

**City of Loveland
Meeting of the Construction Advisory Board
September 26, 2018
City Council Chambers
500 East 3rd Street
6:00 PM**

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 bettie.greenberg@cityofloveland.org or 970-962-3319.

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

**I. CALL TO ORDER
II. ROLL CALL
III. MINUTES: 8.22.18**

Anyone in the audience will be given time to speak to any item on the Agenda. Please ask for that item to further discuss. You will be given an opportunity to speak to the item before the CAB acts upon it.

Anyone making a comment during any portion of tonight's meeting should come forward to a microphone and identify yourself after being recognized by the Chairperson.

Please do not interrupt other speakers. Side conversations should be moved outside the Council Chambers. Please limit your comments to no more than ten minutes.

IV. CITIZEN COMMENTS

V. REPORTS:

- a. City Manager Presentation**
- b. Board/Commission Members**
- c. City Council Report**
- d. Staff Report**

VI. REGULAR AGENDA:

- a. Proposed Impact Fees for 2019- Jim Lees, Utility Accounting Manager, Water & Power Department**
- b. LFRA Impact Fee backfill – Requesting a motion to recommend approval to City Council that the waived LFRA Impact Fees are backfilled by general or other funds beginning January 1, 2018.**

VII. AJOURNMENT

City of Loveland Construction Advisory Board
Meeting Minutes
August 22, 2018

I: Call to Order at 6:04 pm by Christopher Rosenberger

II: Roll Call:

Board Members Present: Kent Kerwood, Adam Trainor, Blaine Rappe, Christopher Rosenberger, Andrew Ross, Jon Rudolph

Board Members Absent: Jason Baker, Bob Dehn, Vacant Seat

City Staff Members Present: Brett Limbaugh, Samantha Everett, Christina Kennedy from Development Services, Christine Schraeder from Water & Power, Tanner Randall from Water & Power

City Council Members Present: Councilman John Fogle

III: Approval of Minutes

Motion to approve June 27, 2018 meeting minutes made by Jon Rudolph dependent upon corrections on who made motions to adopt minutes and to adjourn (SEE ASHLEY'S NOTES), seconded by **Andrew Ross**. Motion passed unanimously.

IV. Citizen Comments

- a. None

V. Reports

- a. **Board and Commission Reports:** None
- b. **Council Liaison:** Councilman Fogle requested his report be moved to end of agenda.
- c. **Acting Chief Building Official Samantha Everett:**
 - Samantha presented her Staff Report which highlights positive changes in the Building Division. These changes include filling a vacancy for Permit Technician; the new tech begins on September 4. Electrical Inspectors are being interviewed; Christina moved to Building's Front Desk to welcome citizens, perform administrative duties for DC & answer phone. Samantha reminded CAB of September 12 Business Appreciation Breakfast at Embassy Suites. The Building Division is updating checklists & handouts as well as creating an "Ask a Plans Examiner" feature on the City of Loveland website.
 - The Building Division is finalizing 2018 Code adoptions as well as developing a "New & Existing Structures Change-in-Use" Process.
 - Samantha asked CAB members what they would like to see in a Monthly Report. Samantha provided a Permit Fee Summary to CAB. Councilman Fogle asked if CAB will see a list of Red Tags and why they were pulled. Samantha advised that this is possible. Brett advised that the Building Division will begin to provide information so CAB can analyze Red Tags.

Brett will check with Legal Department to see if Building Division is able to release names of people on Red Tag Rolling List. Councilman Fogle advised he believes transparency around Red Tag process is an issue and advises information is not available to the public and to the business community. CAB would like to know why properties have been Red Tagged so they can identify any trends and assist builders and homeowners. Samantha will update Red Tag Rolling List and provide the list to CAB members. Rolling List includes a field for "Resolution."

VI. Regular Agenda

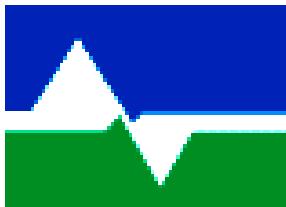
- a. Christine Schraeder, Electrical Engineer, Water & Power Department – Capital Projects Using Plant Investment Fees (PIFs) (Informational Only)**
 - Christine presented the items that will need to be replaced over the next ten years from a Power perspective: transformers, feeder extensions, and a new substation. This is to support growth to the East, West, and South while also making Loveland's infill more robust. Please view attached PowerPoint presentation for detailed maps and information.
- b. Tanner Randall, Senior Civil Engineer, Water & Power Department – Water and Wastewater Capital Projects Using System Impact Fees (SIFs) (Informational Only)**
 - Tanner explained that the Water Division prepares for future growth using money from the General Water & Wastewater Fund. Plans include a new reservoir near Carter Lake, with an anticipated construction start date of 2020. This reservoir will secure raw water for the future of Loveland. The area surrounding the reservoir will be designated as a State Park, according to current plans. Our water district sends water to different areas in Colorado including the Eastern border. Please view attached PowerPoint presentation for detailed maps and information.
- c. Samantha Everett, Acting Chief Building Official – Request for Direction**
 - Samantha confirmed that CAB wants to go forward with presenting the 4 amendments to the 2012 Building Code. Amendments are found in June 27 agenda.
 - CAB would like to be on the same adoption schedule that the State of Colorado uses. Samantha will guide the Building Division toward this goal.
- d. Councilman Fogle – Presentation of Plans for Affordable Cottage Neighborhood**
 - Councilman Fogle asked Brett Limbaugh to explain the new process for Red Tags: Steve Adams has directed Brett to be notified before Red Tag is placed on building. Brett will work with Kelley Jones to communicate

with builder. This process should help Development Services identify trends. Brett also introduced the Review process the Building Division will offer to citizens. Building Permit Techs will attend Development Review Meetings. Building Division will also offer Post-Construction meetings and meetings before someone needs Final Inspections in order to be proactive and communicate needs early on.

- Councilman Fogle presented drawings of a concept for a cottage community. The community would have nearly 100 units. Each property will have a cottage XX square feet and will include land surrounding it. CAB agrees that this concept would work if each unit is owner-occupied. Councilman Fogle would like to see the upcoming UDC reflect a solution to the “tiny home” issue. This would allow for affordable communities to be constructed. The new UDC would provide for more space between homes, which drives up cost. Plots and homes need density to allow them to be affordably priced. Discussion included different ideas such as an 18-30 community of starter homes. Councilman Fogle pointed out that there are not an abundance of options for first-time home buyers in the Loveland market.

VII. Other business: None

VIII. Adjournment: A motion was made by Adam Trainor to adjourn the meeting at 8:14 pm, seconded by Jon Rudolph. All in favor. The motion passed unanimously.



CITY OF LOVELAND

WATER AND POWER DEPARTMENT

Service Center • 200 North Wilson • Loveland, Colorado 80537
(970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

Meeting Date: September 26, 2018

Department: Water and Power
Jim Lees, Utility Accounting Manager

Description: Utility Impact Fee Proposals for 2019

Summary

Each year, Water, Wastewater and Power impact fees are recalculated based on changes in asset value, customer growth and customer usage. Following the updating of last year's impact fees, Staff had concerns about two matters relevant to the calculation of the System Impact Fees (SIF) for Water and Wastewater: 1) in comparing Loveland's SIFs in total for Water and Wastewater to the fees of our most immediate neighbors, Fort Collins, Longmont and Greeley, Loveland's SIFs were the highest of the four cities by a significant margin for 1" and 1 1/2" meter sizes; and 2) we wondered if there might be a better way to calculate the usage ratios for the different meter sizes relative to the usage of a residential 3/4" tap. The usage ratio establishes the usage of a 3/4" residential tap as the standard usage (a usage ratio of 1.0), then compares the usage of all other tap sizes relative to the residential 3/4" usage. The way we have calculated usage ratios has been to take our own data for the average annual usage for a given meter size and compare that to the average annual usage for a residential 3/4" customer. For example, in Water, on average, a 1" commercial customer used 5 times the amount of water that an average residential customer used, therefore, the usage ratio for a 1" commercial customer was 5. While this is a sound and defensible approach to calculating usage ratios, Staff wanted to investigate to see if there was a better approach. One oddity that caused us to want to seek out a different approach came in the realm of the usage ratios for a 1 1/2" and 2" irrigation meter. The usage ratio for the 1 1/2" meter was 25.7, and for a 2" meter was 24.2. If you were to just go with these usage ratios in calculating the SIFs, customers would pay a lower SIF for a 2" irrigation meter than they would for a 1 1/2" irrigation meter, and that result obviously doesn't make sense. So, to address these two concerns in 2019, Staff is proposing two key changes in the methodology for calculating the usage ratios for Water and Wastewater only – we are not proposing any changes in the methodology for calculating the Power Plant Investment Fee (PIF) or how the current replacement value of the assets for Water and Wastewater are calculated. The following paragraphs outline the proposed methodology changes for 2019.

Methodology Change 1: Using Summer Data Instead of Annual Data To Calculate Water Usage Ratios

As was mentioned in the previous paragraph, the way we have calculated usage ratios has been to take our own data for the average annual usage for a given meter size and compare that to the average annual usage for a residential $\frac{3}{4}$ " customer. Since the SIF is intended to capture the impact a customer has on the system, it makes sense to measure that impact during the peak time of the year rather than the average impact over the course of the year. This peaking approach is also consistent with how our rate consultant, FCS Group, designs rates for the different customer classes. So, in calculating the usage ratios for Water, our proposal is to do comparisons of average usage in the month of July between residential, commercial and irrigation customers instead of comparing average annual usage. This will yield a more accurate indicator of impact on the water system.

Methodology Change 2: How Usage Ratios Are Ratcheted Up By Tap Size

Rather than taking our own usage data for each tap size and using it as the basis to ratchet up various tap sizes relative to residential $\frac{3}{4}$ " usage, we are proposing using that approach strictly for $\frac{3}{4}$ " commercial and $\frac{3}{4}$ " irrigation meters, then using a volumetric flow capacity factor to ratchet up the usage ratios for commercial and irrigation meters that are larger than $\frac{3}{4}$ ". We are acknowledging that a $\frac{3}{4}$ " residential customer does not have the same impact on the water and wastewater systems as a $\frac{3}{4}$ " commercial customer, and a $\frac{3}{4}$ " irrigation customer has yet a different impact than either a $\frac{3}{4}$ " residential customer or a $\frac{3}{4}$ " commercial customer on the water system. But, in calculating usage ratios for tap sizes larger than $\frac{3}{4}$ ", we would take the usage ratios for the $\frac{3}{4}$ " commercial and $\frac{3}{4}$ " irrigation meters and ratchet them up by volumetric flow capacity factors based on meter size. The volumetric flow capacity ratios for $\frac{3}{4}$ " to 6" meter sizes are as follows:

Meter Size (Inches)	Max Flow Rate (Gallons/Minute)	Max Flow Rate Ratio to $\frac{3}{4}$ "
$\frac{3}{4}$	30	1
1	50	1.67
$1\frac{1}{2}$	100	3.33
2	160	5.33
3	400	13.33
4	800	26.67
6	1,600	53.33

Utilizing this new methodology for calculating usage ratios has yielded the following changes from last year to this year for the various meter sizes:

Water:

Meter Size (Inches)	Usage Ratio 2018	Usage Ratio 2019	Incr. / (Decr.) in Usage Ratio
Commercial			
3/4	1.66	1.28	(0.38)
1	5.03	2.14	(2.89)
1 1/2	9.44	4.27	(5.17)
2	15.50	6.84	(8.66)
Irrigation			
3/4	3.18	4.33	1.15
1	9.92	7.22	(2.70)
1 1/2	25.74	14.41	(11.33)
2	24.17	23.06	(1.11)

Wastewater:

Meter Size (Inches)	Usage Ratio 2018	Usage Ratio 2019	Incr. / (Decr.) in Usage Ratio
Commercial			
3/4	2.97	3.06	0.09
1	8.76	5.11	(3.65)
1 1/2	15.18	10.18	(5.00)
2	25.56	16.3	(9.26)

As the charts show, the new methodology generally lowers the usage ratios. This will cause two different effects on the SIFs:

- 1) It will tend to lower the SIFs for commercial and irrigation customers
- 2) It will tend to increase the SIFs for the 3/4" residential customers. The calculation of the residential SIF is derived by taking the current replacement value of the assets and dividing by the number of Single Family Equivalent (SFE) customers. The SFE calculation involves taking the number of customers for a given meter size and multiplying by the usage ratio for that meter size. With the usage ratios being generally lower, this results in a lower SFE total, which therefore tends to increase the residential SIF.

Because the changes in the usage ratios are significant, they lead to significant increases in the residential SIF and some significant decreases in the commercial and irrigation SIFs. Staff is recommending phasing these changes in gradually, over a four-year period. In taking this gradual approach, we will achieve our goals of lowering the SIFs for the larger commercial and irrigation meter sizes, but Loveland will remain very competitive with our neighbors in the SIFs for residential and 3/4" commercial and irrigation meter sizes. This phased approach has been used a number of times over the years in both rates and fees in order to lessen impacts to our customers.

Wastewater

The residential Wastewater System Impact Fee (SIF) is proposed to increase 2.2%, from \$2,740 to \$2,800 for a single-family detached residential unit. The Engineering News Record (ENR) Construction Cost Index was utilized to bring original installed asset costs up to current replacement value. The Index for the end of 2017 showed a 3.3% increase in the cost component areas impacting the SIF calculation. Because of the usage ratios going down, overall, as mentioned above, there was a 3.4% decrease in the number of SFE units. The combination of these factors and the 4-year phasing approach that is referenced above yielded the proposed residential SIF increase of 2.2% for 2019. The Wastewater commercial SIFs are proposed to range in change from a 4.4% increase to a 9.1% decrease, depending on the tap size.

Water

The residential Water System Impact Fee (SIF) is proposed to increase 4.8%, from \$4,990 to \$5,230 for a single-family detached residential unit. The primary factor contributing to this increase in the fee is a 13.2% decrease in the number of SFE units, which was caused by the overall decrease in usage ratios, as cited above. In addition, there were increases in the indices for water construction costs ranging from 2.0% to 3.3% in 2017 in the key cost component areas impacting the SIF calculation. The combination of these factors and the 4-year phasing approach that is referenced above yielded the proposed residential SIF increase of 4.8% for 2019. The Water commercial and irrigation SIFs are proposed to range in change from a 15.6% increase to a 12.3% decrease, depending on the tap size.

Power

The Power Plant Investment Fee (PIF) is proposed to increase on average by 1.2%. The PIF is collected in two ways: for residential, it is an up-front fee when a house is constructed, and for non-residential, it is collected monthly on a charge per kWh basis. The PIF for residential 150-amp service installations would increase from \$1,580 to \$1,590, and the PIF for residential service installations above 150-amps would increase from \$2,030 to \$2,050. A Small General Service (small commercial) customer with average consumption would see a monthly increase of \$0.15, while a Large General Service (large commercial) customer with average consumption would see a monthly increase of \$3.30 in the PIF component of their monthly utility bills.

The calculation for the PIF is based largely on current replacement costs for 600 amp feeders and substation equipment. The methodology for updating the PIF involves using a utility cost index called the Handy-Whitman Index to bring original installed asset costs up to current replacement value. The most recent update of the Handy-Whitman Index was released in May of this year. It reflects costs as of the end of 2017, and shows increases ranging from 4.3% to 4.9% in 2017 in the key cost component areas impacting the PIF calculation. In addition, in 2017, there was an increase in the 600 Amp Feeder asset value for approximately 7 new miles of growth-driven feeders that were constructed. As an offset, there also was a \$5.5 million decrease in Work In Progress and an average increase in the customer count. The combination of these factors yielded the proposed PIF increase of 1.2% for 2019.

Recommendation:

Make a motion to recommend the proposed changes to the utility impact fees for 2019 to City Council.

City of Loveland, Colorado
Water and Power Department
2019 Schedule of Rates, Charges and Fees
FEES - MISCELLANEOUS

Plant Investment Fees – Electric

Residential Service

Residential over 150 amp service	\$ <u>2,030</u> <u>2,050</u>
Residential 150 amp service or less	\$ <u>1,580</u> <u>1,590</u>

Non-Residential per kWh

Small General Service	\$ 0. <u>00639</u> <u>00646</u>
Large General Service	\$ 0. <u>00639</u> <u>00646</u>
Primary Service w/customer equipment	\$ 0. <u>00620</u> <u>00627</u>

Coincident Peak Customers see page 27

System Impact Fees – Wastewater

	<u>Inside City</u>	<u>Outside City</u>
Detached one-family dwelling	\$ <u>2,740</u> <u>2,800</u>	\$ <u>4,110</u> <u>4,200</u>
Attached one-family dwelling, per unit	\$ <u>2,420</u> <u>2,470</u>	\$ <u>3,630</u> <u>3,710</u>
Multi-family dwelling containing 2-8 dwelling units, per unit	\$ <u>2,420</u> <u>2,470</u>	\$ <u>3,630</u> <u>3,710</u>
Multi-family dwelling containing 9 or more dwelling units, per unit	\$ <u>4,860</u> <u>1,910</u>	\$ <u>2,790</u> <u>2,870</u>
Nonresidential		
<u>Tap size (in inches)</u>	<u>Inside City</u>	<u>Outside City</u>
0.75	\$ <u>7,770</u> <u>8,110</u>	\$ <u>11,660</u> <u>12,170</u>
1.00	\$ <u>24,000</u> <u>21,810</u>	\$ <u>36,000</u> <u>32,720</u>
1.50	\$ <u>41,580</u> <u>38,770</u>	\$ <u>62,370</u> <u>58,160</u>

Nonresidential taps ~~above 1.5 - 2 inches and above~~ pay the capital recovery surcharge

Capital Recovery Surcharge – Wastewater

Inside City per 1,000 gallons of sewer billed	\$ <u>0.814</u> <u>0.832</u>
Outside City per 1,000 gallons of sewer billed	\$ <u>1.221</u> <u>1.248</u>

System Impact Fees – Water

	<u>Inside City</u>	<u>Outside City</u>
Detached one-family dwelling	\$ <u>4,990</u> <u>5,230</u>	\$ <u>7,490</u> <u>7,850</u>
Attached one-family dwelling, per unit	\$ <u>3,020</u> <u>2,930</u>	\$ <u>4,530</u> <u>4,400</u>

*City of Loveland, Colorado
Water and Power Department
2019 Schedule of Rates, Charges and Fees
FEES - MISCELLANEOUS*

Multifamily dwelling containing 2-8 dwelling units, per unit	\$ <u>3,020</u> <u>2,930</u>	\$ <u>4,530</u> <u>4,400</u>
Multifamily dwelling containing 9 or more dwelling units, per unit	\$ <u>2,440</u> <u>2,340</u>	\$ <u>3,660</u> <u>3,510</u>
Nonresidential		
<u>Tap size (in inches)</u>	<u>Inside City</u>	<u>Outside City</u>
0.75	\$ <u>8,040</u> <u>7,940</u>	\$ <u>12,060</u> <u>11,910</u>
1.00	\$ <u>25,110</u> <u>22,020</u>	\$ <u>37,670</u> <u>33,030</u>
1.50	\$ <u>45,920</u> <u>40,800</u>	\$ <u>68,880</u> <u>61,200</u>
Irrigation		
<u>Tap size (in inches)</u>	<u>Inside City</u>	<u>Outside City</u>
0.75	\$ <u>45,840</u> <u>18,310</u>	\$ <u>23,760</u> <u>27,470</u>
1.00	\$ <u>47,980</u> <u>46,730</u>	\$ <u>71,970</u> <u>70,100</u>
1.50	\$ <u>123,560</u> <u>114,090</u>	\$ <u>185,340</u> <u>171,140</u>
2.00	\$ <u>126,630</u> <u>129,260</u>	\$ <u>189,950</u> <u>193,890</u>
3.00	\$ <u>357,110</u> <u>353,590</u>	\$ <u>535,670</u> <u>530,390</u>

Tap sizes larger than 3-inch shall be established by City Council. The impact fee for taps 2 inches and larger ~~than 1.5 inch applies~~ only applies to irrigation meters. Nonresidential taps 2 inches and above ~~1.5 inch~~ pay the capital recovery surcharge.

Capital Recovery Surcharge - Water

Inside City per 1,000 gallons of water	\$ <u>0.770</u> <u>0.807</u>
Outside City per 1,000 gallons of water	\$ <u>1.155</u> <u>1.211</u>

Fire Tap Plant Investment Fee

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

Raw Water Development Fee

Detached One-Family Dwelling	\$1,087.00
Attached One-Family Dwelling, per unit	\$1,087.00
Multi-family dwelling containing 2-24 dwelling units, per unit	\$680.00

*City of Loveland, Colorado
Water and Power Department
2019 Schedule of Rates, Charges and Fees
FEES - MISCELLANEOUS*

Multifamily dwelling containing 25 or more dwelling units, \$134.00
per unit

Nonresidential

<u>Tap size (in inches)</u>	
0.75	\$1,087.00
1.00	\$1,848.00
1.50	\$3,588.00
2.00	\$5,763.00
3.00	\$10,873.00

Tap sizes larger than 3-inch shall be established by City Council. The impact fee for taps 2 inches and larger ~~than 1.5 inch applies~~ only applies to irrigation meters. Commercial taps ~~above 1.5 inch 2 inches and above~~ pay the capital recovery surcharge.

Raw Water Capital Recovery Surcharge Per 1,000 Gallons

Raw Water Capital Recovery Surcharge Per 1,000 Gallons \$0.16



City of Loveland 2019 Water & Power Impact Fees

Jim Lees, Utility Accounting Manager
September 19, 2018



Utility Impact Fees

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

⌚ Asset value



⌚ Customer growth



⌚ Usage patterns



Concerns Following Last Year's SIF Update

- ⌚ Significantly Higher SIFs Than Our Neighbors For Larger Commercial Meter Sizes
 - ⌚ For 1" and 1 1/2" Meter Sizes
 - ⌚ For Water & Wastewater Combined SIFs
- ⌚ Odd Results in Usage Ratios For Certain Meter Sizes
 - ⌚ Based on our own usage data
 - ⌚ Higher Usage Ratio for a 1 1/2" Irrigation meter than for a 2" Irrigation meter
- ⌚ Is There A Way To Address These Concerns?
 - ⌚ Use Summer data instead of annual data to calculate Water Usage Ratios for 3/4" meter sizes
 - ⌚ Use Volumetric Flow Capacity Ratios to ratchet Usage Ratios up from 3/4" meter sizes
 - ⌚ Will still distinguish between a 3/4" Residential vs. 3/4" Commercial vs. 3/4" Irrigation meter
 - ⌚ Ratcheting up using Volumetric Flow Capacity a common practice



Volumetric Flow Capacity Ratios – 3/4" to 2" Meter Size

Meter Size (Inches)	Maximum Flow Rate (Gallons / Minute)	Maximum Flow Rate Ratio to 3/4"
3/4	30	1
1	50	1.67
1 1/2	100	3.33
2	160	5.33



Water Usage Ratios By Meter Size - Commercial

Meter Size (Inches)	Usage Ratio 2018	Usage Ratio 2019	Increase / (Decrease)
3/4	1.66	1.28	(0.38)
1	5.03	2.14	(2.89)
1 1/2	9.44	4.27	(5.17)
2	15.50	6.84	(8.66)



Wastewater Usage Ratios By Meter Size - Commercial

Meter Size (Inches)	Usage Ratio 2018	Usage Ratio 2019	Increase / (Decrease)
3/4	2.97	3.06	0.09
1	8.76	5.11	(3.65)
1 1/2	15.18	10.18	(5.00)
2	25.56	16.30	(9.26)



Impact of Lower Usage Ratios

- ⌚ Will Tend to Lower SIFs for Commercial and Irrigation Customers
 - ⌚ Lower ratchet for increasing the SIF from the $\frac{3}{4}$ " figure
- ⌚ Will Tend to Increase SIFs for $\frac{3}{4}$ " Residential Customers
 - ⌚ Results in a smaller number of Single Family Equivalent (SFE) customers, and this is the number in the denominator of the SIF calculation for Residential
- ⌚ Phase Changes in SIFs In Gradually
 - ⌚ Effects on SIFs from Usage Ratio decreases is significant, so implement over 4 years
 - ⌚ New methodology will yield results that are close to revenue neutral



Wastewater Impact Fees (SIF)



*Single-family
homes would
increase 2.2%*



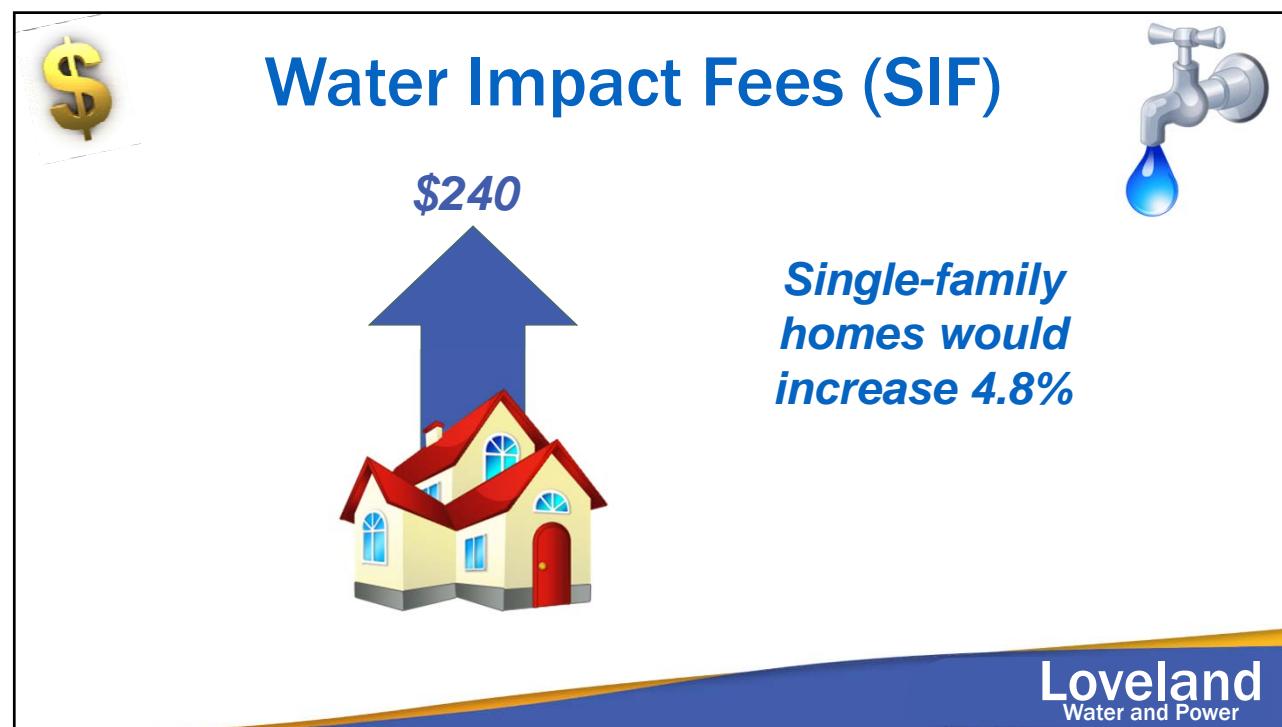


Wastewater SIF Calculation

City of Loveland Water and Power Department Wastewater - System Impact Fees 2019 SIF Calculation		Dec 31 2016 Yr End Actuals for 2018 Fee Calculation	Dec 31 2017 Yr End Actuals for 2019 Fee Calculation	% Inc/(Dec) to Prior Yr
Line No.	Asset Description			
1	Land	\$365,148	\$380,222	4.1%
2	Collection Lines	\$24,201,907	\$25,053,439	3.5%
3	Treatment Plant	\$69,026,260	\$71,429,664	3.5%
4	Equipment	\$2,969,252	\$3,105,992	4.6%
5	Lift Stations	\$340,859	\$351,962	3.3%
6	Work in Progress / SIF Cash	\$10,437,900	\$12,798,388	22.6%
7	Total SIF Assets, WIP, SIF Cash	\$107,341,325	\$113,119,666	\$5,778,341 5.4%
Less Outstanding Principal				
8	Existing	\$0	(\$208,620)	0.0%
9	Oversizing Agreements	\$0	\$0	0.0%
10	Net Asset Value	\$107,341,325	\$112,911,046	\$5,569,721 5.2%
11	Single Family Equivalents (based on usage)	39,187	37,904	(1,283) -3.3%
12	Wastewater System Impact Fee (line 10 / line 11)	\$2,740	\$2,980	\$240 8.8%
13	Phasing in Increase over 4 Years		\$2,800	\$60 2.2%

Note: The cost index for wastewater assets increased by 3.3%.

Loveland
Water and Power

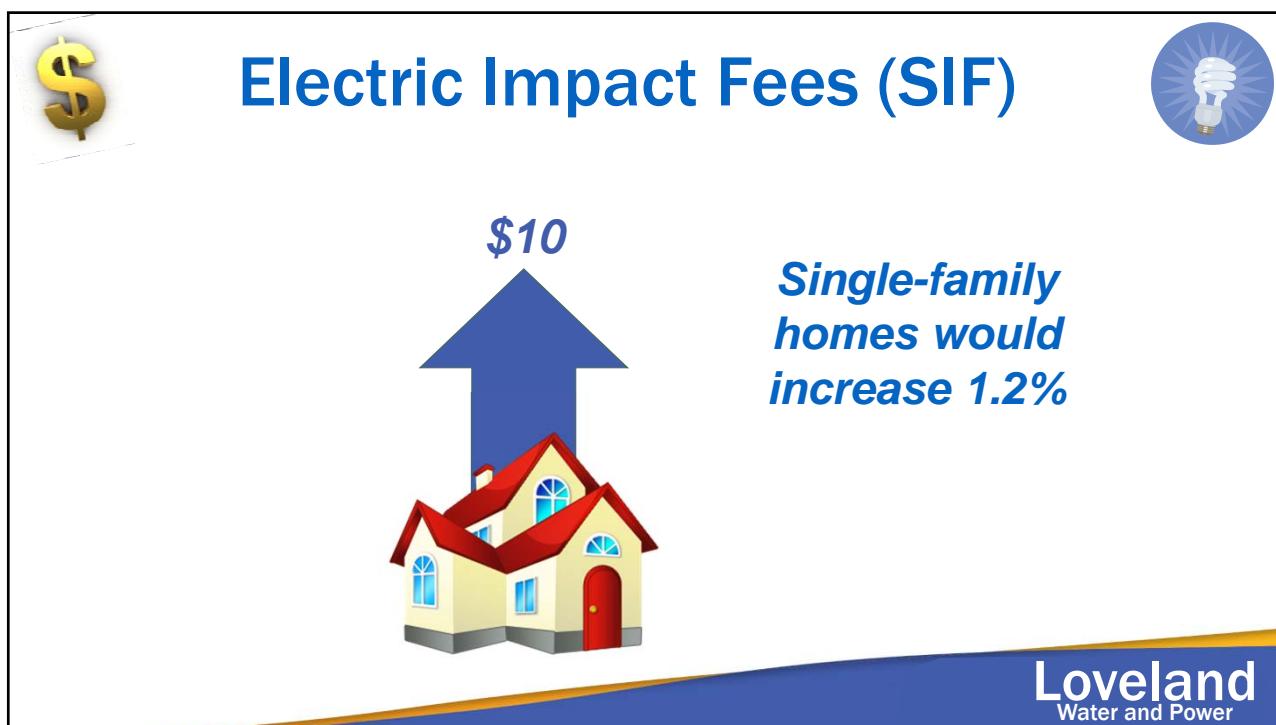




Water SIF Calculation

City of Loveland Water and Power Department Water - System Impact Fees 2019 SIF Calculation					
Line No.	Asset Description	Dec 31 2016 Yr End Actuals for 2018 Fee Calculation	Dec 31 2017 Yr End Actuals for 2019 Fee Calculation	Inc/(Dec) to Prior Yr	% Inc/(Dec) to Prior Yr
1	Land	\$508,866	\$508,866	\$0	0.0%
2	Transmission / Distribution Lines	\$66,551,831	\$68,971,904	\$2,420,072	3.6%
3	Treatment Plant - Existing	\$83,396,863	\$85,156,577	\$1,759,714	2.1%
4	Treatment Plant - 2017 Expansion	\$17,134,636	\$17,470,862	\$336,226	2.0%
5	Equipment	\$2,076,127	\$2,351,199	\$275,071	13.2%
6	Storage Tanks	\$29,198,343	\$30,149,439	\$951,095	3.3%
7	Pump Stations	\$4,825,528	\$4,982,713	\$157,185	3.3%
8	Work in Progress / SIF Cash	\$2,179,319	\$3,580,414	\$1,401,095	64.3%
9	Total SIF Assets, WIP, SIF Cash	\$205,871,514	\$213,171,973	\$7,300,459	3.5%
Less Outstanding Principal Debt					
10	Existing	\$0	\$0	\$0	0.0%
11	Oversizing Agreements	(\$58,168)	\$0	\$58,168	-100.0%
12	Net Asset Value	\$205,813,346	\$213,171,973	\$7,358,627	3.6%
13	Single Family Equivalents (based on water usage)	41,247	35,834	-5,413	-13.1%
14	Water System Impact Fee (line 11 / line 12)	\$4,990	\$5,950	\$960	19.2%
15	Phasing in Increase Over 4 Years		\$5,230	\$240	4.8%
Notes:					
1 The cost index for Treatment Plant increased by 2.0%.					
2 The cost index for the other asset categories increased by 3.3%.					







Electric PIF Calculation

**City of Loveland
Water and Power Department
Power - Plant Investment Fee
2019 PIF Fee Calculation**

Line No.	Asset Description	Dec 31 2016 Yr End Actuals for 2018 Fee Calculation	Dec 31 2017 Yr End Actuals for 2019 Fee Calculation	Inc/(Dec)	% Inc/ (Dec)
1	Substation	\$26,835,938	\$29,665,521	\$2,829,584	10.5%
2	Solar (Net of FEMA and State Contributions)	\$2,224,121	\$2,224,121	\$0	0.0%
3	600 amp Feeders	\$79,750,009	\$85,981,660	\$6,231,651	7.8%
4	Work in Progress / PIF Cash	\$16,404,395	\$10,610,755	(\$5,793,640)	-35.3%
5	Total Value	\$125,214,463	\$128,482,057	\$3,267,594	2.6%
6	Residential Allocation of Assets & Cash (45%)	\$56,660,137	\$58,138,739	\$1,478,602	2.6%
7	Residential Customers	31,458	31,915	457	1.5%
8	Average New Residential Fee	\$1,801	\$1,822	\$21	1.2%
		2017 Actual Fee	2018 Proposed Fee	Inc/ (Dec)	% Inc/ (Dec)
9	Residential Fee (panel size > 150 amp)	\$2,030	\$2,050	\$20	1.0%
10	Residential Fee (panel size <= 150 amp)	\$1,580	\$1,590	\$10	0.6%

Notes:

1 The cost index for Substation Equipment increased by 4.9%.
 2 The cost index for Overhead Conductors & Devices increased by 4.5%.
 3 The cost index for Underground Conductors & Devices and Conduit decreased by 4.3%.





Let's Compare...Residential - Last Year's Proposal

	Loveland Proposal	Ft Collins Current	Greeley Current	Longmont Current
Water				
Single Family	\$4,990	\$3,756	\$10,800	\$10,772
Wastewater				
Single Family	\$2,740	\$3,500	\$5,300	\$6,460
Electric				
Single Family	\$1,580	\$2,749	N/A	\$619
Total Water, Wastewater, Electric				
Single Family	\$9,310	\$10,005	\$16,100	\$17,851
Combined Rank (1=lowest)				
Single Family	1	2	3	4

Note: Greeley does not have its own electric utility





Let's Compare...Residential – This Year's Proposal

	Loveland Proposal	Ft Collins Current	Greeley Current	Longmont Current
Water				
Single Family	\$5,230	\$3,756	\$11,400	\$10,652
Wastewater				
Single Family	\$2,800	\$3,500	\$5,700	\$6,340
Electric				
Single Family	\$1,590	\$1,537	N/A	\$711
Total Water, Wastewater, Electric				
Single Family	\$9,620	\$8,793	\$17,100	\$17,703
Combined Rank (1=lowest)				
Single Family	2	1	3	4

Note: Greeley does not have its own electric utility

Loveland
Water and Power



Let's Compare...Commercial – Last Year's Proposal

	Loveland Proposal	Ft Collins Current	Greeley Current	Longmont Current
Water				
¾ inch	\$8,040	\$7,180	\$10,800	\$15,530
1 inch	\$25,110	\$19,710	\$17,350	\$25,890
1.5 inch	\$45,920	\$42,220	\$34,600	\$51,770
Wastewater				
¾ inch	\$7,770	\$7,130	\$5,300	\$8,770
1 inch	\$24,000	\$17,200	\$8,800	\$14,630
1.5 inch	\$41,580	\$33,410	\$17,600	\$29,280
Total Water & Wastewater				
¾ inch	\$15,810	\$14,310	\$16,100	\$24,300
1 inch	\$49,110	\$36,910	\$26,150	\$40,520
1.5 inch	\$87,500	\$75,630	\$52,200	\$81,050
Combined Rank (1=lowest)				
¾ inch	2	1	3	4
1 inch	4	2	1	3
1.5 inch	4	2	1	3

 Let's Compare...Commercial – This Year's Proposal		Loveland Proposal	Ft Collins Current	Greeley Current	Longmont Current
Water					
3/4 inch		\$7,940	\$7,180	\$11,400	\$15,290
1 inch		\$22,020	\$19,710	\$19,150	\$25,490
1.5 inch		\$40,800	\$42,220	\$38,000	\$50,960
Wastewater					
3/4 inch		\$8,110	\$7,130	\$5,700	\$8,760
1 inch		\$21,810	\$17,200	\$9,550	\$14,620
1.5 inch		\$38,770	\$33,410	\$19,100	\$29,260
Total Water & Wastewater					
3/4 inch		\$16,050	\$14,310	\$17,100	\$24,050
1 inch		\$43,830	\$36,910	\$28,700	\$40,110
1.5 inch		\$79,570	\$75,630	\$57,100	\$80,220
Combined Rank (1=lowest)					
3/4 inch		2	1	3	4
1 inch		4	2	1	3
1.5 inch		3	2	1	4

 Through the Years...SIF/PIF		2011	2012	2013	2014	2015	2016	2017	2018	Proposed 2019	9 Yr Avg. Change
Water											
Amount	\$4,480	\$4,560	\$4,670	\$4,670	\$4,580	\$4,860	\$4,880	\$4,990	\$5,230		
\$ Change	(\$120)	\$80	\$110	\$0	(\$90)	\$280	\$20	\$110	\$240		
Wastewater											
Amount	\$2,550	\$2,560	\$2,510	\$2,410	\$2,490	\$2,550	\$2,640	\$2,740	\$2,800		
\$ Change	(\$40)	\$10	(\$50)	(\$100)	\$80	\$60	\$90	\$100	\$60		
Power (150 amp or less)											
Amount	\$1,190	\$1,250	\$1,270	\$1,270	\$1,330	\$1,450	\$1,510	\$1,580	\$1,590		
\$ Change	\$30	\$60	\$20	\$0	\$60	\$120	\$60	\$70	\$10		
Combined Total											
Amount	\$8,220	\$8,370	\$8,450	\$8,350	\$8,400	\$8,860	\$9,030	\$9,310	\$9,620		
\$ Change	(\$130)	\$150	\$80	(\$100)	\$50	\$460	\$170	\$280	\$310	\$141	
% Change	(1.6%)	1.8%	1.0%	(1.2%)	0.6%	5.5%	1.9%	3.1%	3.3%	1.6%	

Voucher History of LFRA Fees/Impact Fee Waivers

YTD as of 9/11/2018

		Waived LFRA Plan Check & Permit Fees	Waived LFRA Impact Fees (after Prior Use Credits applied)	Prior Use Credits (Fee reduction - info-NO BACKFILL APPLICABLE)
Affordable Housing				
Habitat for Humanity	18-01458, 235 Primrose Drive	0.00	895.00	0.00
Habitat for Humanity	18-01749, 1732 Valency Drive	0.00	895.00	0.00
Habitat for Humanity	18-01764, 1724 Valency Drive	0.00	895.00	0.00
	Total Habitat for Humanity	0.00	2,685.00	0.00
Giuliano	18-00030, 3186 Thorn Circle		507.00	
Giuliano	18-00095, 3173 Thorn Circle		507.00	
Giuliano	18-00154, 3185 Thorn Circle		507.00	
Giuliano	18-00271, 3197 Thorn Circle		507.00	
Giuliano - Multi Family	18-00561, 2980 Kincaid Drive, Bldg B3		5,616.00	
	Total Giuliano	0.00	7,644.00	0.00
	TOTAL Affordable Housing	0.00	15,945.00	0.00
Historic Downtown Loveland Area				
HDLA	18-00082, 922 N. Garfield Bldg A	0.00	971.00	895.00
HDLA	18-00083, 922 N. Garfield Bldg B	0.00	971.00	895.00
HDLA	18-00228, 102 E. 1st	188.10	0.00	0.00
HDLA	18-00251, 129 E. 5th	349.80	0.00	0.00
HDLA	18-00400, 201 E. 5th	188.10	0.00	0.00
HDLA	18-00496, 141 E. 4th	1,136.03	0.00	0.00
HDLA	18-00668, 214 E. 4th	188.10	0.00	0.00
HDLA	18-00751, 256-260 S. Cleveland	0.00	895.00	895.00
HDLA	18-01245, 414 E. 6th	188.10	0.00	0.00
	Total HDLA	2,238.23	2,837.00	2,685.00
Foundry (within HDLA)	17-02497, 256 E. 2nd (Hotel)	0.00	12,234.20	6,831.40
Foundry (within HDLA)	18-00947, 256 E. 2nd (Hotel)	1,089.83	0.00	0.00
Foundry (within HDLA)	18-01143, 285 E. 3rd (Theatre)	0.00	6,214.20	2,422.50
	Total Foundry	1,089.83	18,448.40	9,253.90
	Total HDLA/Foundry	3,328.06	21,285.40	11,938.90
West Eisenhower Revitalization Zone				
	NONE in 2018	0.00	0.00	0.00
City Permits				
General Fund Permits	18-01229, 950 N Boyd Lake Ave (Sports Park)	0.00	78.00	0.00
General Fund Permits	18-01279, 950 N. Boyd Lake Ave (Sports Park)	0.00	360.00	0.00
	Total City General Fund Permits	0.00	438.00	0.00
	Grand Total	3,328.06	37,668.40	11,938.90

INTERGOVERNMENTAL AGREEMENT FOR THE ASSESSMENT, COLLECTION, AND REMITTANCE OF EMERGENCY SERVICES IMPACT FEES

This INTERGOVERNMENTAL AGREEMENT FOR THE ASSESSMENT, COLLECTION, AND REMITTANCE OF EMERGENCY SERVICES IMPACT FEES ("*Agreement*") is entered into by and between the City of Loveland ("**City**") and the Loveland Fire Rescue Authority ("**Authority**"). The City and the Authority are referred to collectively as the "**Parties**" or individually as a "**Party**".

RECITALS

WHEREAS, the City is a home rule municipality of the State of Colorado ("*State*"). The Authority is a public entity of the State established by the City and the Loveland Rural Fire Protection District ("*District*") on August 19, 2011 pursuant to that certain Intergovernmental Agreement for the Establishment and Operation of the Loveland Fire Rescue Authority as a Separate Governmental Entity;

WHEREAS, the Authority was established to provide fire protection, rescue, and emergency services (collectively, "*Emergency Services*"), as well as other services, to the citizens and property within its jurisdiction, and to individuals passing through its jurisdiction. The Authority's jurisdiction is comprised of the joint jurisdictional areas of the City and District;

WHEREAS, prior to the Authority's establishment, the City provided the Emergency Services within the City's jurisdiction and the District's jurisdiction directly, or, with respect to the District's jurisdiction, by contract through the City's Fire Rescue Department;

WHEREAS, historically, the City collected a fire services capital expansion fee on new development within the City's jurisdiction to provide or assist with the financing required to acquire, develop, and maintain fire stations and other Emergency Services capital facilities ("*City Fire CEF*");

WHEREAS, because the Authority now provides the Emergency Services to new development within the City's jurisdiction, the City determined that it should suspend collection of the City Fire CEF and, instead, an Emergency Services impact fee should be assessed and collected by the City and remitted to the Authority ("*Authority Impact Fee*") pursuant to and for the purposes described in the Impact Fee Act, C.R.S. § 29-20-104.5;

WHEREAS, the Authority obtained an Impact Fee Study dated October 19, 2017 to evaluate the nexus between new development within the Authority's jurisdiction and the projected impact that such development has on the Authority's Capital Facilities ("*Nexus Study*"). The Nexus Study quantified the reasonable impacts of both new residential and non-residential development on the Authority's Capital Facilities; and

WHEREAS, on November 13, 2017, the Authority's Board of Directors ("*Board*") adopted a Resolution approving an impact fee schedule at levels no greater than necessary to defray the impacts directly related to development within the Authority's jurisdiction as determined by the Nexus Study. A copy of the approved Impact Fee Schedule is attached hereto as Attachment 1; and

WHEREAS, in accordance with C.R.S. § 29-20-104.5(2)(c), the Parties desire to enter into this Agreement to define the Authority Impact Fee, and the process for assessment, collection, and remittance of the Authority Impact Fee, all in accordance with the requirements of the Impact Fee Act.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

AGREEMENT

1. Definitions. In addition to the definitions provided elsewhere in this Agreement, the terms "**Development Permit**" and "**Capital Facility(ies)**" shall be defined as provided in C.R.S. §§ 29-20-103(1) and 29-20-104.5(4), respectively, including any amendments thereto.

2. Establishment of the Authority Impact Fee.

a. The City agrees to impose the Authority Impact Fee on new development that currently is located within the City, or that in the future becomes located within the City, in accordance with the attached Impact Fee Schedule, subject to inflation as set forth herein. The Authority Impact Fee shall be imposed on all new development for which a Development Permit application is submitted to the City on or after January 1, 2018; provided, however, that the City shall not be subject to the Authority Impact Fee for City-owned developments. Because the Authority Impact Fee represents a continuation of the City Fire CEFs previously assessed by the City, in the event the City receives payment of any City Fire CEFs related to a Development Permit application that was granted prior to January 1, 2018, but for which collection did not occur until on or after January 1, 2018, the City shall remit such payment to the Authority pursuant to paragraph 3(d) below.

On January 1, 2019, and on January 1 of each year thereafter in which the Authority Impact Fee is in effect, the amount of the Authority Impact Fee per dwelling unit for residential development and/or per square feet for nonresidential development may, upon the mutual agreement of the Parties, be adjusted to account for inflationary increases in the cost of providing public facilities, utilizing the most recent data from the Engineering News Record Construction Cost Index for the Denver metropolitan area.

b. The Authority will update the Nexus Study no less frequently than every three years ("**Updated Nexus Study**"). If the Updated Nexus Study recommends any changes to the Impact Fee Schedule, then the Authority Board may, after considering such recommendations, adopt a Resolution seeking an updated Impact Fee Schedule at a level no greater than necessary to defray the impacts of new development on the Authority's Capital Facilities ("**Updated Impact Fee Schedule**"). The Authority shall thereafter submit to the City a copy of: (i) the Updated Impact Fee Schedule; (ii) the Resolution seeking the Updated Impact Fee Schedule; and (iii) the Updated Nexus Study. Upon receipt and consideration of the foregoing, the City may, in its discretion, adopt and impose the Updated Impact Fee Schedule as provided in the Impact Fee Act. In exercising its discretion, the City may confer with the Authority with respect to the Updated Impact Fee Schedule, the Updated Nexus Study, or any other matter related thereto. Notwithstanding the foregoing, if the Updated Nexus Study recommends a decrease to all or any part of the Impact Fee Schedule, the Parties shall take the requisite actions necessary to implement the Updated Impact Fee Schedule to reflect the recommended decrease.

c. The City retains the right to waive the Authority Impact Fee on the development of low- or moderate-income housing or affordable employee housing as defined by the City, as provided in C.R.S. § 29-20-104.5(5), and the right to defer payment of the Authority Impact Fee until the issuance of a building permit or certificate of occupancy, as provided in C.R.S. § 29-20-104.5(6). Additionally, the City shall not be required to backfill the Authority Impact Fee, if waived under this paragraph 2(c), pursuant to Loveland Municipal Code 16.43.070(A), unless said section is hereafter amended by the City to provide for such backfill.

3. Procedures for Assessment, Collection, and Remittance.

a. As part of its Development Permit application process, the City shall direct the developer of any proposed new development within the City's and Authority's joint jurisdictional boundaries to contact the Authority in order to confer regarding whether, under the Impact Fee Schedule (or any Updated Impact Fee Schedule), an Authority Impact Fee is owed and, if owed, the amount of the Authority Impact Fee. The developer and the Authority may mutually determine whether an in-kind contribution will be made by the developer to the Authority in lieu of paying all or portion of an Authority Impact Fee ("**In-Kind Contribution**"). The developer and the Authority shall sign an Impact Fee Form that is substantially the same as the form attached hereto as **Attachment 2**, stating one of the following: (i) an Authority Impact Fee is not owed; (ii) an Authority Impact Fee is owed and the amount of the Authority Impact Fee; or (iii) the developer will make an In-Kind Contribution as described in the Impact Fee Form.

b. The developer shall submit the signed Impact Fee Form with any other documentation required by the City as part of the Development Permit application process.

c. The City shall promptly notify the Authority of the City's final decision on whether to grant or deny the Development Permit application. If the City denies the Development Permit application, the developer shall not be required to pay an Authority Impact Fee or make an In-Kind Contribution to the Authority. If the City grants the Development Permit application, the Development Permit shall require the developer to pay the Authority Impact Fee or to make the In-Kind Contribution to the Authority.

d. The City shall collect any Authority Impact Fee owed by the developer concurrently with the collection of any other City capital expansion fees collected in connection with the development, or, if no City capital expansion fees will be collected, then prior to the issuance of a certificate of occupancy for any improvements within the development. The City shall remit all Authority Impact Fees received by the City to the Authority by daily automatic deposits to such financial account as is established by the Authority, or such other payment method as is mutually agreed upon by the Parties. Any In-Kind Contribution owed by the developer shall be made directly to the Authority, and the Authority shall promptly notify the City when it has accepted an In-Kind Contribution from the developer. The City shall not issue a certificate of occupancy for any improvements within the new development until the developer has paid the Authority Impact Fee to the City, or the Authority has notified the City that the Authority accepted the In-Kind Contribution from the developer. For purposes of this paragraph 3(d), if an In-Kind Contribution to be made by the developer constitutes construction of improvements, or the conveyance of any apparatus, equipment, or real property, then "acceptance" shall mean a written agreement between the Authority and the developer for such construction or conveyance.

e. The Authority shall not require a developer to provide any site-specific dedication or improvement to meet the same need for Capital Facilities for which the Authority Impact Fee is imposed. The Authority further agrees not to seek an Authority Impact Fee from a developer if the developer already is required to pay an impact fee or other similar development charge for another Capital Facility used to provide similar Emergency Services, or if the developer has voluntarily contributed money for such other Capital Facility.

f. The Authority shall account for all Authority Impact Fees in accordance with Part 8 of Article 1 of Title 29, Colorado Revised Statutes.

g. In the event the City is required to collect the Authority Impact Fee at any time other than concurrently with any other City capital expansion fees collected in connection with the development, then the City may assess an administrative fee of up to 2% to cover the actual and reasonable costs related to the collection and remittance of Authority Impact Fees.

h. Nothing contained in this Agreement shall invalidate any existing agreement for development charges between the Authority and a developer to pay for Capital Facilities.

4. Effective Date and Term. This Agreement is effective as of the date the last Party signs this Agreement and shall continue in effect until terminated in accordance with its terms.

5. Termination.

a. The Parties may at any time mutually agree in writing to terminate this Agreement.

b. The Authority may at any time terminate this Agreement upon 30 calendar days' prior written notice to the City.

c. The City may at any time provide written notice of intent to terminate this Agreement to the Authority; provided, that the City shall not provide such written notice within the first five years of this Agreement. Upon receipt of the written notice, the City and the Authority, or their authorized representatives, shall meet to discuss, in good faith, whether any amendments may be made to this Agreement or to the Authority Impact Fee upon which the Parties would mutually agree to continue this Agreement. If the parties are unable to agree upon any such amendments, then the City's notice of termination shall be effective on December 31 of the calendar year after the year in which notice is given.

d. In the event this Agreement is terminated by either Party, the City shall be provided with and shall have nonexclusive rights to use the Nexus Study and any Updated Nexus Study, as well as any and all other final studies, reports, analysis or other documentation adopted by the Board related to establishing the Impact Fee Schedule or Updated Impact Fee Schedule in order to assist the City in resuming the assessment and collection of a City Fire CEF.

6. Default. If either Party defaults in its performance under this Agreement, the non-defaulting Party shall provide written notification to the defaulting Party of the default. The defaulting Party shall have the right to cure, or to make substantial efforts to cure, the default within 30 calendar days after the non-defaulting Party's notice of default is given. If the defaulting Party fails to cure, or to make substantial efforts to cure, the default within the 30-day period, the non-defaulting Party, at its

option, may immediately terminate this Agreement or may elect to treat this Agreement as being in full force and effect. If the non-defaulting Party elects to treat this Agreement as being in full force and effect, then the non-defaulting Party shall have the right to bring an action for any remedy available to such Party in equity or at law; provided that any remedy of damages shall be limited to actual moneys owed and accrued interest associated with such moneys.

7. Governmental Immunity. Nothing in this Agreement shall be construed as a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the Parties under common law or pursuant to statute, including but not limited to the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*

8. Defense of the City. To the extent permitted by law, the Authority shall indemnify and hold harmless the City, its officers, agents, and employees from and against any and all claims, liabilities, costs, expenses, penalties, attorneys' fees, and defense costs (collectively, "Claims") arising from a denial of a certificate of occupancy or other City-issued permit due to nonpayment of any Authority Impact Fee or failure to make an In-Kind Contribution, the Impact Fee Schedule, the Updated Impact Fee Schedule, or the failure of the Authority to comply with C.R.S. § 29-20-104.5, *et seq.* To the extent permitted by law, the Authority shall, at its own cost, investigate, handle, respond to, and defend against such liability, claims, or demands related thereto and shall bear all other related costs and expenses, including court costs and attorneys' fees. The Authority shall have the right to select legal counsel to represent it in connection with any Claims coming within this paragraph 8.

9. Entire Agreement. This Agreement is the entire Agreement between the Parties with respect to the matters covered by it, and supersedes any prior understanding or agreements, oral or written, with respect thereto.

10. Notices and Requests. Any notice permitted or required by this Agreement shall be in writing and shall be hand-delivered or sent by certified or registered mail, postage prepaid, return receipt requested, to the following addresses. Notices are effective upon receipt.

City of Loveland
Attn: City Manager
500 E. Third Street
Loveland, CO 80537

Loveland Fire Rescue Authority
Attn: Fire Chief
410 E. Fifth Street
Loveland, CO 80537

With a copy to:

City Attorney's Office
Attn: City Attorney
500 East Third Street
Loveland, CO 80537

11. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado. In addition, the Parties acknowledge that there are legal constraints imposed upon each of the Parties by the constitutions, statutes, and rules and regulations of the State of Colorado and of the United States and imposed upon the City by its Charter and Code, and that, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, in no event shall either of the Parties be required to exercise

any power or take any action which shall be prohibited by applicable law. Whenever possible, each provision of this Agreement shall be interpreted in such a manner so as to be effective and valid under applicable law. Venue for any judicial proceeding concerning this Agreement shall be exclusively in the District Court for Larimer County, Colorado.

12. Financial Obligations of the Parties. Any financial obligation of a Party under this Agreement is contingent upon appropriation, budgeting, and availability of specific funds to discharge those obligations. Nothing in this Agreement constitutes a debt, a direct or indirect multiple fiscal year financial obligation, a pledge of a Party's credit, or a payment guarantee by one Party to the other.

13. Miscellaneous. This Agreement may be amended only by a document signed by the Parties. Course of performance, no matter how long, shall not constitute an amendment to this Agreement. If any provision of this Agreement is held invalid or unenforceable, all other provisions shall continue in full force and effect. Waiver of a breach of this Agreement shall not operate or be construed as a waiver of any subsequent breach of this Agreement. This Agreement shall inure to the benefit of and be binding upon the Parties and their legal representatives and successors. Neither Party shall assign this Agreement. This Agreement is not intended to, and shall not, confer rights on any person or entity not named as a party to this Agreement. This Agreement may be executed in counterparts and by facsimile or electronic PDF, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

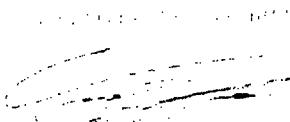
IN WITNESS WHEREOF, the Parties have executed this Agreement.

CITY OF LOVELAND, a home rule
municipality of the State of Colorado

By: Stephen C. Adams
Stephen C. Adams, City Manager

ATTESTED:

City Clerk, Acting





LOVELAND FIRE RESCUE AUTHORITY,
a public entity of the State of Colorado

By: Jeffrey G. Swanty
Jeffrey G. Swanty, Chairman

ATTESTED:

Secretary



Attachment 1

LOVELAND FIRE RESCUE AUTHORITY
EMERGENCY SERVICES IMPACT FEE SCHEDULE
Effective January 1, 2018

Residential	
Unit Type	Fee Per Dwelling Unit
Single Family	\$895.00
Multifamily	\$622.00

Nonresidential	
Use Type	Fee Per Square Foot
Commercial	\$0.30
Industrial	\$0.03

No developer will be required to provide any site-specific dedication or improvement to meet the same need for Capital Facilities for which the impact fee is imposed, and no impact will be imposed on a developer if the developer already is required to pay an impact fee or other similar development charge for another Capital Facility used to provide similar Emergency Services, or if the developer has voluntarily made a commensurate contribution of money for such other Capital Facility.

Attachment 2

LOVELAND FIRE RESCUE AUTHORITY
IMPACT FEE FORM

Developer Information			
Development Company			State of Incorporation
Address			
Telephone		Fax	
Contact Person			
Name		Title	
Telephone		Cell Phone	
Email Address			
Development Information			
Name of Development	Location (Address or Cross Streets)		
Residential Units			
Single Family (\$895.00 per unit)		Commercial (\$0.30 per square foot)	
Multifamily (\$622.00 per unit)		Industrial (\$0.03 per square foot)	
Impact Fee			
Check one: <input type="checkbox"/> No impact fee owed or <input type="checkbox"/> Impact fee owed in the amount of \$ _____			
If applicable: <input type="checkbox"/> An in-kind contribution will be made in lieu of paying all or a portion of an impact fee. Description of the in-kind contribution (attach additional information if necessary) and amount of impact fee off-set: _____			

The developer must submit this signed Impact Fee Form with the other documentation required by the City of Loveland as part of its development permit application process. If the City denies the application, the developer is not required to pay the Impact Fee or make an In-Kind Contribution to the Authority. If the City grants the application and issues a development permit, the developer must pay the Impact Fee and/or make the In-Kind Contribution or enter into a written agreement with the Authority to make the In-Kind Contribution before the City will issue a certificate of occupancy for any improvements within the development.

DEVELOPER:

By: _____
Date: _____

LOVELAND FIRE RESCUE AUTHORITY:

By: _____, Fire Chief
Date: _____