POWER AUTHORITY

By: _____

Name: _____

Title: _____

**ITEM TITLE:**

Consideration of PRPA Notice of Transfer for Windy Gap Units – Proposed Executive Session pursuant to City Charter Section 4-4(c) and Section 24-6-402(4)(a)(e) & (g), C.R.S.

DESCRIPTION:

Pursuant to the December 14, 2017 Agreement Regarding Exercise of Rights of First Refusal to Acquire Windy Gap Water Units from Platte River Power Authority, the City received on January 5, 2018 a Notice of Transfer of Windy Gap Units by PRPA, initiating a 63-day period during which the City of Loveland must exercise or waive its right of first refusal to the units proposed for transfer.

SUMMARY:

Pursuant to the Agreement between PRPA, Loveland, Fort Collins, and Estes Park, the material terms of the proposed Notice of Transfer involve confidential matters subject to ongoing negotiation required to be kept confidential, including consideration of the purchase, acquisition, lease, transfer or sale of any real, personal, or other property interest. For these reasons, counsel requests discussion of the Notice of Transfer occur only in Executive Session pursuant to section 24-6-402(4)(a), (e), and (g), Colorado Revised Statutes.

RECOMMENDATION:

Adopt a Motion Recommending that the City Manager waive the City's right of first refusal for the Windy Gap Units that are the subject of the January 5, 2018 Notice of Transfer.

**ITEM TITLE:**

Northern Water Invitation to Bid on 75 acre-feet of C-BT Water

DESCRIPTION:

Northern Colorado Water Conservancy District (Northern Water) is accepting sealed bids to apply for up to seventy-five (75) acre-foot units of Colorado-Big Thompson Project water.

SUMMARY:

Northern Colorado Water Conservancy District (Northern Water) is accepting sealed bids to apply for up to seventy-five (75) acre-foot units of Colorado-Big Thompson Project water. These units have been declared forfeited by actions of the Board of Directors of Northern Water in accordance with its Storage and Parking Agreement Rule. Bids may be submitted to purchase the right to apply for all, or part of 75 acre-foot units of Colorado-Big Thompson Project water.

Loveland Water and Power's Water Resources Group tracks sales volumes and sale prices of C-BT water. The most recent average price exceeded \$29,000/unit. Currently, Water and Power's 2018 budget has \$500,000 allocated for purchase of C-BT units.

The costs of the Windy Gap Firming Project (Chimney Hollow Reservoir) continue to climb, as do Loveland's obligations. This reservoir is probably the last large water storage project in this region for the foreseeable future, and thus is the City's only option for firming Windy Gap units. The potential impacts of these cost increases to the Department's 10-year CIP have not been determined. Given these unknowns, staff believes it is more prudent to forego purchase of C-BT units at the current high prices and reserve those funds for the Chimney Hollow project.

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

RECOMMENDATION:

Adopt a motion declining participation in the Northern Water Invitation to Bid on 75 acre-feet of C-BT Water.

ITEM TITLE:

PVREA Surcharge Recalculation

DESCRIPTION:

This item will give a brief background on the electric service takeovers from Poudre Valley Rural Electric Cooperative (PVREA) and a description of the recalculation of surcharge amount owed to PVREA conducted in 2017.

SUMMARY:

The City of Loveland Municipal Code states that all electrical energy consumed in the city for resident, commercial and industrial purposes must be furnished by Loveland Water and Power unless specifically granted to a different provider by City Council. This means that as the City grows over time through annexation, the service territory of the electric utility also grows. As the City of Loveland electric service territory grows, it takes over electric service territory that was formerly authorized to be served by another electric utility, which in our area is either Xcel Energy or PVREA.

City take overs from Xcel Energy territory are governed by a contract between the two companies and includes reimbursement of equipment costs and revenue for one year as compensation to Xcel for stranded assets and lost revenue. However, takeover of PVREA territory is regulated by state statute. For undeveloped previously unserved areas, the City is required to reimburse PVREA 5% of revenue from the new customers for a period of ten years. For PVREA existing customers, the City is required to reimburse PVREA 25% of revenue for a period of ten years. The ten year clock starts from the time of take over of service territory and is not determined by the date of annexation.

Due to some recent litigation explained in the attached memo, the City reviewed its process. During the City's evaluation, we discovered that City had not properly applied the start of the ten year clock to several properties within city limits that were previously in PVREA service territory. There were a variety of reasons for this including:

- Limited number of Annexations. In the last twenty years, there have been very few annexations of new property into the City of Loveland. The small volume of annexations made the takeover process uncommon and had not required any attorney involvement or review.
- Staff turn-over. Combined with the limited number of annexations, turnover of key staff positions due to retirements meant that information about how to process annexations and account for electric service take-overs was not well documented and new staff had no one to provide such training.
- Limitations of software. Our current customer information system (CIS) has limited ability to maintain this type of information. This lead to discrepancies as many of these items are verified manually and tracked in separate databases.



To address these concerns, staff and legal have met to establish a better process and clear procedure flows. We are also better utilizing new technology including GIS and systems used by the Planning Department to track annexations. We believe the new CIS system, which will be in place in the next couple of years, will further add to our ability to properly track and account for these surcharges owed to PVREA.

As a result of the review, we did find that PVREA had not been fully compensated for a number of properties formerly in their service territory. In a gesture of good faith, and in an effort to be transparent, the city estimated the amount of reimbursement that was owed to PVREA over the last ten years and compared that to the amount of re-imbursement that was provided. We found discrepancies totaling \$227,000, which has been remitted to PVREA.

RECOMMENDATION:

Information item only. No action required.

ATTACHMENTS:

-  Colorado Revised Statutes: Title 40 Article 9.5 Part 2
-  Legal Memo

Attachment A

[West's Colorado Revised Statutes Annotated](#)

[Title 40. Utilities \(Refs & Annos\)](#)

[Public Utilities](#)

[General and Administrative](#)

[Article 9.5. Cooperative Electric Associations](#)

[Part 2. Service Territories Within Municipalities Owning and Operating Electric Utilities](#)

§ 40-9.5-201. Legislative declaration

The general assembly hereby finds and declares that the provisions of [article XXV of the Colorado constitution](#) allow the public utilities commission to establish exclusive service territories for utilities as provided in article 5 of this title and that it has been the policy of the state of Colorado to establish exclusive service territories for cooperative electric associations. The general assembly further finds and declares that, if a cooperative electric association has been granted an exclusive service territory that is within a municipality that operates an electric utility or within an area annexed by a municipality that operates an electric utility, the municipality has taken private property and shall pay just compensation for the electric distribution facilities and certificate of public convenience and necessity of the association located within the municipality. Therefore, it is declared to be a matter of statewide concern and to be the purpose of this part 2 to establish a procedure to be followed when the certificated service territory of a cooperative electric association is included within a municipality that operates an electric utility or within an area annexed by a municipality that operates an electric utility.

§ 40-9.5-202. Definitions

As used in this part 2, unless the context otherwise requires:

- (1) “Cooperative electric association” shall have the same meaning as in [section 40-9.5-102](#).
- (2) “Electric distribution facilities” means all or any portion of the electric lines and facilities of a cooperative electric association used or capable of being used in serving ultimate consumers, but the term does not include transmission lines, feeder lines, and substation facilities, or portions thereof, which are necessary for the integration and operation of portions of the association’s electric system which are located outside a municipality or the area annexed by a municipality, nor does the term include transformers, meters, and associated metering equipment.
- (3) “Municipality” means a statutory or home rule town, city, or city and county.

§ 40-9.5-203. Service rights and facilities of cooperative electric associations within municipalities or within areas to be annexed by municipalities which own and operate electric utilities

(1) Notwithstanding any provision to the contrary, if a cooperative electric association has certificated service territory within a municipality which after May 27, 1986, commences operation of its own electric utility or has certificated service territory within an area annexed after May 27, 1986, by a municipality which owns and operates an electric utility, the municipality shall pay just compensation for the electric distribution facilities of the cooperative electric association located within the territory, together with the association's certificate of public convenience and necessity constituting its rights to serve such territory.

(2) No later than thirty days prior to final action on each annexation ordinance, the municipality shall notify the affected cooperative electric association in writing of the boundaries of the municipality or the annexed area within which certificated service territory of the association is included and shall indicate such boundaries or area on appropriate maps.

§ 40-9.5-204. Just compensation for service rights and facilities by municipality

(1) The just compensation for electric distribution facilities and service rights shall be:

(a) The present-day reproduction cost, new, of the electric distribution facilities being acquired, less depreciation computed on a straight-line basis over thirty-five years with such depreciation being limited to one-half of such cost; and

(b) An amount equal to the cost of constructing any necessary facilities to reintegrate the system of the cooperative electric association located outside the municipality or the area annexed by the municipality after detaching the electric distribution facilities to be sold; and

(c) An annual amount, payable each year for a period of ten years following the date of purchase, equal to twenty-five percent of the revenues received by the municipality from the sale of electric power to the services within such municipality which were previously served by the cooperative electric association; and

(d) An annual amount equal to five percent of the revenues received by the municipality from the sale of electric power to the additional services that come into existence in the affected area, for each year for a period of ten years following the date of acquisition.

(2) If the cooperative electric association and the municipality cannot agree on the amount to be paid pursuant to subsection (1) of this section, either party may bring an action for condemnation or inverse condemnation in the district court for the county in which the property is located to determine the amount to be paid pursuant to the factors stated in subsection (1) of this section. During the pendency of any such action, the municipality shall deposit with the court the amount the municipality has offered to be paid the cooperative electric association, and, upon said payment, the municipality shall have the right to serve all electric customers within the annexed area.

§ 40-9.5-205. Purchase by cooperative electric association of electric distribution facilities and service rights of municipality

If any municipality changes its boundaries so as to exclude from its corporate limits any territory previously served by a cooperative electric association, such municipality shall give, within thirty days, written notice to the association of such exclusion of territory, and the cooperative electric association, within one hundred twenty days after receipt of such notice, shall purchase the municipality's electric distribution facilities and service rights within the excluded area. [Section 40-9.5-204](#) shall apply to acquisitions by a cooperative electric association pursuant to this section.

§ 40-9.5-206. Provisions on purchase nonexclusive--no effect on existing contracts

(1) Nothing contained in this part 2 shall prohibit a municipality and a cooperative electric association from buying, selling, or exchanging electric distribution facilities, service rights, and other rights, property, and assets by mutual agreement.

(2) Nothing in this part 2 shall impair the obligations of existing contracts.

§ 40-9.5-207. Applicability

(1) This part 2 shall apply to all cooperative electric associations which have electric distribution facilities, franchises, certificates of public convenience and necessity, rights-of-way, or appurtenances to facilities which are included in the boundaries of a municipality which after May 27, 1986, commences operation of its own electric utility or are included in an area annexed by a municipality which owns and operates an electric utility.

(2) Notwithstanding any statutory provision to the contrary, the procedures in this part 2 relating to the allocation and

conveyance of property and property rights of any cooperative electric association to any municipality or of any municipality to any cooperative electric association shall be exclusively available to such municipality and to such cooperative electric association.

End of Document

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Attachment B



CITY OF LOVELAND

CITY ATTORNEY'S OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2540 • FAX (970) 962-2900 • TDD (970) 962-2620

MEMORANDUM

TO: Loveland Utilities Commission
FROM: Alicia Calderón, Assistant City Attorney II
DATE: February 15, 2018
RE: PVREA Service Territory Takeovers

Question: When calculating “just compensation” under C.R.S. §40-9.5-204, when must the City begin the annual ten year payments?

Short Answer: The City must begin the annual ten year payments when the electric association is excluded from the area.

Analysis:

C.R.S. § 40-9.5-204 sets out the method of calculating “just compensation” when the City begins to serve an area previously served by a cooperative electric association. Under subparagraph (c), the City pays an annual amount equal to twenty-five per cent of the revenues from the sale of electric power for ten years for those customers who were previously served by the rural electric association. The City pays five per cent from electric sale revenues for ten years for new customers, subparagraph (d).

When the Colorado General Assembly passed the legislation, the City challenged the constitutionality of these statutes. The City argued the 25% and the 5% were not only unconstitutional but also argued that the payments were not percentages of gross revenue but rather excluded “base rate” charges. The Supreme Court held that if a municipality has simply annexed territory and “is competing for new customers, but is not excluding the cooperative electric association” the City would not owe the compensation. When the City excludes the electric association, there is a taking and the cooperative is entitled to the compensation. *Poudre Valley Rural Elec. Ass’n, Inc. v. City of Loveland*, 807 P.2d 547 (1991). The statute does not mandate that the City serve customers once an area has been annexed, but rather, when the City excludes the association, then the City must pay the statutory just compensation. While a City competes with a rural electric association, the City is not required to pay compensation.

The Court of Appeals decided a case August 11, 2016 involving the City of Delta. In an unpublished decision, the Court recognized the prior cases holding that there is not a taking as long as the cooperative association can compete with the City. The Court indicated that because the

association did not allege the City required all entities within the service territory to obtain service exclusively from the City or otherwise exclude the association from providing service to the area, the case was properly dismissed. *Delta-Montrose Electric Ass'n v. City of Delta*, 15CA1116 (Colo. App. 2016). This case supported that compensation is not owed until a city excludes the association from providing electric service in the area annexed.

Conclusion

When the City annexes an area previously served by Poudre Valley Rural Electric Association, the City may choose to allow competition or choose to provide exclusive electric service. While the City allows competition, the City is not required to pay just compensation. Thus, the date of annexation may not be the date of exclusive electric service provided by the City. When the City excludes the electric association, the City must pay compensation.

ITEM TITLE:

Preliminary 2017 Financial Report

DESCRIPTION:

This item summarizes the monthly and year-to date Preliminary financials for December 2017.

SUMMARY:

The December 2017 financial reports are submitted for Commission review. The following table summarizes the sales and expense results for the month of December, and the December Year-To-Date results in comparison to the same periods from 2016. The summarized and detailed monthly financial statements that compare December Year-To-Date actuals to the 2017 budgeted figures are attached.

		December				December Year-To-Date					
		2017	2016	\$ Ovr/(Und)	% Ovr/(Und)			2017	2016	\$ Ovr/(Und)	% Ovr/(Und)
				vs. 2017	vs. 2017					vs. 2017	vs. 2017
WATER											
Sales		\$799,049	\$792,266	\$6,783	0.9%			\$14,840,067	\$14,040,263	\$799,804	5.7%
Operating Expenses		\$1,349,414	\$1,580,142	(\$230,728)	-14.6%			\$17,173,956	\$12,242,301	\$4,931,655	40.3%
Capital (Unrestricted)		\$695,457	\$542,534	\$152,923	28.2%			\$2,221,257	\$5,082,597	(\$2,861,340)	-56.3%
WASTEWATER											
Sales		\$913,354	\$997,926	(\$84,572)	-8.5%			\$11,217,566	\$10,199,950	\$1,017,616	10.0%
Operating Expenses		\$1,143,566	\$997,048	\$146,518	14.7%			\$7,616,972	\$7,007,611	\$609,362	8.7%
Capital (Unrestricted)		\$3,304,608	\$848,698	\$2,455,910	289.4%			\$7,061,390	\$3,193,169	\$3,868,222	121.1%
POWER											
Sales		\$4,647,264	\$4,592,666	\$54,598	1.2%			\$61,144,148	\$58,381,938	\$2,762,210	4.7%
Operating Expenses		\$5,257,762	\$5,475,368	(\$217,606)	-4.0%			\$56,574,226	\$54,471,647	\$2,102,580	3.9%
Capital (Unrestricted)		\$1,531,795	\$1,704,962	(\$173,167)	-10.2%			\$14,137,781	\$10,204,817	\$3,932,964	38.5%

RECOMMENDATION:

Staff item only. No action required.

ATTACHMENTS:

-  Attachment A: 4th Quarter 2017 Financial Presentation
-  Attachment B: City of Loveland Financial Statement-Raw Water
-  Attachment C: City of Loveland Financial Statement-Water
-  Attachment D: City of Loveland Financial Statement-Wastewater
-  Attachment E: City of Loveland Financial Statement-Power
-  Attachment F: Balance Sheets

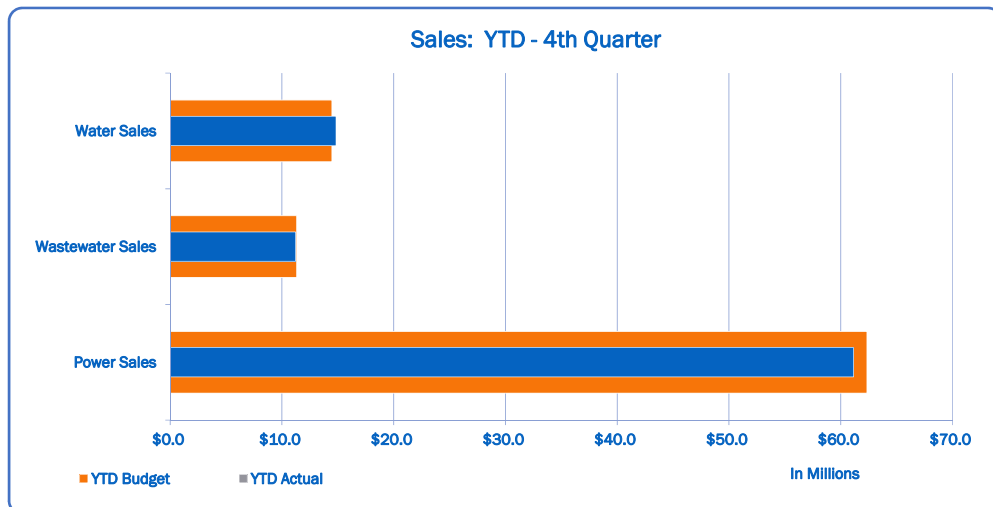
Attachment A

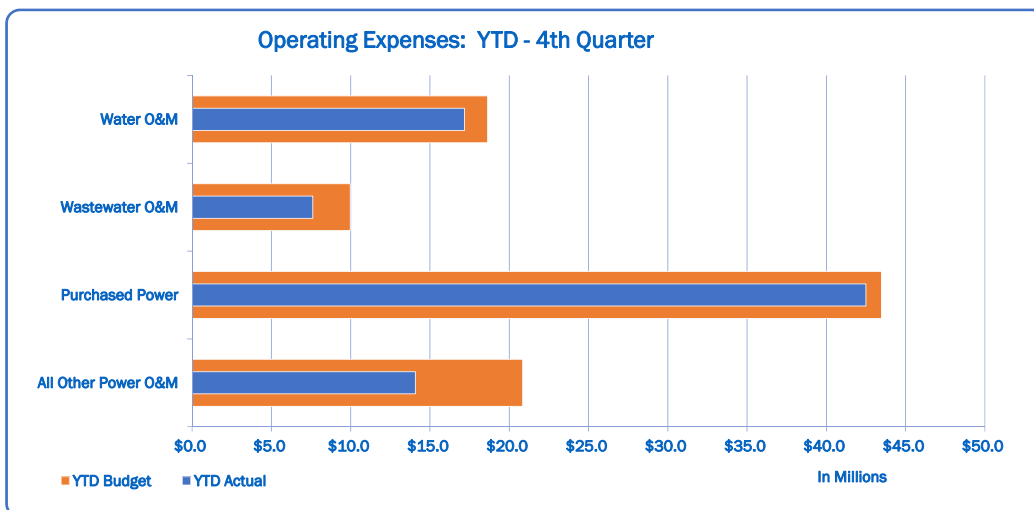
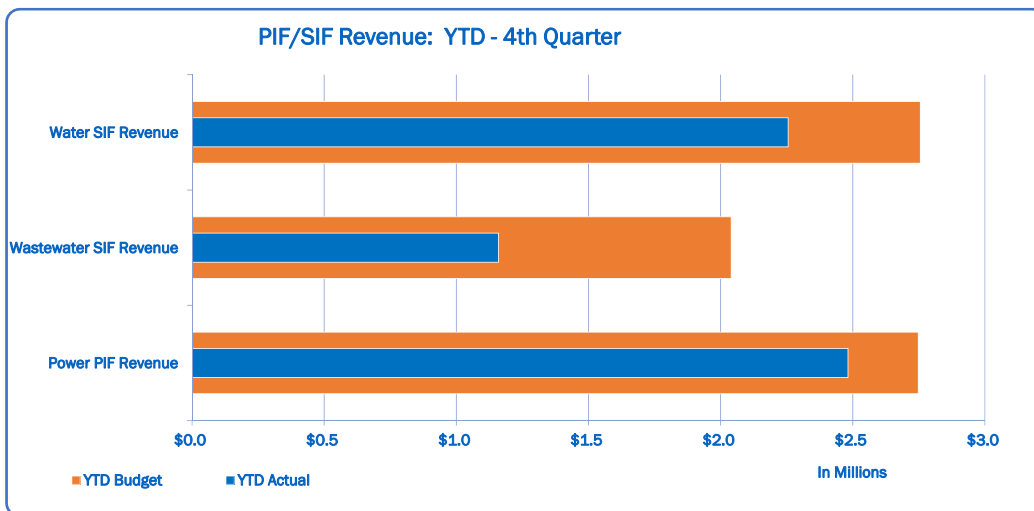


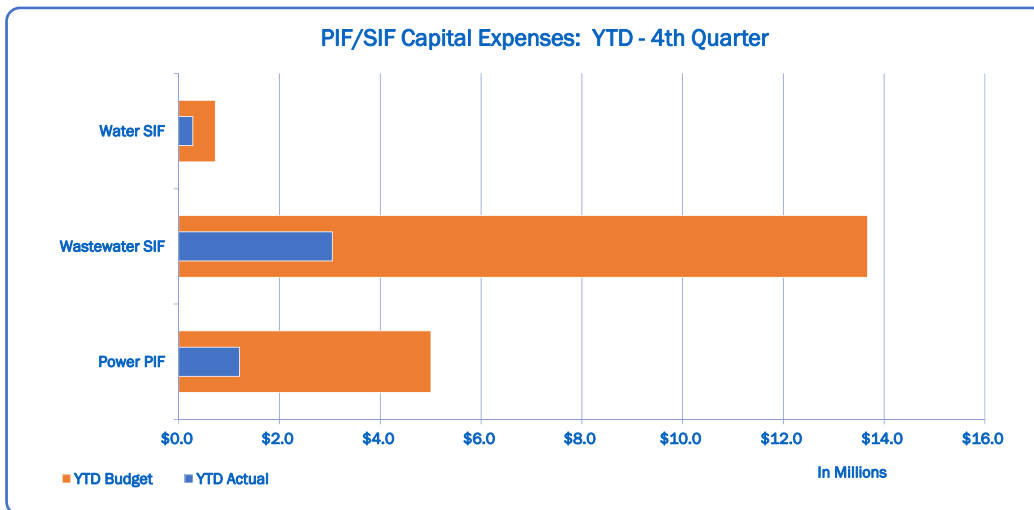
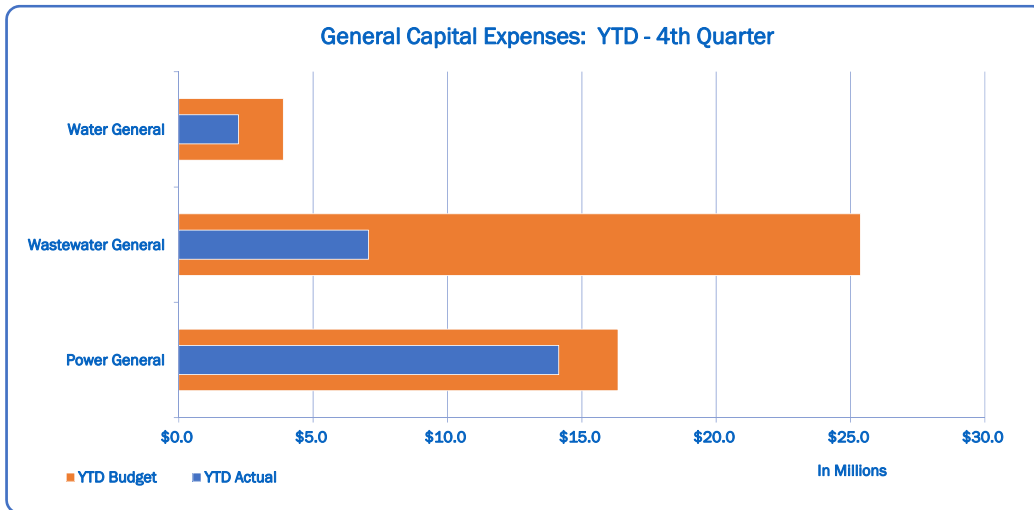
Quarterly Financial Report



Jim Lees,
Utility Accounting Manager
February 21, 2018







QUESTIONS?

Attachment B

City of Loveland
Financial Statement-Raw Water
For Period Ending 12/31/2017 - Preliminary as of 2-2-18

	* TOTAL BUDGET *		YTD	OVER	
	FYE 12/31/2017	YTD ACTUAL	BUDGET	<UNDER>	VARIANCE
1 REVENUES & SOURCES	*	*			
2 High Use Surcharge	* 52,500 *	138,206	52,500	85,706	163.3%
3 Raw Water Development Fees/Cap Rec Surcharge	* 411,446 *	365,295	411,446	(46,151)	-11.2%
4 Cash-In-Lieu of Water Rights	* 250,000 *	120,972	250,000	(129,028)	-51.6%
5 Native Raw Water Storage Fees	* 5,000 *	489,608	5,000	484,608	9692.2%
6 Loan Payback from Water	* 4,050,375 *	4,161,687	4,050,375	111,312	2.7%
7 Raw Water 1% Transfer In	* 434,340 *	445,202	434,340	10,862	2.5%
8 Interest on Investments	* 374,120 *	265,412	374,120	(108,708)	-29.1%
9 TOTAL REVENUES & SOURCES	* 5,577,781 *	5,986,383	5,577,781	408,602	7.3%
10 OPERATING EXPENSES	*	*			
11 Loan to Water	* 0 *	0	0	0	0.0%
12 Windy Gap Payments	* 7,100 *	7,044	7,100	(56)	-0.8%
13 TOTAL OPERATING EXPENSES	* 7,100 *	7,044	7,100	(56)	-0.8%
14 NET OPERATING REVENUE/(LOSS) (excl depr)	* 5,570,681 *	5,979,339	5,570,681	408,658	7.3%
15 RAW WATER CAPITAL EXPENDITURES	* 2,040,380 *	1,280,288	2,040,380	(760,092)	-37.3%
16 ENDING CASH BALANCES	*	*			
17 Total Available Funds	* *	17,979,550			
18 Reserve - Windy Gap Cash	* *	0			
19 Reserve - 1% Transfer From Rates	* *	6,039,883			
20 Reserve - Native Raw Water Storage Interest	* *	1,622,239			
21 TOTAL RAW WATER CASH	* *	25,641,671			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 0

Attachment C

City of Loveland
Financial Statement-Water Rev
For Period Ending 12/31/2017 Preliminary as of 2-2-18

	TOTAL BUDGET FYE 12/31/2017	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**					
2 REVENUES & SOURCES					
3 Water Sales	14,477,980	14,840,067	14,477,980	362,087	2.5%
4 Raw Water Transfer Out	(434,340)	(445,202)	(434,340)	(10,862)	2.5%
5 Wholesale Sales	138,790	158,650	138,790	19,860	14.3%
6 Meter Sales	54,710	77,554	54,710	22,844	41.8%
7 Interest on Investments	152,410	106,683	152,410	(45,727)	-30.0%
8 Other Revenue	950,250	503,192	950,250	(447,058)	-47.0%
9 Federal and State Grants	0	0	0	0	0.0%
10 Internal Loan Monies Received	751,356	751,017	751,356	(339)	0.0%
11 External Loan Monies Received	0	0	0	0	0.0%
12 TOTAL REVENUES & SOURCES	16,091,156	15,991,961	16,091,156	(99,195)	-0.6%
13 OPERATING EXPENSES					
14 Source of Supply	2,465,687	1,752,441	2,465,687	(713,246)	-28.9%
15 Treatment	3,278,707	2,918,089	3,278,707	(360,618)	-11.0%
16 Distribution Operation & Maintenance	3,550,578	3,233,849	3,550,578	(316,729)	-8.9%
17 Administration	687,657	452,781	687,657	(234,876)	-34.2%
18 Customer Relations	398,899	320,863	398,899	(78,036)	-19.6%
19 PILT	983,050	1,007,641	983,050	24,591	2.5%
20 1% for Arts Transfer	99,837	17,452	99,837	(82,385)	-82.5%
21 Services Rendered-Other Departments	1,309,058	1,460,154	1,309,058	151,096	11.5%
22 Internal Loan Debt Expense	4,856,625	4,908,116	4,856,625	51,491	1.1%
23 External Loan Debt Expense	1,013,988	1,102,571	1,013,988	88,583	8.7%
24 TOTAL OPERATING EXPENSES	18,644,086	17,173,956	18,644,086	(1,470,130)	-7.9%
25 NET OPERATING REVENUE/(LOSS)(excl depr)	(2,552,930)	(1,181,996)	(2,552,930)	1,370,934	-53.7%
26 CAPITAL EXPENDITURES	3,895,394	2,221,257	3,895,394	(1,674,137)	-43.0%
27 ENDING CASH BALANCE		6,283,506			100
28 WATER DEBT FUNDS ENDING CASH BALANCE		454,330			100
29 MINIMUM BALANCE (15% OF OPER EXP)		2,796,613			
30 OVER/(UNDER) MINIMUM BALANCE		3,486,893			
31 **RESTRICTED FUNDS**					
32 REVENUES & SOURCES					
33 SIF Collections	2,755,460	2,255,196	2,755,460	(500,264)	-18.2%
34 SIF Interest Income	33,180	13,675	33,180	(19,505)	-58.8%
35 SIF Federal and State Grants	0	0	0	0	0.0%
36 Internal Loan Monies Received	0	0	0	0	0.0%
37 TOTAL SIF REVENUES & SOURCES	2,788,640	2,268,871	2,788,640	(519,769)	-18.6%
38 SIF Capital Expenditures	727,198	279,167	727,198	(448,031)	-61.6%
39 1% for Arts Transfer	1,049	795	1,049	(254)	-24.2%
40 Legal Agreements & Settlements	53,700	17,885	53,700	(35,815)	-66.7%
41 SIF ENDING CASH BALANCE		3,433,528			100
42 TOTAL ENDING CASH BALANCE		9,717,033			
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING:		1,581,374			
43 Water Treated at WTP (in million gallons)		4,408			
44 Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales)	3,561	3,708	3,561	148	4.2%

Attachment D

City of Loveland-LIVE
Financial Stmt-Wastewater Rev
For Period Ending 12/31/2017 **Preliminary as of 2-5-18**

	TOTAL BUDGET			OVER	
	FYE 12/31/2017	* YTD ACTUAL	YTD BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*	*			
	*	*			
2 REVENUES & SOURCES	*	*			
	*	*			
3 Sanitary Sewer Charges	11,325,240	11,217,566	11,325,240	(107,674)	-1.0%
4 High Strength Surcharge	360,690	454,196	360,690	93,506	25.9%
5 Interest on Investments	164,020	129,483	164,020	(34,537)	-21.1%
6 Other Revenue	12,920	432,318	12,920	419,398	3246.1%
7 Bond Proceeds	16,000,000	0	16,000,000	(16,000,000)	-100.0%
8 Federal Grants	0	0	0	0	0.0%
9 State Grants	0	0	0	0	0.0%
10 TOTAL REVENUES & SOURCES	27,862,870	12,233,564	27,862,870	(15,629,306)	-56.1%
	*	*			
11 OPERATING EXPENSES	*	*			
	*	*			
				0	0.0%
12 Treatment	3,997,705	3,488,231	3,997,705	(509,474)	-12.7%
13 Collection System Maintenance	2,770,049	2,210,946	2,770,049	(559,103)	-20.2%
14 Administration	423,386	258,818	423,386	(164,568)	-38.9%
15 Customer Relations	45,509	37,829	45,509	(7,680)	-16.9%
16 PILT	818,020	817,023	818,020	(997)	-0.1%
17 1% for Arts Transfer	234,793	60,327	234,793	(174,466)	-74.3%
18 Services Rendered-Other Departments	633,529	696,741	633,529	63,212	10.0%
19 Debt Service	1,051,432	47,057	1,051,432	(1,004,375)	-95.5%
20 TOTAL OPERATING EXPENSES	9,974,423	7,616,972	9,974,423	(2,357,451)	-23.6%
	*	*			
21 NET OPERATING REVENUE/(LOSS)(excl depr)	17,888,447	4,616,591	17,888,447	(13,271,856)	-74.2%
	*	*			
22 CAPITAL EXPENDITURES	25,367,679	7,061,390	25,367,679	(18,306,289)	-72.2%
	*	*			
23 ENDING CASH BALANCE (114% OF OPER EXP)		11,419,458			100
WASTEWATER DEBT FUNDS ENDING CASH					
24 BALANCE		8,578			100
	*	*			
25 MINIMUM BALANCE (15% OF OPER EXP)		1,496,163			
	*	*			
26 OVER/(UNDER) MINIMUM BALANCE		9,923,295			
	*	*			
27 **RESTRICTED FUNDS**	*	*			
	*	*			
28 REVENUES & SOURCES	*	*			
	*	*			
29 SIF Collections	2,039,750	1,368,361	2,039,750	(671,389)	-32.9%
30 SIF Interest Income	134,730	91,930	134,730	(42,800)	-31.8%
31 SIF Bond Proceeds	8,900,000	0	8,900,000	(8,900,000)	-100.0%
32 TOTAL SIF REVENUES & SOURCES	11,074,480	1,460,291	11,074,480	(9,614,189)	-86.8%
	*	*			
33 SIF Capital Expenditures	13,672,962	3,047,745	13,672,962	(10,625,217)	-77.7%
34 1% for Arts Transfer	125,668	23,358	125,668	(102,310)	-81.4%
35 Debt Service	584,859	28,841	584,859	(556,018)	-95.1%
	*	*			
SIF ENDING CASH BALANCE		8,227,427			100
	*	*			
TOTAL ENDING CASH BALANCE		19,646,886			
	*	*			
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING		27,478,199			
36 Wastewater Treated at WWTP (in million gallons)	N/A	2,250	N/A		
37 Wastewater Billed To Customers (in million gallons)	1,767	1,744	1,767	(23)	-1.3%

Attachment E

City of Loveland
Financial Statement-Power
For Period Ending 12/31/2017 Preliminary as of 2-5-18

	TOTAL BUDGET	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
UNRESTRICTED FUNDS					
1 REVENUES & SOURCES:					
2 Electric revenues	\$62,342,360	\$61,144,148	\$62,342,360	(\$1,198,212)	-1.9%
3 Wheeling charges	\$244,650	\$265,465	\$244,650	\$20,815	8.5%
4 Interest on investments	\$229,810	\$200,818	\$229,810	(\$28,992)	-12.6%
5 Aid-to-construction deposits	\$1,830,000	\$1,918,713	\$1,830,000	\$88,713	4.8%
6 Customer deposit-services	\$310,000	\$212,407	\$310,000	(\$97,593)	-31.5%
7 Late Payment Penalty Fees	\$415,000	\$495,627	\$415,000	\$80,627	19.4%
8 Connect Fees	\$160,000	\$170,001	\$160,000	\$10,001	6.3%
9 Services rendered to other depts.	\$0	\$1,800	\$0	\$1,800	0.0%
10 Other revenues	\$333,100	\$929,528	\$333,100	\$596,428	179.1%
11 Federal Grants	\$0	\$2,604,593	\$0	\$2,604,593	0.0%
12 State Grants	\$0	\$440,773	\$0	\$440,773	0.0%
13 Year-end cash adjustments	\$0	\$0	\$0	\$0	0.0%
14 TOTAL REVENUES & SOURCES	\$65,864,920	\$68,383,874	\$65,864,920	\$2,518,954	3.8%
15 OPERATING EXPENSES:					
16 Hydro oper. & maint.	\$6,157,916	\$627,718	\$6,157,916	(\$5,530,198)	-89.8%
17 Solar oper.& maint.	\$90,000	\$39,140	\$90,000	(\$50,860)	-56.5%
18 Purchased power	\$43,470,597	\$42,489,833	\$43,470,597	(\$980,764)	-2.3%
19 Distribution oper. & maint.	\$5,184,771	\$4,573,697	\$5,184,771	(\$611,074)	-11.8%
21 Customer Relations	\$1,470,771	\$1,145,525	\$1,470,771	(\$325,246)	-22.1%
22 Administration	\$1,090,662	\$687,080	\$1,090,662	(\$403,582)	-37.0%
23 Payment in-lieu-of taxes	\$4,328,980	\$4,234,135	\$4,328,980	(\$94,845)	-2.2%
24 1% for Arts Transfer	\$147,470	\$87,898	\$147,470	(\$59,572)	-40.4%
25 Services rendered-other depts.	\$2,376,665	\$2,689,200	\$2,376,665	\$312,535	13.2%
26 TOTAL OPERATING EXPENSES (excl depn)	\$64,317,832	\$56,574,226	\$64,317,832	(\$7,743,606)	-12.0%
27 NET OPERATING REVENUE/(LOSS) (excl depn)	\$1,547,088	\$11,809,647	\$1,547,088	\$10,262,559	\$0
28 CAPITAL EXPENDITURES:					
29 General Plant/Other Generation & Distribution	\$14,540,913	\$12,156,523	\$14,540,913	(\$2,384,390)	-16.4%
30 Aid-to-construction	\$1,500,000	\$1,678,886	\$1,500,000	\$178,886	11.9%
31 Service installations	\$310,000	\$302,372	\$310,000	(\$7,628)	-2.5%
32 TOTAL CAPITAL EXPENDITURES	\$16,350,913	\$14,137,781	\$16,350,913	(\$2,213,132)	-13.5%
33 ENDING CASH BALANCE (24% of Oper Exp)		\$15,455,588			
34 MINIMUM BAL. (23% of OPER EXP excl depn/chg 2017)		\$14,793,101			
35 OVER/(UNDER) MINIMUM BALANCE		\$662,487			
RESTRICTED FUNDS					
37 PIF Collections	\$2,747,630	\$2,481,744	\$2,747,630	(\$265,886)	-9.7%
38 PIF Interest Income	\$25,030	\$25,600	\$25,030	\$570	2.3%
39 Water Loan Payback	\$806,250	\$791,700	\$806,250	(\$14,550)	-1.8%
40 Federal Grants	\$0	\$0	\$0	\$0	0.0%
41 State Grants	\$0	(\$7,969)	\$0	(\$7,969)	0.0%
42 TOTAL REVENUES	\$3,578,910	\$3,291,076	\$3,578,910	(\$287,834)	-8.0%
43 PIF Feeders	\$2,441,998	\$1,080,805	\$2,441,998	(\$1,361,193)	-55.7%
44 PIF Substations & Solar	\$2,565,882	\$125,282	\$2,565,882	(\$2,440,600)	-95.1%
45 TOTAL EXPENDITURES	\$5,007,880	\$1,206,087	\$5,007,880	(\$3,801,793)	-75.9%
46 ENDING PIF CASH BALANCE		\$3,612,266			
47 TOTAL ENDING CASH BALANCE		\$19,067,854			
NOTE: YTD ACTUAL does NOT include encumbrances totalling \$2,769,735.					
48 Energy Purchased (in million kWh) from PRPA	737	725	737	(13)	1.3%
49 Energy Sold to Customers (in million kWh)	715	698	715	(18)	-2.5%

Attachment F

City of Loveland

Statement of Net Assets - For Fund Water fund - Proprietary consolidated
For Period Ending 12/31/2017 as of 2-12-18

Assets

Current Assets

Equity in Pooled Cash	\$ 2,706,528.58
Equity in Pooled Investments	3,530,675.13
Receivables, Net	1,375,145.90
Interfund Loan Receivable	-
Accrued Interest	93,016.12
Inventory, at Cost	232,812.40

Total Current Assets

7,938,178.13

Restricted Assets

Future Raw Water Projects	25,440,624.50
Restricted Cash	454,330.12
System Impact Fees	3,391,273.15
Windy Gap Commitment	-

Total Restricted Assets

29,286,227.77

Property, Plant & Equipment

Land	508,866.43
Intangible Assets/Easements	3,013,102.58
Buildings	3,467,553.01
Equipment	2,076,127.27
Improvements Other Than Buildings	175,203,548.86
Water Rights	65,848,046.61
Construction in Progress	4,003,336.26

Total Property, Plant & Equipment

254,120,581.02

Accumulated Depreciation

(48,344,224.97)

Net Property, Plant & Equipment

205,776,356.05

Total Non-Current Assets

235,062,583.82

Total Assets

\$ 243,000,761.95

Liabilities

Current Liabilities

Accounts Payable	\$ 830,294.19
Accrued Liabilities	319,633.82
Bond Interest Payable	164,806.25
Deferred Revenue	-
Current Portion of Long-Term Debt	212,689.85

Total Current Liabilities	<u>1,527,424.11</u>
Long-Term Liabilities	
Compensated Absences	174,018.97
External Loan Payable	12,600,000.00
Interfund Loan Payable	3,000,000.00
Total Long-Term Liabilities	<u>15,774,018.97</u>
Total Liabilities	<u><u>\$ 17,301,443.08</u></u>
Net Position	
Net Investment in Capital Assets	\$ 205,776,356.05
Restricted for Future Capital Improvements	29,286,227.77
Unrestricted	<u>(9,363,264.95)</u>
Total Net Position	<u><u>\$ 225,699,318.87</u></u>

NOTES:

Some items on the balance sheet are only changed at the end of the year, such as capital assets and accumulated depreciation.

City of Loveland

Statement of Net Assets - For Fund Wastewater fund - Proprietary consolidated For Period Ending 12/31/2017 - as of 2-12-18

Assets

Current Assets

Equity in Pooled Cash	\$ 18,647.71
Equity in Pooled Investments	11,256,232.27
Receivables, Net	1,434,669.80
Accrued Interest	62,764.21
Inventory, at Cost	4,869.06

Total Current Assets	<u>12,777,183.05</u>
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Non-current Assets

Interfund Loan Receivable	-
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Restricted Assets

Restricted Cash	8,578.17
Cash with Fiscal Agent	1,194.70
System Impact Fees	8,123,642.31

Total Restricted Assets	<u>8,133,415.18</u>
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Property, Plant & Equipment

Land	365,147.60
Intangible Assets/Easements	3,039,071.07
Buildings	3,441,799.26
Equipment	2,969,252.06
Improvements Other Than Buildings	74,499,118.11
Construction in Progress	6,062,700.61

Total Property, Plant & Equipment	<u>90,377,088.71</u>
Accumulated Depreciation	(28,169,046.61)

Net Property, Plant & Equipment	<u>62,208,042.10</u>
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Total Non-Current Assets	<u>70,341,457.28</u>
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Total Assets	<u>\$ 83,118,640.33</u>
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City of Loveland

Statement of Net Assets - For Fund Wastewater fund - Proprietary consolidated For Period Ending 12/31/2017 - as of 2-12-18

Liabilities

Current Liabilities

Accounts Payable	\$ 3,980,634.49
Accrued Liabilities	236,261.36
Bond Interest Payable	8,547.95
Deferred Revenue	-
Current Portion of Long-Term Debt	186,533.20

Total Current Liabilities	4,411,977.00
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Long-Term Liabilities

Compensated Absences	152,618.07
External Loan Payable	550,000.00

Total Long-Term Liabilities	702,618.07
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Total Liabilities	\$ 5,114,595.07
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Net Position

Net Investment in Capital Assets	\$ 62,208,042.10
Restricted for Future Capital Improvements	8,133,415.18
Unrestricted	7,662,587.98

Total Net Position	\$ 78,004,045.26
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NOTES:

Some items on the balance sheet are only changed at the end of the year, such as capital assets and accumulated depreciation.

City of Loveland

Statement of Net Assets - For Fund Power fund - Proprietary consolidated For Period Ending 12/31/2017 as of 2-12-18

Assets

Current Assets

Equity in Pooled Cash	\$	(178,177.23)
Equity in Pooled Investments		15,271,333.45
Receivables, Net		8,058,044.21
Accrued Interest		56,843.91
Inventory, at Cost		3,300,113.00

Total Current Assets		<u>26,508,157.34</u>
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Non-current Assets

Interfund Loan Receivable		3,000,000.00
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Restricted Assets

System Impact Fees		3,569,418.95
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Property, Plant & Equipment

Land		1,407,823.89
Intangible Assets/Easements		3,214,002.47
Buildings		3,654,046.86
Equipment		4,179,730.80
Improvements Other Than Buildings		141,706,780.15
Construction in Progress		29,966,609.14

Total Property, Plant & Equipment		<u>184,128,993.31</u>
Accumulated Depreciation		(56,196,497.27)

Net Property, Plant & Equipment		<u>127,932,496.04</u>
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Total Non-Current Assets		<u>134,501,914.99</u>
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Total Assets	\$	<u>161,010,072.33</u>
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City of Loveland

Statement of Net Assets - For Fund Power fund - Proprietary consolidated For Period Ending 12/31/2017 as of 2-12-18

Liabilities

Current Liabilities

Accounts Payable	\$	5,541,501.81
Accrued Liabilities		377,947.13
Deposits		2,945,760.46
Current Portion of Long-Term Debt		279,407.24

Total Current Liabilities		<u>9,144,616.64</u>
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Long-Term Liabilities

Compensated Absences		228,605.92
Interfund Loan Payable		-

Total Liabilities	\$	<u>9,373,222.56</u>
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Net Position

Net Investment in Capital Assets	\$	127,932,496.04
Restricted for Future Capital Improvements		3,569,418.95
Unrestricted		20,134,934.78

Total Net Position	\$	<u>151,636,849.77</u>
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NOTES:

Some items on the balance sheet are only changed at the end of the year, such as capital assets and accumulated depreciation.

**ITEM TITLE:**

Unified Development Code Project

DESCRIPTION:

Greg George from Public Works will give a brief presentation on the Unified Development Code Project.

SUMMARY:

The City of Loveland has initiated a significant project to update, modernize and combine the City's Subdivision, Annexation and Zoning codes into a Unified Development Code (UDC). The goal of the update project is to establish development standards to achieve City Council policies set forth in the recently adopted Loveland Comprehensive Plan (Create Loveland) and the Highway 287 Strategic Plan.

RECOMMENDATION:

Staff item only. No action required.

Attachment A



DEVELOPMENT SERVICES ADMINISTRATION

410 East 5th Street • Loveland, CO 80537
(970) 962-2722
www.cityofloveland.org

Unified Development Code Project

The City of Loveland has initiated a significant project to update, modernize and combine the City's Subdivision, Annexation and Zoning codes into a Unified Development Code (UDC). The goal of the update project is to establish development standards to achieve City Council policies set forth in the recently adopted Loveland Comprehensive Plan (Create Loveland) and the Highway 287 Strategic Plan.

The City hired Todd Messenger, a land use attorney with the Denver firm Fairfield and Woods, as the prime consultant for developing the Unified Development Code. Todd brings sixteen years of experience in planning and land use law – nine as a planning law and real estate attorney and seven as the Development Code Practice Leader for a national planning and plan implementation firm. Todd has worked on more than two dozen code projects in twelve states. He was the principal draftsman and project manager for four award-winning land development codes and three award-winning comprehensive and special areas plans.

Process: In developing the UDC, the project team has worked closely with three working committees.

- **Title 18 Committee**, consisting of three City Council members, two Planning Commission members and two private sector developers.
- **Stakeholder Committee**, consisting of sixteen members representing the development community.
- **Technical Committee**, consisting of thirteen members of the City's Development Review Team.



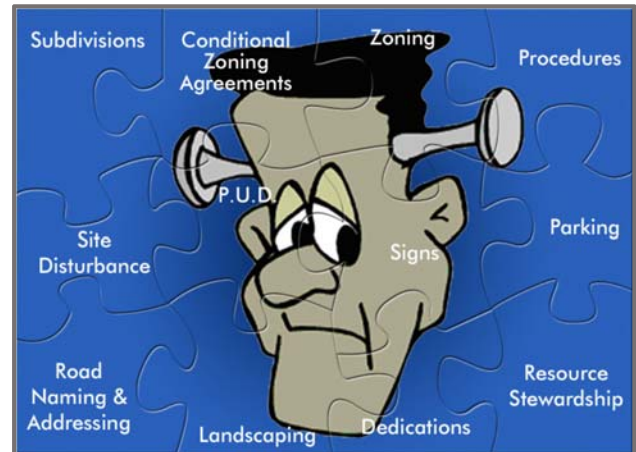
Public Outreach Plan: During October and early November, a public outreach plan will provide the community more detail on the changes proposed in the new Unified Development Code. The following is the current schedule for upcoming meetings and events:

- **Kendal Brook HOA** October 19, 2017
- **Waterfront HOA** November 11, 2017
- **Harvest Gold HOA** November 13, 2017
- **Alford Meadows HOA** October 26, 2017
- **Seven Lakes HOA** November 29, 2017
- **Commercial Realtors**, November 7, 2017
- **Loveland Chamber of Commerce**, November 6, 2107
- **Public Open House**, January 15, 2018 (Loveland Development Center, 410 E. 5th Street)
- **Sing Along Loveland & People's Market**, October 21, 2017 (Foote Lagoon)
- **Workshop**, October 25, 2017

Purpose: The project purpose is to make broad improvements to modernize the City's development codes to provide clarity, improve overall functionality, implement community plans and achieve greater sensitivity to the fabric and character of Loveland.

Code Assessment: On August 26, 2016, Todd Messenger submitted a comprehensive assessment of Loveland's three development codes. The assessment identifies code reforms necessary to accomplish the stated project purpose.

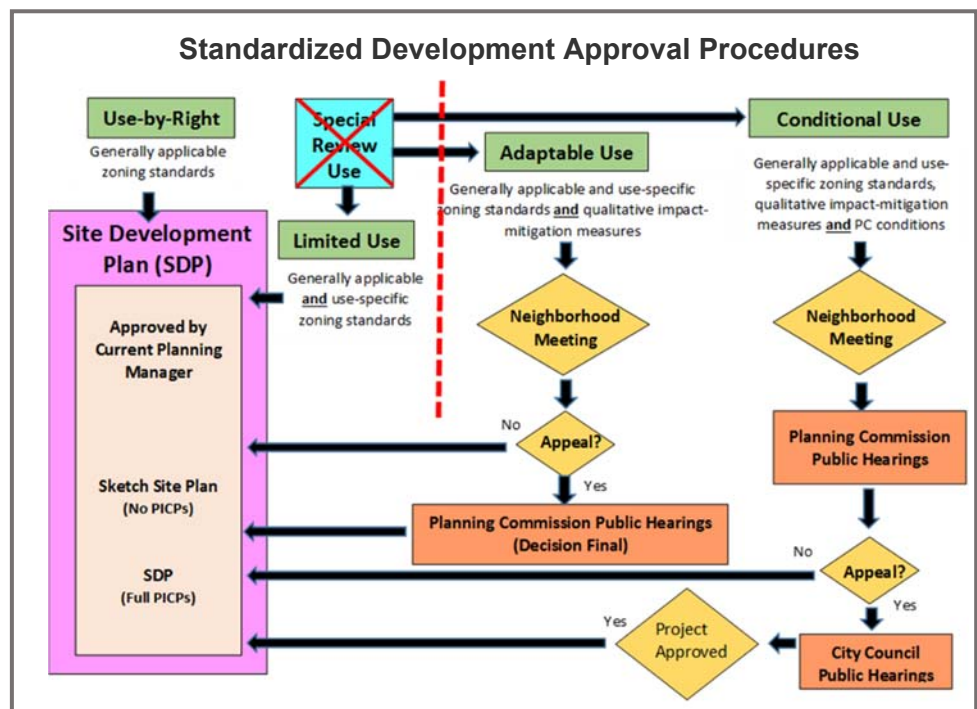
- Remove unnecessary and obsolete layers of regulations that unnecessarily inhibit development;
- Draft for clarity – eliminate unnecessary language;
- Create a separate zoning district for Downtown;
- Allow more housing types; and
- Promote desired investment and reinvestment in corridors and center.



Simplified Procedures:

New standardized procedures will:

- Create three new review procedures (Limited Use, Adaptable Use, and Conditional Use) to replace the current Special Review process. These new procedures will allow more options for designating the appropriate level of review for each land use in each zoning district.
- Minimize the cost to applicants of preparing and revising development applications until granting of discretionary decision. Two new procedures, the Sketch Plat and Sketch Sit Plan, will allowed the applicant to obtain all discretionary approvals prior to being required to submit public Improvement construction plans.
- Provide for effective citizen participation in all discretionary decisions. A neighborhood meeting precedes all development applications requiring a discretionary decision.



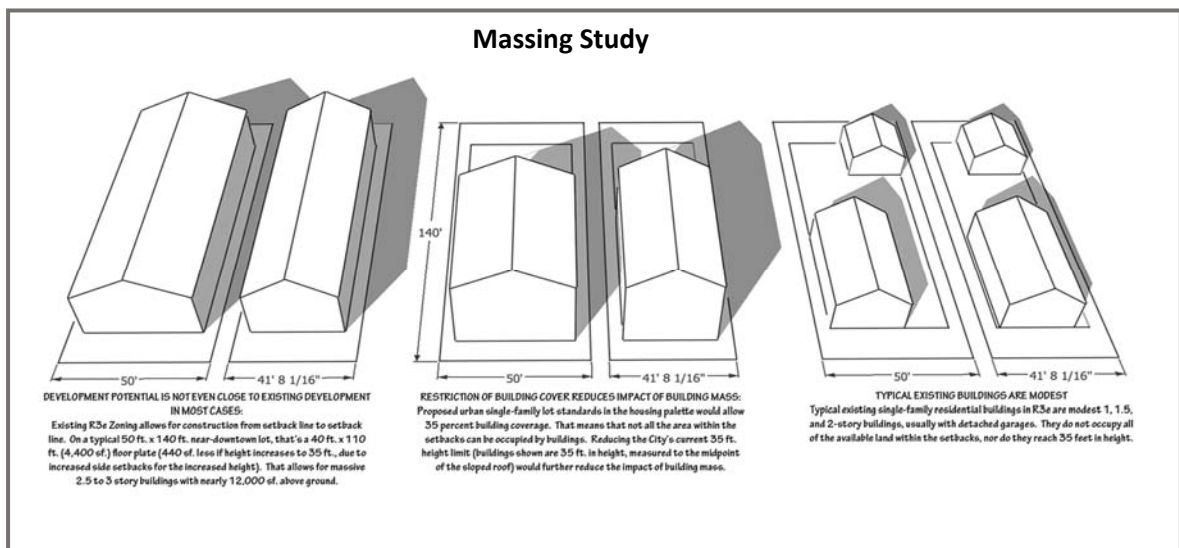
Two new procedures, the Sketch Plat and Sketch Sit Plan, will allowed the applicant to obtain all discretionary approvals prior to being required to submit public Improvement construction plans.

- Provide for effective citizen participation in all discretionary decisions. A neighborhood meeting precedes all development applications requiring a discretionary decision.

Enhanced Corridor Overlay Standards. New standards will encourage redevelopment and business reinvestment along Loveland's highway corridors. These standards increase development options, expand the building envelope available for development and increase allowable building height on properties along highway corridors.

Infill Development Standards: New standards will ensure that infill development is compatible with the character of Loveland's existing established neighborhoods.

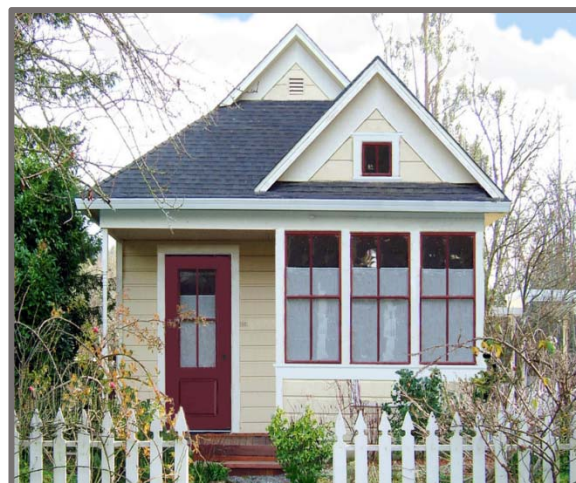
- Based on a massing study evaluating building heights and coverage in existing neighborhoods, new standards will limit building height up to 26 ft. and building coverage to 35% as a Limited Use and, as an Adaptable Use, building height up to 35 ft. and building coverage of 65%.



Housing Palette. A broader range of housing types will be allowed through application of a Housing Palette.

Micro Homes

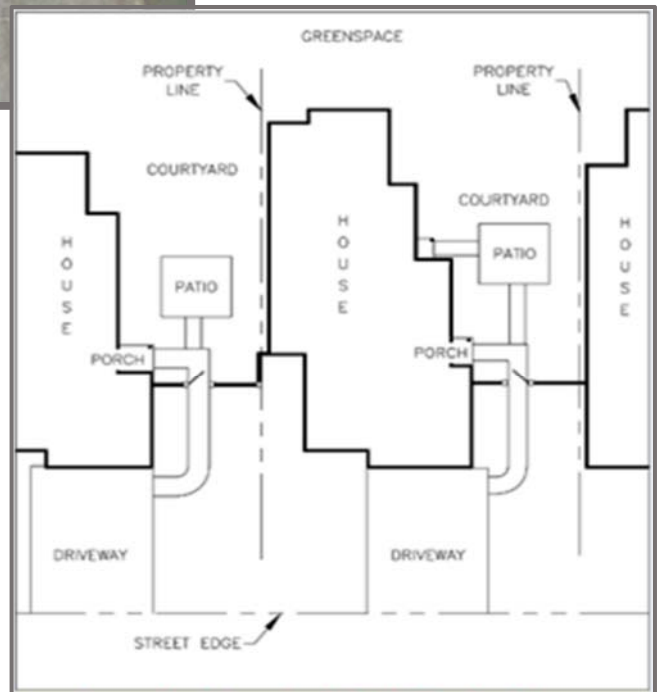
- Micro Homes
- Zero lot line home
- Alley loaded single family detached
- Over-Under Duplexes
- Townhomes
- Multiplex Buildings
- Infill Multifamily
- Downtown Multifamily
- Cottage Clusters
- Manufactured Homes



Cottage Clusters



Zero Lot Line Homes



Over-Under Duplex



Complete Neighborhoods: New standards for Complete Neighborhoods will encourage development of mixed-use neighborhoods that include a variety of housing types and densities at a variety of price points. A Complete Neighborhood may also include prominently sited civic or

community buildings, public open spaces, schools, and neighborhood activity centers including stores, offices, entertainment, and services. Such communities include clearly defined edges to ensure compatibility with adjacent land uses, and a network of sidewalks and pathways that give pedestrians and bicyclists at least equal status as the automobile.

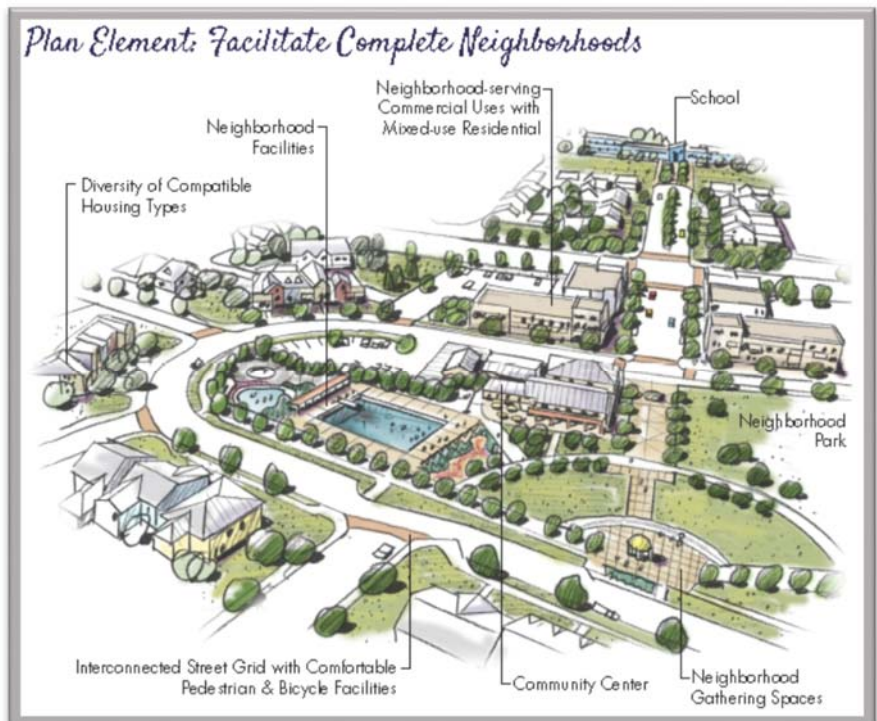
Development Standards:

Work on this task is still in the development phase. New standards are being developed to avoid or mitigate adverse land use impacts on properties affected by new development. These new standards will allow more land uses to be approved at the administrative level, instead of through the current Special Review process.

General Modernization: The UDC will include the new code provisions described above and all existing code provisions once adjusted to be internally consistent.

Current Schedule: Review by the Title 18 Committee and Planning Commission of the draft UDC will continue during November, December, and January 2018. The Planning Commission will consider the final draft UDC at a public hearing on February 26, 2018. On March 20, 2018, City Council will consider an ordinance on first reading setting a public hearing date for April 17, 2018 to consider the ordinance on second reading adopting the UDC.

More Information: Please contact **Greg George** at greg.george@cityofloveland.org or (970) 962-2722.



Bar, Tavern or Nightclub. In addition to generally applicable zoning standards, the following use-specific standards shall apply:

- **Noise.** Exterior loudspeakers and noise from the interior of the building shall not be audible off-site between the hours of 11:00 PM and 6:30 AM, except that if the use adjoins one or more lots that are used or zoned for residential purposes, such noise shall not be audible off-site between the hours of 9:00 PM and 6:30 AM.
- **Buffering.** If the use adjoins property that is used or zoned for residential purposes, the subject property shall be buffered from said uses with a Type C bufferyard that includes a noise barrier.
- **Loading.** If the use adjoins any lot that is used or zoned for residential uses, loading is not allowed between the hours of 8:00 PM and 6:30 AM.

**ITEM TITLE:**

2018 Goals

DESCRIPTION:

This item is to establish 2018 Goals for Staff and the LUC.

SUMMARY:

Staff has compiled and proposed 2018 Goals for your consideration, shown in Attachment A. Also shown in Attachment A and driven by LUC member responses are the proposed 2018 Goals for the LUC.

RECOMMENDATION:

Staff Report Only. No action required.

ATTACHMENTS:

 Attachment A: 2018 Goals

Attachment A

2018 Goals

Department of Water and Power Goals

Finance Division

1. Complete a cost-of-service rate study for the Water and Wastewater Utilities whose output ensures consistency with the Department's mission.
2. Participate with the City's Budget Division in the implementation of the new city-wide budgeting software, PowerPlan.

Customer Relations

1. Continue customer outreach regarding the following programs:
 - Zero Net Carbon
 - Community solar
 - Energy Efficiency
 - Demand Side Manager
 - Water Efficiency
2. Support customer outreach in the Big Thompson Canyon as the Circuit 911 project continues to completion.
3. Work with the LUC's Council Liaison to determine the appropriate media to work collaboratively with the Mayor and City Council on messaging rates, efficiency programs, and growth challenges.
4. Support the implementation efforts an Economic Development and Customer Relations Customer Resource Management (CRM) tool.

Water Division

1. Continue WWTP Expansion.
2. Complete and present to LUC an updated raw water master plan.
3. Complete final design and bidding for new water quality laboratory.
4. Continue aggressive algal mitigation efforts at Green Ridge Glade Reservoir.
5. Continue refining Water Loss Audit processes and associated procedures including meter calibration, water account reconciliation, and water use estimation methods to more accurately account for true system loss and to help develop appropriate programs and projects that address non-revenue water.

Power Division

1. Complete Circuit 911 (Big Thompson Canyon) upgrade work.
2. Begin initial evaluation of new substation location (I25/402 corridor).
3. Support the City's municipal broadband effort.
4. Evaluate power asset ages and conditions to support a replacement schedule.

Information Technology

1. Support the efforts of new software systems including: a citywide Customer Information Systems (CIS) and an Economic Development and Customer Relations Customer Resource Management (CRM) tool.
2. Expand use of Cityworks and related platforms into all Utility Department Divisions.
3. Collaborating with the Water Division, deploy new leak detection hardware and implement formal leak detection and valve exercising programs.

Loveland Utility Commission Goals

Develop and transmit a letter to the Platte River Power Authority (PRPA) supporting their efforts to participate in a regional transmission organization (RTO).

Submit a letter to the Colorado Water Conservation Board supporting the ongoing efforts of the state's water plan and pledging the Department of Water and Power's commitment to those goals.






The Zero Net Carbon (ZNC) model/study recently completed by PRPA was just that: a model to determine if, under certain conditions, PRPA could achieve ZNC status by 2030. PRPA staff will continue to run a series of portfolio models based on technologies, costs, and reliability impacts. LUC wishes to express support for PRPA's continued efforts as they develop their next Integrated Resource Plan.

**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
-  Colorado Water Congress Annual Convention
-  RMEL Introduction to Electric Utility
-  Liaisons for Budget Committee
-  Boards & Commissions Summit

RECOMMENDATION:

Commission/Council report only.



ITEM TITLE:

Director's Report

GENERAL & PREVIOUS LUC MEETING FOLLOW UP ITEMS:

EVENTS:

Please note the following events that LUC members may wish to attend:

Tour of Foundry Project: The Foundry, which represents the largest single downtown redevelopment project in the City's history, is well under way. If you are interested in peeking behind the fence, Economic Development is offering guided tours of the construction site on the following dates (subject to weather and other construction contingencies):

Friday, February 23, 2018

Friday, March 23, 2018

Friday, April 27, 2018

Friday, May 25, 2018

All tours start at 9 am at the back door of 320 N. Cleveland Ave. Keith Meyer, the City's onsite construction manager, will check you in, and provide you with the appropriate safety gear. He will also lead the tour. Space is limited to no more than 10 people per tour. If interested, please contact Mike Scholl at (970) 962-2607 or mike.scholl@cityofloveland.org with which tour date you are interested in attending.

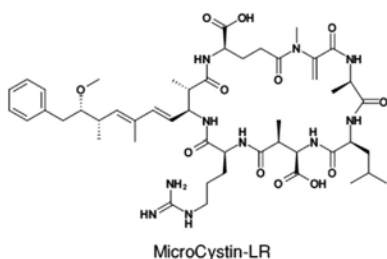
Boards and Commissions Summit: The Appreciation Event and World Café style meeting will be held on March 8th, 5:30 pm – 7:30 pm in the Police & Courts Building. Members of all Boards & Commissions are encouraged to share their top accomplishments for the past year and gather information from other event attendees regarding an upcoming initiative. Hot hor d'oeuvres will be served.

Northern Water Spring Water Users Meeting: Save the date for April 10, 2018. Learn more about the upcoming water season as well as receive updates on the projects Northern Water is pursuing during the 2018 Spring Water Users Meeting to be held at The Ranch in Loveland. At the meeting, staff will preview the Colorado-Big Thompson quota and the outlook for water supplies in 2018.

OPERATIONS:

Water Operations:

Update to EPA's Unregulated Contaminant Monitoring Rule: Every five years, the U.S. Environmental Protection Agency comes out with a new list of 30 unregulated contaminants for public water systems to monitor. Drinking water monitoring for the fourth Unregulated Contaminant Monitoring Rule (UCMR4) will occur from 2018-2020. Some of the compounds included in the UCMR4 are cyanotoxins, which are toxins produced by blue-green algae, and haloacetic acid, which are disinfection byproducts from chlorination. Metals, pesticides, alcohols, and other semivolatile organic chemicals are also included due to their potential to cause health effects. The list of contaminants was chosen



because they are not currently regulated, are known or anticipated to occur in public water systems, and they may warrant future regulation. The program provides data on the occurrence of contaminants, the number of people exposed, and an estimate of the levels of exposure. The data collected will be used to determine if contaminants need to be regulated in order to protect public health. The Water Quality Lab will collect samples at the source water influent, entry points to the water distribution system, and in the water distribution system. The samples will be sent to an outside laboratory for analysis. Whenever unregulated contaminants are detected, the public water system is required to address the results in their annual Consumer Confidence Report.

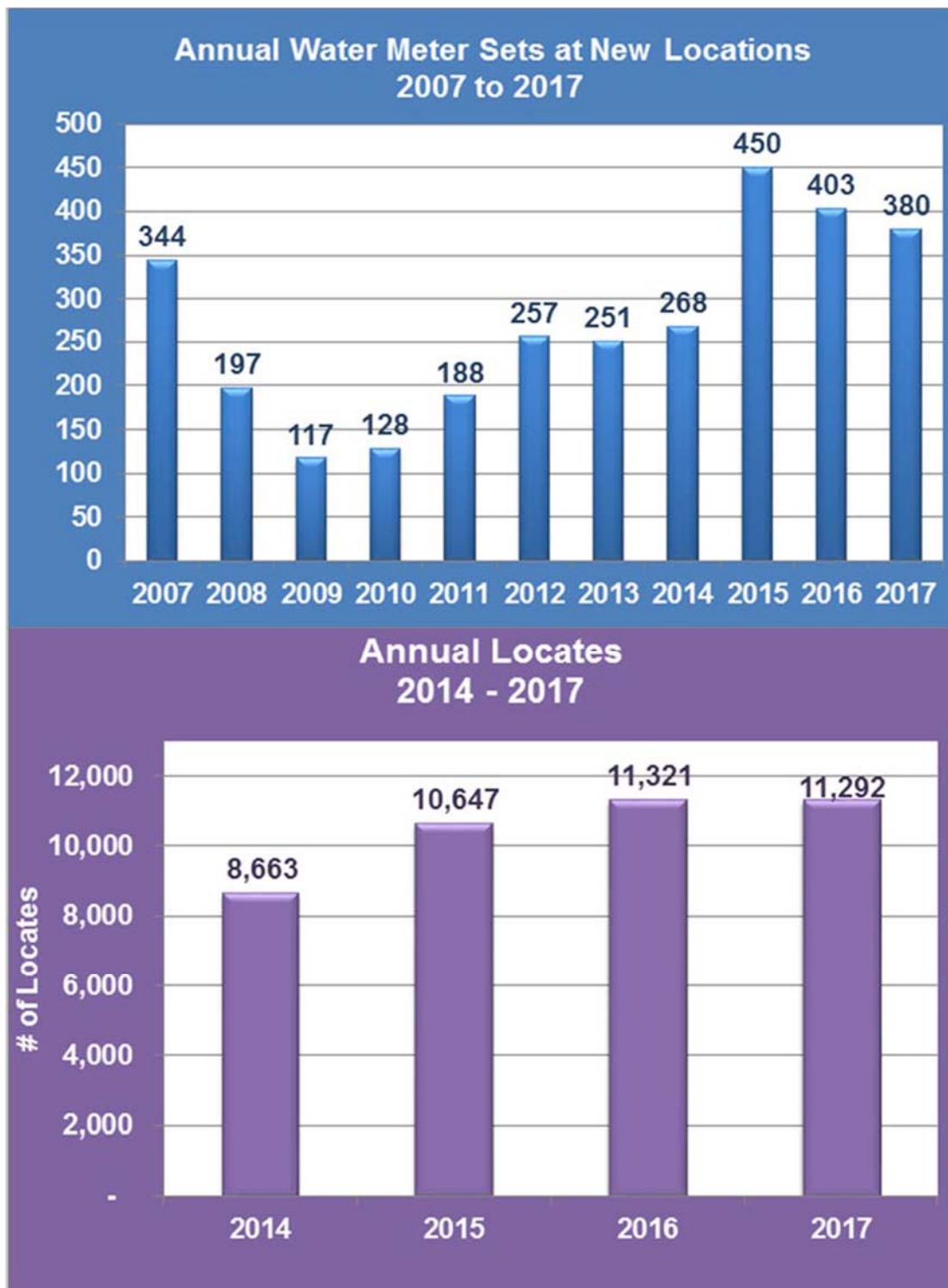
30" Steel Waterline & 24" Parallel Boyd Sanitary Sewer Extension: The 24" parallel Boyd sanitary sewer extension and 30" steel waterline project has been broken out into two phases to accommodate site conditions and expedite construction. The Department is excited that the first phase of the sewer project is set to begin in early February. Phase one of the project will see the sewer installed beginning northeast of the intersection of Cheyenne Ave. and Highway 34. Along with the sewer, the City is installing a 36" stormsewer, and electrical duct bank from the beginning point to the intersection of East 17th St. and Boise Ave. Phase one of the work is slated to last for three months and the sewer portion of the work has a \$1.7 million cost. Phase two of the work will see the sewer progress north along Boise Ave., then turn west on Silver Leaf, and terminate in Madison. This work will occur in early May and when combined with a 30" waterline extension, set to be placed along Cascade Ave., last into the fall of 2018. The sewer work is being completed to alleviate capacity concerns and provide for future growth.

2017 Waterline Leaks: The Water Division tracks the number of waterline leaks that occur within the system each year. Coupled with this work is assessing the condition of the pipes within the system and prioritizing



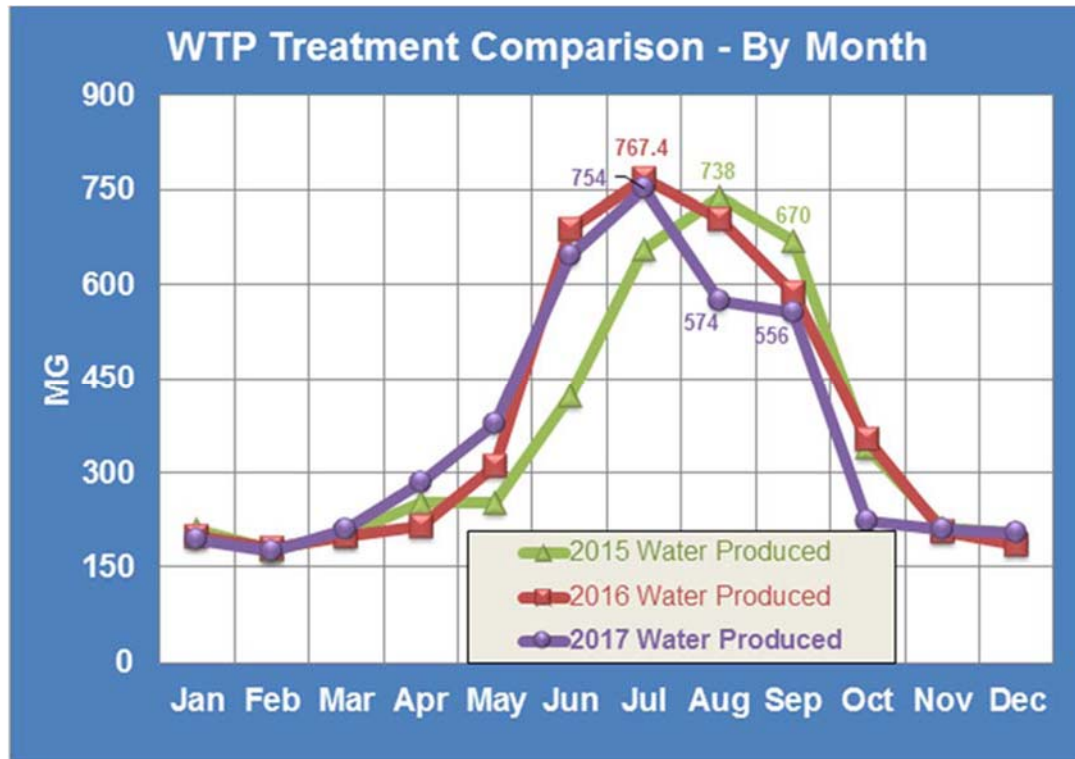
the pipes due for replacement. In 2017 the Department recorded 48 known leaks on waterlines. This was significantly lower than the 92 that occurred in 2016. Of interest is the five year average is nearly 73 leaks. The Department is hopeful that the reduced number of leaks occurring in 2017 is indicative of the many miles of waterline that has been replaced or rehabilitated over the last five years. During this span the Department has replaced over 37,000 feet of waterline. Replaced sections of pipe were segments that had experienced the greatest number of leaks through the years.

Water Division Data: Following are charts that compare 2017 operational measures to prior years. Overall, growth has continued fairly high, but has begun to drop off a little compared to 2015 and 2016 as demonstrated



by the high number of water meters installed at new locations and the high number of annual locates requested in 2017.

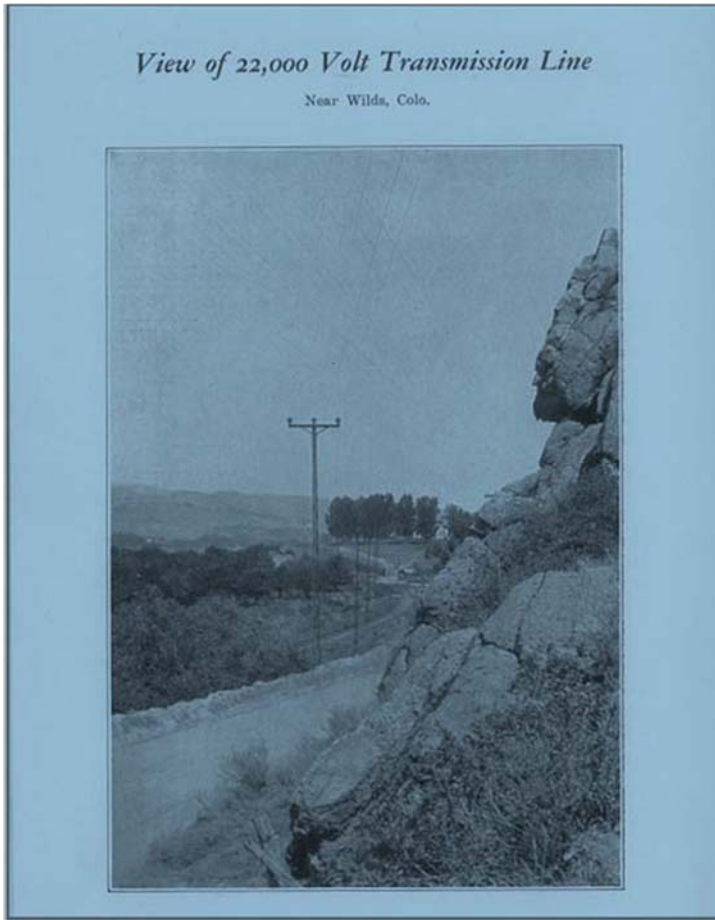
We recently completed the Water Treatment Plant Expansion project which increased the plant’s capacity from 30 million gallons per day (MGD) to 38 MGD. The chart below shows the months in which the plant produces more water to meet customer demands. The plant needs to be expanded to produce sufficient water to meet peak demands.



South Taft 24” Waterline Realignment: Larimer County is replacing and widening the existing wood bridge on South Taft Avenue over the Home Supply Ditch (Lake Ditch) with a new concrete box culvert (located just south of County Road 16). The City of Loveland has an existing 24” waterline on the west side of South Taft Avenue that will need to be relocated with the new box culvert installation. Larimer County has an on-demand contract with Connell Resources, Inc. to install the new relocated 24” water main outside the limits of the new bridge. The construction will begin on Monday, January 22, 2018 with an estimated completion date of February 16, 2018. All expensed related to water line relocation will be paid for by Larimer County.

Lakeside Terrace Lift Station Force Main Replacement: The Lakeside Terrace Lift Station is currently serviced by a 4 inch cast iron force main that was installed with the lift station in 1973. In 2016, the lift station was renovated and upgraded. While testing the pumps, a leak on the force main was discovered. The leak was repaired, but the force main was found to be in need of replacement in order to continue to provide reliable service. Design and bidding of the new force main to be installed in 23rd Street SW has been completed; a contract was awarded to Excavation & Construction Specialist from Denver in the amount of \$98,550. Work will begin in late January 2018 and last through March 2018.

Power Operations:



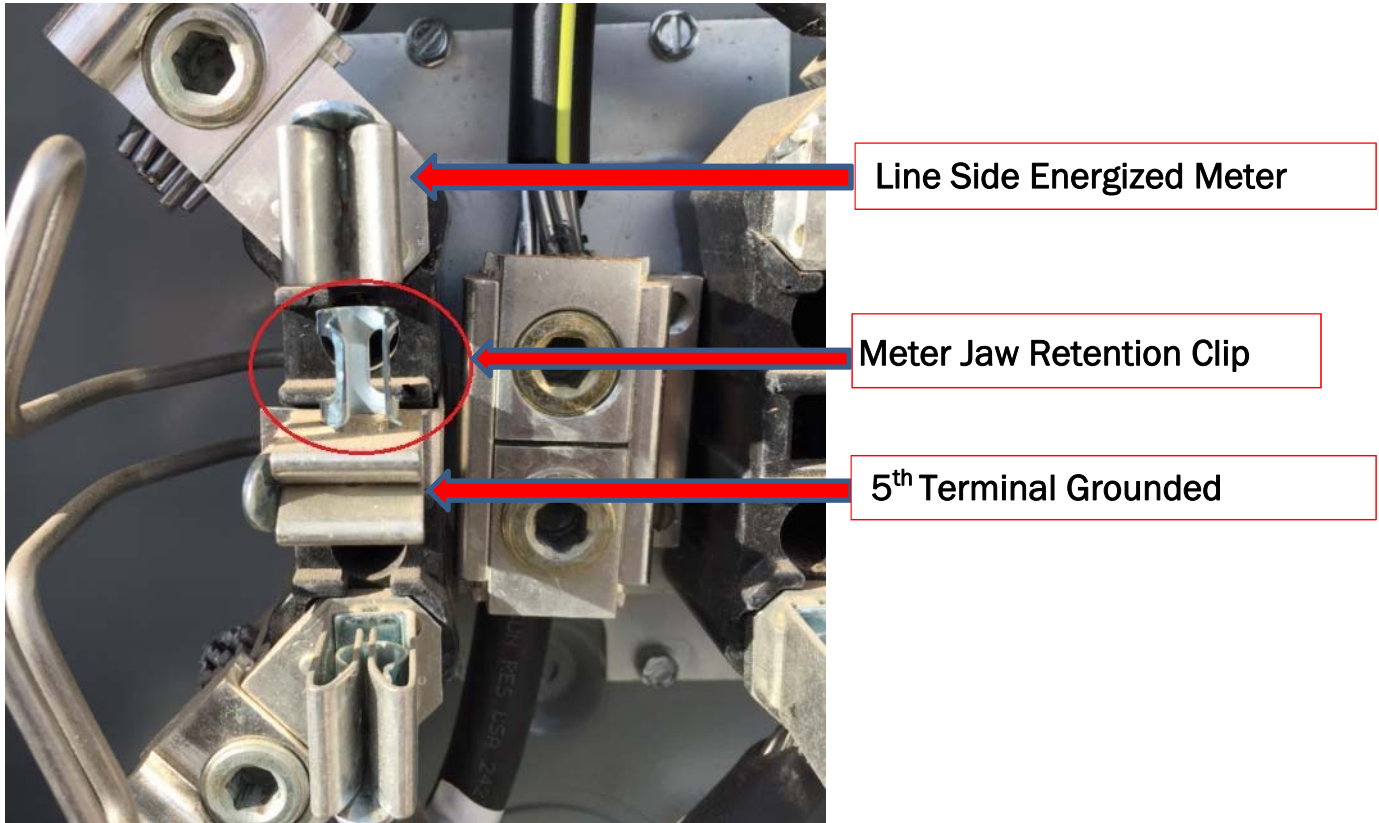
In late December 2017, heavy winds ripped through the areas around County Road 29, west of town. During this activity one of the pole top insulators on a steel pole broke, causing the conductor (wire) to float over the top of the pole. Crews identified this problem while patrolling the power line during a power outage caused by the wind. Once this floating wire was found, which happened to be in an area that the bucket truck could not reach, crews made a plan to replace the insulator and re-tie the conductor back in place. This pole and others in the area are slated to be replaced starting late January. With each section of overhead power system being replaced, the strength of our canyon electrical backbone is increased, which increases our system reliability.

Line Crews: In 1938, someone had the insight to take a photo of the steel pole and 22 KV transmission line on the north side of East Highway 34 at Wild Lane. Wild Lane is tucked away just west of the access to the Devils Backbone Open Space. On this page are pictures of this area and how it has changed over the past 90 years. The landscape in the area has changed a lot, and so is how we are supplying electrical power to our customers west of town. In mid-December 2017, the pole that stood for over 90 years was removed, along with the power lines that followed the course down Wild Lane. Small changes have occurred as power contracting and our Line Crews work diligently to rebuild the once-called 911 BTC Circuit.



Electric Metering : During the month of January, the Electric Metering group stayed busy working on power quality issues, new commercial metering applications, solar meter installs, building permit reviews, and training of a new journey meter technician. With the many different job duties that take place in metering, training a new employee has been a very time in-depth and time-consuming task. Throughout the month of January, the Electric Meter

group has reviewed and approved 18 new commercial building permits assuring that they all meet and adhere to our current Requirements for Electric Service Standards.



The Image above shows a possible safety hazard that was found while completing a routine meter exchange. The circled item is a retention clip designed to maintain proper Jaw tension and helps to assure a good continuity connection for the Electric Meter. The retention clip is sitting on a grounded neutral jaw and was very close to making contact with the energized jaw above. This particular safety hazard was not visible with the electric meter in place and was only identified after removal of the meter. A situation like this could have resulted in a phase to ground fault causing an ARC flash. By always using and wearing the proper PPE, the Electric Metering group stays safe from potential unknown hazards that might be present like the one detailed above.

The Electric Metering group has worked closely with the Engineering group as well as the Electric Design group on numerous occasions this month to help determine what can be upgraded within the distribution system to improve power quality issues for our customers.



The picture to the left shows a new transformer that was installed by the Line Crews early this month. The reason for the new transformer install was not to replace an existing one, but added to the distribution backbone to split connected loads. With larger electricity loads becoming a growing need day by day, sometimes it requires the installation of additional transformers to be put in place within the distribution system to handle the loads from our customers. By adding transformers and splitting customer loads, we are able to mitigate power quality issues and assure sufficient power to each end user.

Below is a picture of a recent solar meter install. These types of meters are capable of recording delivered energy from the utility, as well as received energy from the customer's solar system. The Electric Metering group installs these meters only after the solar system is inspected and verified to be properly connected.



GENERATION, TRANSMISSION & NORTHERN COLORADO UTILITY REPORTS:

Northern Water Conservancy District: The minutes from the February 8, 2018 board meeting have not been posted yet. The next board meeting will be held on Thursday, March 8, 2017 at 9 am at Northern Water headquarters located at 220 Water Ave, Berthoud, CO 80513. On January 22, 2018 released an Invitation to Bid on 75 acre-foot units of Colorado-Big Thompson Project water. Bids are due to Northern Water by March 7, 2018 at 2:00 p.m.

Platte River Power Authority (PRPA): The minutes from the December 7, 2017 meeting have not been posted yet. There was no meeting scheduled for January. The next board meeting will be the Annual Meeting held on Thursday, February 22, 2018 at 9 am at PRPA headquarters located at 2000 E. Horsetooth Rd, Fort Collins, CO 80525. On January 23, 2018 PRPA signed a power purchase agreement (PPA) for 150 megawatts of new wind power capacity to serve its four owner municipalities. The additional wind power will come from a new wind farm located less than 20 miles north of Platte River's Rawhide Energy Station. Source: <https://www.prpa.org/news/platte-river-power-authority-adds-significant-new-wind-power/>

Fort Collins Energy Board: The minutes from the February 8, 2018 meeting have not been posted. The next board meeting will be held on Thursday, March 8, 2018 at 5:30 pm at the Colorado River Community Room, 222 LaPorte Avenue, Fort Collins, CO.

UTILITY APPLICATION SERVICES:

CIS Replacement: We are in the middle of vendor demos and will be wrapping them up 1/24. Once we select a vendor, we will have them come back and go through our functional requirements to develop a scope of work

Utility Business Analyst: We currently have a position posted for a utility focused business analyst. This position will center its efforts on furthering our asset management program and on all non-GIS based software. We re-posted this position to get a deeper applicant pool. Posting closed 1/26/18.

Year-End Numbers: Due to tracking capital projects in Cityworks, we are wrapping up year-end numbers weeks ahead of schedule. Everyone did a great job this year tracking jobs! It really helps the UAS team do our jobs.

Responder Health Check: On 1/16/18, Schneider Electric came to the office and evaluated our install and use of our outage management system. They compiled the findings and presented them to us the following week.

Project & Request Tracking: One of the Technology Roadmap recommendations was to establish a tracking system for our team's work. Since the beginning of the year we have configured CityWorks for this purpose. The big projects, tracked as work orders, are reported to, be approved and prioritized by our LWP Technology Steering Committee. There are currently 21 approved projects in our queue. The smaller, maintenance-type jobs are tracked as service requests. So far this year we have completed 9 requests within an average of 6.77 days. Here are the 2017 numbers broken down by type

Application Requests – 2.33 days
Application Support – 13.38 days
Data Requests – 5.17 days
Hardware Support – 11.22 days
Map Requests – 6.32 days
Report Requests - 1.33 days

UTILITY ACCOUNTING:

Water Sales Continue to Decline: Water usage for December decreased significantly from December of a year ago and marked the sixth consecutive month of lower water usage compared to the same months from 2016. The average usage per customer for December was 5,587 gallons, which is 10.3% lower than last December and 8.4% lower than the average of the past 5 Decembers. This year's total average usage is 11,593 gallons per customer. The 11,593 gallons is 5.0% lower than the total average usage of the past five years. In spite of this shortfall, water sales still finished the year ahead of budget by \$359,000.

Power Usage Update: December of 2017 showed a slight downturn from last December in both demand and purchased energy. This year, Loveland's share of PRPA's December peak was 103,116 kW, down 1.1% from December of last year. Purchased energy was down 0.5% vs. December of 2016. Overall, in comparing the sum of all the monthly peak demands for 2017 to the total for 2016, this year is up 0.6%, and purchased energy for 2017 was down 1.0% from 2016. Remarkably, over the past 6 years, total annual billed peak demand from PRPA has increased an average of 0.12% per year and total annual purchased energy has decreased an average of 0.15% per year.

Year-end Inventory: The year-end inventory count for the Warehouse showed impressive results again for 2017. First, in order to accommodate a request from the City's auditors to have the year-end count occur

closer to December 31. Warehouse staff modified their work schedules to complete the process on December 28. As far as the results, there were no items that showed a variance between the physical count and the count in the Innoprise system. With year-end inventory value totaling \$2.3 million, having no variance is an outstanding accomplishment. Big kudos to Tim Hedgespeth, Steve Johnson, Steve Lindenmuth and Alex Kunzie for a job well done!

CUSTOMER RELATIONS:

Media Training: FYN PR hosted media training for management, project managers and customer relations January 30th and 31st. The trainings covered information about how to handle a media requests, the value and approach to ethical, transparent communication and provide an overview of LWP's communication plan.

Community Stewardship Lecture Series: Staff has been planning the 2018 series in partnership with High Plains Environmental. Five events have been scheduled and marketing materials updated for promotion in January.

Efficiency Works Homes: The Efficiency Works Homes Audit and Rebate (Efficiency Works Homes) program is changing the administration structure and model of the Efficiency Works Homes program, starting in first quarter 2018. Platte River Power Authority and four (4) owner municipalities of: Estes Park Light & Power, Fort Collins Utilities, Longmont Power & Communications, and Loveland Water and Power, have decided to hire staff to perform many of the administrative functions currently performed by CLEAResult to bring the program and trade ally management and day-to-day administrative duties in-house. Staff positions and advisors have been selected. We continue to work with CLEAResult on a transition plan for the remainder of the program.

iEnergy: The demand side management program tracking software has successfully integrated with the CIS system and the refrigerator and freezer recycling program had a successful cut-over to production last month. Staff has been working on testing and developing training materials.

Work also continues on developing the Efficiency Works – Home program into the platform.

Customer Information Systems: Staff viewed product demonstrations all week for a customer information software system that will replace HTE.

Customer Resource Management System Training: Staff is working with Larimer County and Economic Development to learn a new software package that will allow us to track projects and share data with economic development downtown.

Customer Experience Team: Staff is collaborating with Economic Development, Development Services and Planning to research and report on customer experiences at the Development Center. We are compiling data and creating documents for customers and potential new customers for Economic Development.

Professional Development: Staff attended two webinars called “Handling Conflict with Confidence and Tact” and “Crisis Communications”

Electronic Profiling Online: Staff attended a demonstration on new EPO technology and a residential platform to consider for the future.

Planned Canyon Outage: Staff pushed out press releases, canyon customer emails and social media for the planned power outage in the canyon. We continue to field calls and emails from canyon customers about the project.

Community Outreach: Loveland Water and Power will be attending the following upcoming events:

- Children's Day – March 9, 2018
- Community Stewardships Lecture Series: The Invasives are Coming! – March 13, 2018

Facebook Insights (January 2018):

- Reach (unique users) – 2,228 people
- Engagement (unique users) – 109 people
- Impressions (total count) – 4,957 people

Media:

- The Reporter Herald – January 31, 2018: [Internet providers pitch municipal broadband partnerships to Loveland City Council](#)
- The Reporter Herald – January 28, 2018: [John Fogle: Do you want broadband fiber for Loveland, or the status quo.](#)
- The Reporter Herald – January 24, 2018: [Loveland city councilor says procedural error indicates larger misunderstanding](#)
- The Reporter Herald – January 23, 2018: [Platte River Power Authority buys power from future wind farm](#)
- The Coloradoan – January 23, 2018: [Fort Collins power provider signs deal to triple wind capacity](#)
- The Reporter Herald – February 6, 2018: [Loveland City Council votes to move ahead on development of municipal broadband](#)
- The Coloradoan – February 7, 2018: [Loveland council won't seek public vote on municipal broadband](#)
- The Reporter Herald – February 14, 2018: [Loveland utility customers report new round of extortion attempts](#)