



REGULAR MEETING AGENDA

CALL TO ORDER

APPROVAL OF MINUTES – 1/16/2019

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

INFORMATIONAL ITEMS

1. Electric Legislative Update – Kim O’Field
2. Water Legislative Update – Ryan Van Pelt
3. Water Supply Update – Ryan Van Pelt

CONSENT AGENDA

4. Wilson Waterline Emergency Replacement Contract Change Order – Carlos Medina
5. Kauffman Pit Reservoir Riprap Contract with Jake Kauffman & Son, Inc. – Ryan Van Pelt

REGULAR AGENDA

6. CBT Cash In Lieu Market Change – Nathan Alburn
7. Proposed Modifications to the Platte River Power Authority (PRPA) Organic Contract and Power Supply Agreement – Joe Bernosky

STAFF REPORTS

8. Quarterly Financial Report Update – Jim Lees
9. Update to Rates/Fees for Small Cell Wireless Pole Attachments – 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: Dan Herlihey, Gary Hausman (Chair), Gene Packer, Larry Roos, John Butler, Randy Williams, Sean Cronin, Stephanie Fancher-English

Commission Members Absent: Tom Vail

Council Liaison: Steve Olson

City Staff Members Present: Brieana Reed-Harmel, Christine Schraeder, Courtney Whittet, Derek Turner, Jim Lees, Joe Bernosky, John Beckstrom, Leslie Moening, Larry Howard, Nathan Alburn, Ryan Greene, Ryan Van Pelt, Tanner Randall, Tom Greene, Tracey Hewson

Guest Attendance: Jane Clevenger, Pat O'Brien, Kyle (will not give last name), Kieran Murphy, Pat O'Brien, Dick Mallot, Nancy Garcia, Don Hendrix

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

APPROVAL OF MINUTES: Hausman asked for a motion to approve the minutes of the December 19, 2018 meeting.

Motion: Dan Herlihey made the motion to approve the minutes.

Second: John Butler seconded the motion. The minutes were approved unanimously.

CITIZENS REPORT

INFORMATION ITEMS

Item 1: Water Supply Update

Raw water supply update.

Information Item only. No action required.

CONSENT AGENDA

Item 2: Modulating Valve Vault Modifications Construction Contract Award

The purpose of this item is to award a construction contract to the lowest qualified bidder for the Modulated Valve Vault Modifications.

Recommendation: Adopt a motion to award the contract for the Modulated Valve Vault Modifications to RN Civil Construction in an amount not to exceed \$677,400.00, which includes Base Bid + Add Alternates and authorize the City Manager to execute the contract on behalf of the City.

Item 3 Pulled from Consent Agenda by John Butler and moved to Regular Agenda.

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

Second: John Butler seconded the motion.

REGULAR AGENDA

Item 3: Applications for Section 131 Contract(s) for 12 C-BT Units – Ryan Van Pelt

The City acquired 12 units of C-BT last year from a transfer from Sylvan Dale Ranch, LLP. These units are currently under two separate Temporary Use Permits and they should be converted to a Permanent Section 131 Contract(s) at the Northern Colorado Water Conservancy District (Northern Water) Board meeting on March 14, 2019.

Recommendation: Approve a motion recommending that City Council adopt a resolution authorizing the Director of the Department of Water and Power to sign the application for the Section 131 Contract(s) relative to 12 acre ft of C-BT water and execute any documents required to effectuate such contract.

Motion: Dan Herlihey made the motion to approve the item.

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

Item 4: Acceptance of three shares of South Side Ditch Company into the Water Bank – Nathan Alburn

The O'Hara Settlement Agreement (Agreement) (discussed during the October 17, 2018 LUC) has been fully executed as of January 4, 2019. Item three within the Agreement indicates that South Side Ditch Company (South Side) will submit an application to LUC to transfer to City's Water Bank three shares:

Two (2) South Side shares associated with South Side Stock Certificate No. 2846;

One (1) South Side share that was previously associated with South Side Stock Certificate No. 2706;

Recommendation:

Adopt a motion recommending that City Council approve the proposed changes to Title 13.04.205 and Title 13.08.101 of the Loveland Municipal Code.

Chairman Gary Hausman is a shareholder in the South Side Ditch Company and recused himself from voting.

Motion: John Butler made the motion to approve the item.

Second: Sean Cronin seconded the motion. The item was approved 7-0 with 1 abstention.

Item 5: Fiber Management Intergovernmental Agreement with Platte River and Acceptance of Transfer of Fiber Assets – Brieana Reed-Harmel

The Platte River Power Authority (Platte River) Board adopted resolutions on September 27, 2018 authorizing the transfer of title to Loveland of the local fiber optic loop constructed in Loveland for the purposes of electric operations. A condition precedent to the transfer of the assets is the execution of an intergovernmental agreement (IGA) between Platte River and the City addressing fiber management. This IGA was presented on January 9, 2019 to the Loveland Communications Advisory Board (LCAB) with a unanimous recommendation and then will be presented to City Council for consideration at the February 19, 2019 meeting.

Recommendation: Adopt a motion recommending that City Council approve a resolution authorizing the City Manager to execute an Intergovernmental Agreement for Fiber Management between Loveland and Platte River Power Authority and approving the City Manager's acceptance of Platte River Power Authority's transfer to the City of Loveland the one hundred and thirty-two strands of excess fiber and associated assets located within the Loveland local fiber optic loop.

Motion: Dan Herlihey made the motion to approve the item.

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

Item 6: Proposed Modifications to the Platte River Power Authority (PRPA) Organic Contract and Power Supply Agreement – Joe Bernosky

The Platte River Power Authority (Platte River) Board adopted resolutions on September 27, 2018 authorizing the transfer of title to Loveland of the local fiber optic loop constructed in Loveland for the purposes of electric operations. A condition precedent to the transfer of the assets is the execution of an intergovernmental agreement (IGA) between Platte River and the City addressing fiber management. This IGA was presented on January 9, 2019 to the Loveland Communications Advisory Board (LCAB) with a unanimous recommendation and then will be presented to City Council for consideration at the February 19, 2019 meeting.

No Recommendation at this Time: A discussion to get a sense of the Commission on the proposed changes to the Organic Contract. This item will be presented again for a motion at the February 20, 2019 meeting.

John Butler: Does this put us more in line with the non-caveats in regards to zero carbon? Two of the terms help us move towards Zero Carbon, moving towards the organized market and making solar more attractive

Larry Roos:

Randy Williams: Agreed with John Butler

Sean Cronin: Seems like a good thing, mostly looking to the future and ensuring that we are structurally aligned with the contracts. Maybe not if the PRPA Board or the other communities have concerns or thoughts on the language, have we gotten to this point with compromise or is it generally a consensus?

COMMISSION/COUNCIL REPORTS

Item 7: 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.

Dan Herlihey:

Gene Packer:

Gary Hausman: Regarding the Fort Collins Water Board Work Plan: Would we like to do a plan or do we want to integrate our goals with 2018 goals, the Mayor's proposed goals and/or staff goals.

John Butler: Regarding Goals/Work Plan: What we are talking about is long term guiding principles regarding population and where we need to be.

Larry Roos:

Randy Williams:

Sean Cronin: Regarding Goals/Work Plan: Not necessarily goals, but guidance when we are voting on items of where do we want to go, what is the time horizon

Stephanie Fancher-English: Regarding Goals/Work Plan: The goals could speak to our long-term strategic plan, but the goals seem to be more 1-2 years where a strategic plan is long term. Any strategic plan will need to survive City Council changes.

Tom Vail:

Council Report: Strategic Planning Structure and how the Boards and Commissions will be incorporated will be discussed at the City Council Retreat on Saturday, January 26th at the Rialto, it would be a good meeting for members to attend.

DIRECTOR'S REPORT

Item 8: Director's Report – Joe Bernosky

ADJOURN The meeting was adjourned at 5:51 pm. The next LUC Meeting will be February 20, 2019 at 4:00 pm.

Respectfully submitted,

Courtney Whittet

Recording Secretary

Loveland Utilities Commission

/s/ Gary Hausman, LUC Chairman

**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 a 2019 Legislative Preview provided by CAMU and Attachment B for the Legislative Tracking Sheet of current state bills.

RECOMMENDATION:

Information item only. No action required.

ATTACHMENTS:

-  Attachment A: 2019 CAMU Legislative Preview
-  Attachment B: Legislative Tracking Sheet



2019 LEGISLATIVE PREVIEW

Issues Framing the Session

NEW GOVERNOR, NEW PRIORITIES

Governor Jared Polis ran on a very progressive campaign platform that highlighted, among other things, a call to take Colorado to a 100% renewable energy standard. As his campaign progressed from the primary to the general election, his position shifted from calling for a strong mandate to calling for more flexible "goals." How this vision takes shape will be of paramount importance to CAMU and its members. Equally important will be the individuals tasked with the running the various departments of the administration. One early appointment of interest to CAMU is the that of former Boulder Mayor Will Toor to lead the Colorado Energy Office. Toor is currently a senior staff member at the Southwest Energy Efficiency Project. Toor has served on the Colorado Air Quality Control Commission and the Governor's Climate Action Panel.



SINGLE PARTY CONTROL

Democrats will enjoy sizable majorities in both the House and Senate in 2019. With the election of Democrat Jared Polis as Governor, it will be difficult for opponents to stop any legislation that the majority desires to enact. However, Democratic leaders in both the House and Senate are counseling caution against partisan overreach, and are calling for bipartisan effort on legislation. That being said, there's an old saying that while the minority may have its say, the majority will have its way!.

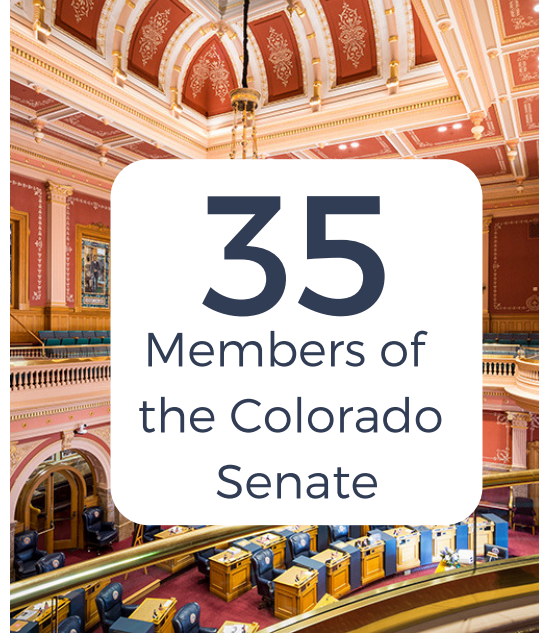


CLIMATE ACTION

With mounting frustration over the lack of action on climate change coming from Washington, DC, Colorado's environmental community is looking to the State to step in and take on a stronger role in addressing greenhouse gas emissions. Proposals for addressing greenhouse gasses have ranged from a firm carbon emissions limit, to a Colorado only cap-and-trade program, and even to a Colorado carbon tax. While the breadth of such proposals would make any one of them very difficult to pass in the legislature, smaller steps like new energy efficiency requirements and increased support for distributed generation could very well be passed and signed into law. As we engage the Legislature in 2019, CAMU will be working hard to ensure that any state-wide proposal aimed at reducing greenhouse gas emissions does not negatively impact our ability to address climate change at the local level.



100
Members of
the Colorado Legislature



35
Members of
the Colorado
Senate

16
Senate
Republicans

8
Republicans
Represent
CAMU in the
Senate

19
Senate
Democrats

5
Democrats
Represent
CAMU in the
Senate



65
Members of the
Colorado
House

41
House
Democrats

11
Democrats
Represent
CAMU in the
House

24
House
Republicans

12
Republicans
Represent
CAMU in the
House



1
Governor
(D)

2019 CAMU Legislators

SENATE

MEMBER	DISTRICT	CAMU COMMUNITIES
Jerry Sonnenberg (R)	01	Burlington, Fleming, Fort Morgan, Haxtun, Holyoke, Julesburg, Wray, Yuma
Dennis Hisey (R)	02	Colorado Springs, Fountain
Kerry Donovan (D)	05	Aspen, Delta, Gunnison
Bob Rankin (R)	08	Glenwood Springs, Oak Creek
Paul Lundeen (R)	09	Colorado Springs
Owen Hill (R)	10	Colorado Springs
Pete Lee (D)	11	Colorado Springs
Bob Gardner (R)	12	Colorado Springs
Joan Ginal (D)	14	Fort Collins
Rob Woodward (R)	15	Estes Park, Loveland
Mike Foote (D)	17	Longmont
Stephen Fenberg (D)	18	Lyons
Larry Crowder (R)	35	Center, Granada, Holly, La Junta, Lamar, Las Animas, Springfield, Trinidad



2019 CAMU Legislators

HOUSE

MEMBER	DISTRICT	CAMU COMMUNITIES
Jonathan Singer (D)	11	Lyons, Longmont
Sonya Lewis (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
Marc Snyder (D)	18	Colorado Springs
Tim Geitner (R)	19	Colorado Springs
Terri Carver (R)	20	Colorado Springs
Lois Landgraf (R)	21	Colorado Springs, Fountain
Dylan Roberts (D)	26	Oak Creek
Brianna Buentello (D)	47	La Junta
Perry Buck (R)	49	Estes Park
Hugh McKean (R)	51	Loveland
Cathy Kipp (D)	52	Fort Collins
Jeni Arndt (D)	53	Fort Collins
Matt Soper (R)	54	Delta
Vacant (R)	57	Glenwood Springs
Barbara McLachlan (D)	59	Gunnison

2019 CAMU Legislators

HOUSE

MEMBER	DISTRICT	CAMU COMMUNITIES
Julie McCluskie (D)	61	Aspen, Gunnison
Donald Valdez (D)	62	Center
Kimmi Lewis (R)	64	Granada, Holly, Lamar, Las Animas, Springfield, Trinidad
Rod Pelton (R)	65	Burlington, Fleming, Fort Morgan, Haxtun, Holyoke, Julesburg, Wray, Yuma

WWW.COLORADOPUBLICPOWER.ORG

CAMU@COLORADOPUBLICPOWER.ORG



Attachment B

Colorado Association of Municipal Utilities 2019 State Legislative Tracking Sheet

HB19-1003	Community Solar Gardens Modernization Act
Comment:	Municipal utilities are currently exempted from this section of statute. CAMU will monitor to protect exemption language.
Position:	Monitor
Short Title:	Community Solar Gardens Modernization Act
Sponsors:	C. Hansen
Summary:	Increasing the maximum size of a CSG from 2 megawatts to 10 megawatts.
Status:	1/4/2019 Introduced In House - Assigned to Energy & Environment 1/17/2019 House Committee on Energy & Environment Refer Amended to Appropriations
Amendments:	Amendments
Bill Version:	Pre-Amended
HB19-1037	Colorado Energy Impact Assistance Act
Comment:	
Position:	Monitor
Short Title:	Colorado Energy Impact Assistance Act
Sponsors:	C. Hansen
Summary:	The bill authorizes any electric utility (utility) to apply to the public utilities commission (PUC) for a financing order that will authorize the utility to issue low-cost Colorado energy impact assistance bonds (bonds) to lower the cost to electric utility customers (ratepayers) when the retirement of a power plant occurs.
Status:	1/4/2019 Introduced In House - Assigned to Energy & Environment 2/11/2019 House Committee on Energy & Environment Refer Amended to House Committee of the Whole
Amendments:	
Bill Version:	Introduced
HB19-1087	Local Public Meeting Notices Posted On Website

Comment: **CML to Monitor. Working on an amendment to make the language permissive.**

Position: **Monitor**

Short Title: Local Public Meeting Notices Posted On Website

Sponsors: M. Soper | C. Hansen / R. Woodward

Summary: Requires a local government to post notices of public meetings required by the state open meetings law on the local government's website.

Status: 1/14/2019 Introduced In House - Assigned to Transportation & Local Government

Amendments:

Bill Version: Introduced

HB19-1096 **Colorado Right To Rest**

Comment: **The definition of "public space" includes municipal utility facilities. Working with CML to oppose or amend the bill to refine this overly-broad definition.**

Position: **Monitor**

Short Title: Colorado Right To Rest

Sponsors: J. Melton

Summary: Establishes basic rights for people experiencing homelessness, including but not limited to the right to rest in public spaces, to shelter themselves from the elements, to occupy a legally parked vehicle, and to have a reasonable expectation of privacy of their property

Status: 1/14/2019 Introduced In House - Assigned to Transportation & Local Government

Amendments:

Bill Version: Introduced

HB19-1159 **Modify Innovative Motor Vehicle Income Tax Credits**

Comment:

Position: **Monitor**

Short Title: Modify Innovative Motor Vehicle Income Tax Credits

Sponsors: S. Jaquez Lewis | M. Gray / J. Danielson

Summary:

Modifies the amounts of and extends the number of available years of the existing income tax credits for the purchase or lease of an electric motor vehicle, a plug-in hybrid electric motor vehicle, and an original equipment manufacturer electric truck and plug-in hybrid electric truck.

Status: 1/29/2019 Introduced In House - Assigned to Energy & Environment + Finance

Amendments:

Bill Version: Introduced

SB19-062 **Limit Agency Rule-making Authority To Amend Rules**

Comment:

Position: **Monitor**

Short Title: Limit Agency Rule-making Authority To Amend Rules

Sponsors: J. Sonnenberg

Summary: Requires an executive agency to obtain additional statutory rule-making authority to amend or reinterpret an existing rule.

Status: 1/10/2019 Introduced In Senate - Assigned to State, Veterans, & Military Affairs
1/28/2019 Senate Committee on State, Veterans, & Military Affairs Postpone Indefinitely

Amendments:

Bill Version: Introduced

SB19-077 **Electric Motor Vehicles Public Utility Services**

Comment: **The legislation does not apply to municipal utilities**

Position: **Monitor**

Short Title: Electric Motor Vehicles Public Utility Services

Sponsors: K. Priola | A. Williams / C. Hansen

Summary: Authorizes investor-owned public utilities to provide EV charging services as regulated or unregulated services and allows cost recovery.

Status: 1/11/2019 Introduced In Senate - Assigned to Business, Labor, & Technology

Amendments:

Bill Version: Introduced

SB19-083	Colorado Department Of Public Health And Environment Air Quality Control
Comment:	This is one of several bills removing obsolete provisions from CDPHE statutes.
Position:	Monitor
Short Title:	Colorado Department Of Public Health And Environment Air Quality Control
Sponsors:	R. Zenzinger / H. McKean
Summary:	Eliminates the requirement that the state board of health supervise certain air quality control programs
Status:	1/14/2019 Introduced In Senate - Assigned to Health & Human Services 1/23/2019 Senate Committee on Health & Human Services Refer Unamended - Consent Calendar to Senate Committee of the Whole 1/28/2019 Senate Second Reading Passed - No Amendments 1/29/2019 Senate Third Reading Passed - No Amendments 1/31/2019 Introduced In House - Assigned to Energy & Environment
Amendments:	
Bill Version:	Reengrossed

SB19-096	Collect Long-term Climate Change Data
Comment:	Members are concerned with grant of open-ended rule making authority to the CDPHE.
Position:	Amend
Short Title:	Collect Long-term Climate Change Data
Sponsors:	K. Donovan / C. Hansen
Summary:	Requires the air quality control commission in the department of public health and environment to collect greenhouse gas emissions data from greenhouse gas-emitting entities, report on the data, including a forecast of future emissions, and propose a draft rule to address the emissions by July 1, 2020.
Status:	1/23/2019 Introduced In Senate - Assigned to Transportation & Energy
Amendments:	
Bill Version:	Introduced

SB19-107

Broadband Infrastructure Installation

Comment:	Members are concerned with language that asserts PUC oversight over a municipal utility.
Position:	Amend
Short Title:	Broadband Infrastructure Installation
Sponsors:	K. Donovan
Summary:	Authorizes an electric utility or other electricity supplier to install and maintain above-ground broadband internet service infrastructure for internal use, for external use in providing broadband internet service, or for lease of any excess capacity to a broadband internet service provider.
Status:	1/29/2019 Introduced In Senate - Assigned to Business, Labor, & Technology + Local Government
Amendments:	
Bill Version:	Introduced

**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 72nd Colorado General Assembly convened on **January 4, 2019** and runs through May 3, 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 introduction of a bill it is covered at the next committee meeting to provide members an opportunity 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, it then advocates on behalf of its members before policy makers. Of the state bills that CWC takes a position, their success rate in either killing bills that are opposed or passing bills that are supported is eight-five percent.

While the state legislature is in session, each month in the LUC packet a Bill Summary Sheet (See Attachment A) gives a summary of each bill being tracked by CWC and a Bill Status Sheet (See attachment B) that shows how far along each bill has progressed. Once a bill is killed in a committee or lost in a floor vote, it is removed from this list. Bills of interest to water providers in Colorado are listed below:

HOUSE BILL 19-1015 Recreation Of The Colorado Water Institute: Concerns the recreation of the Colorado Water Institute, which is currently operated through Colorado State University. In the Colorado Revised Statutes, the bill will recreate and reenact, with amendments, part 8 of article 31 of title 23, Sections 801, 802, and 803. The Colorado Water Institute provides beneficial research and publications related to irrigation and municipal water providers (<http://www.cwi.colostate.edu/>).

HOUSE BILL 19-1082 Water Rights Easements: Concerns the rights of water rights easement holders. The bill clarifies that water rights easement holders may maintain, repair, and improve their easement. The extent of the right-of-way is to be defined as:

Such right-of-way shall extend only to a ditch, dike, cutting, pipeline, or other structure sufficient for the purpose required. Unless expressly inconsistent with the terms upon which the right-of-way was created, a ditch right-of-way includes the right to construct, operate, clean, maintain, repair, and replace the ditch, to improve the efficiency of the ditch, including by lining or piping the ditch, and to enter onto the burdened property for such purposes, with access to the ditch banks, as the exigencies then existing may require, for all reasonable and necessary purposes related to the ditch.

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: Colorado Water Bill Summary
-  Attachment B: CWC, State Affairs Committee, Water Bill Status Sheet (2-8-2019)
-  Attachment C: CWC, 2018 Federal Priorities

Attachment A

2019 Colorado Water Bill Summary

HOUSE BILL 19-1006 Wildfire Mitigation Wildland-urban Interface Areas: Concerning measures to mitigate the effects of wildfires within wildland-urban interface areas, and, in connection therewith, creating a state grant program to promote forest management fuels reduction projects in such areas.

CWC Position: Deliberating

Bill Summary: Wildlife Matters Review Committee. The bill creates a state grant program to be administered by the Colorado state forest service (forest service) to fund proactive forest management fuels reduction projects to reduce the impacts to life, property, and critical infrastructure caused by wildfires. To be eligible for a grant award, a grant recipient must be any one of a group of individual landowners as specified in the bill whose real property that is the subject of a grant application is located within a land area that is covered by a community wildfire protection plan. The bill specifies requirements pertaining to the evaluation of grant proposals. The forest service is to select the proposals that will receive funding, administer the grant program, and develop procedures by which applicants are to apply for grants. The bill imposes a monetary limit on the amount of a grant to be awarded and also requires a grant applicant to demonstrate an available amount of matching funds to be awarded a grant. The bill creates the forest management fuels reduction projects grant program cash fund in the state treasury. The bill requires the forest service to report annually to the general assembly on the number, location, and benefits of all projects for which a grant award is made.

HOUSE BILL 19-1015 Recreation of The Colorado Water Institute: Concerning the recreation of the Colorado Water Institute.

CWC Position: Support

Bill Summary: In the Colorado Revised Statutes, the bill will recreate and reenact, with amendments, part 8 of article 31 of title 23, Sections 801, 802, and 803.

HOUSE BILL 19-1026-Parks and Wildlife Violations of Law: Concerning fines assessed for violations of laws administered by the Division of Parks and Wildlife.

CWC Position: Conditionally Support

Bill Summary: With regard to fines imposed for violations of laws enforced by the division of parks and wildlife in the department of natural resources (division), the bill changes the amount of certain fines and modifies the disposition of money collected from fines.

Section 1 of the bill adds a nonstatutory short title.

Section 2 makes legislative findings.

HOUSE BILL 19-1029 Republican River Water Conservation District: Concerning the Republican River Water Conservation District, and, in connection therewith, expanding the boundaries of the district and adjusting the meeting schedule of the district's board of directors.

CWC Position: Support

Bill Summary: Water Resource Review Committee. The boundaries of the Republican river water conservation district are currently established by statute as certain counties and portions of counties that are within the Republican river basin. The bill expands the boundaries by including the district areas where groundwater pumping depletes the flow of the Republican river as contemplated by applicable United States supreme court case law. The composition of the district's board of directors is adjusted accordingly.

Current law requires the Republican river water conservation district board of directors to conduct regular quarterly meetings in January, April, July, and October. The bill changes these months to February, May, August, and November.

HOUSE BILL 19-1050 Encourage Use of Xeriscape In Common Areas: Concerning the promotion of water-efficient landscaping on property subject to management by local supervisory entities.

CWC Position: Conditionally Support

Bill Summary: Senate Local Government Committee.

Section 1 of the bill augments an existing law that establishes the right of unit owners in common interest communities to use water-efficient landscaping, subject to reasonable aesthetic standards, by specifically extending the same policy to common areas under the control of the community's governing board.

Sections 2 and 3 extend existing water conservation requirements, currently applicable only to certain public entities that supply water at retail and their customers, to property management districts and other special districts that manage areas of parkland and open space.

HOUSE BILL 19-1082 Water Rights Easements: Concerning the rights of a water rights easement holder.

CWC Position: Support

Bill Summary: Senate Agricultural & Natural Resources Committee. The bill clarifies that water rights easement holders may maintain, repair, and improve their easement.

SECTION 1. In Colorado Revised Statutes, **amend** 37-86-103 as follows:

37-86-103. Extent of right-of-way. Such right-of-way shall extend only to a ditch, dike, cutting, pipeline, or other structure sufficient for the purpose required. Unless expressly inconsistent with the terms upon which the right-of-way was created, a ditch right-of-way includes the right to construct, operate, clean, maintain, repair, and replace the ditch, to improve the efficiency of the ditch, including by lining or piping the ditch, and to enter onto the burdened property for such purposes, with access to the ditch banks, as the exigencies then existing may require, for all reasonable and necessary purposes related to the ditch.

SECTION 2. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

HOUSE BILL 19-1096 Colorado Right to Rest: Concerning the creation of the "Colorado Right to Rest Act".

CWC Position: Deliberating

Bill Summary: Transportation & Local Government. The bill creates the "Colorado Right to Rest Act", which establishes basic rights for people experiencing homelessness, including but not limited to the right to rest in public spaces, to shelter themselves from the elements, to eat or accept food in any public space where food is not prohibited, to occupy a legally parked vehicle, and to have a reasonable expectation of privacy of their property.

The bill prohibits discrimination based on housing status.

The bill creates an exemption of the basic right to rest for people experiencing homelessness for any county, city, municipality, or subdivision that can demonstrate that, for 3 consecutive months, the waiting lists for all local public housing authorities contain fewer than 50 people.

The bill allows the general assembly to appropriate money from the marijuana tax cash fund to the department of local affairs for the purpose of enabling governmental entities that do not meet the exemption requirement to reduce the housing waiting lists to fewer than 50 people for at least 6 months per year.

The bill allows any person whose rights have been violated to seek enforcement in a civil action.

HOUSE BILL 19-1113 Protect Water Quality Adverse Mining Impacts: Concerning the protection of water quality from adverse impacts caused by mineral mining.

CWC Position: Support

Bill Summary: Current law does not address reliance on perpetual water treatment as the means to minimize impacts to water quality in a reclamation plan for a mining operation. **Section 1** of the bill requires most reclamation plans to demonstrate, by substantial evidence, an end date for any water quality treatment necessary to ensure compliance with applicable water quality standards.

Current law allows a mining permittee to submit an audited financial statement as proof that the operator has sufficient funds to meet its reclamation liabilities in lieu of a bond or other financial assurance. **Section 2** eliminates this self-bonding option and also requires that all reclamation bonds include financial assurances in an amount sufficient to protect water quality, including costs for any necessary treatment and monitoring costs.

HOUSE JOINT RESOLUTION 19-1005 Water Projects Eligibility Lists

CWC Position: Support

Bill Summary: No summary, the main contents of the joint resolution are listed below.

WHEREAS, Pursuant to section 37-95-107.8, Colorado Revised Statutes, the Drinking Water Revolving Fund (DWRF) has been created in the Colorado Water Resources and Power Development Authority (Authority) to provide financial assistance for certain drinking water supply projects; and

WHEREAS, Pursuant to sections 37-95-103 (4.8) and 37-95-107.8 (4)(c), Colorado Revised Statutes, in order to qualify for financial assistance from the DWRF, proposed projects must be included on the Drinking Water Project Eligibility List; and

WHEREAS, Pursuant to section 37-95-107.8 (4)(b), Colorado Revised Statutes, the Water Quality Control Commission (Commission) has developed additions, modifications, or deletions to the Drinking Water Project Eligibility List; and

WHEREAS, Pursuant to section 37-95-107.6, Colorado Revised Statutes, the Water Pollution Control Revolving Fund (WPCRF) has been created in the Authority to provide financial assistance for certain wastewater treatment system projects; and

WHEREAS, Pursuant to sections 37-95-103 (13.5) and 37-95-107.6 (4)(c), Colorado Revised Statutes, in order to qualify for assistance from the WPCRF, proposed projects must be included on the Water Pollution Control Project Eligibility List; and

WHEREAS, Pursuant to section 37-95-107.6 (4)(b), Colorado Revised Statutes, the Commission has developed additions, modifications, or deletions to the Water Pollution Control Project Eligibility List; and

WHEREAS, The provision of financial assistance from the DWRF and the WPCRF to the proposed projects will preserve, protect, conserve, and develop the water resources of the state; promote the beneficial use of the waters of the state and the protection and preservation of the public health, safety, and welfare; create and preserve jobs and employment opportunities; and improve the economic welfare of the people of the state; and

WHEREAS, The General Assembly deems the additions and modifications to the Drinking Water Project Eligibility List and the Water Pollution Control Project Eligibility List adopted by the Commission to be in the interest and to the advantage of the people of the state; now, therefore,

Be It Resolved by the House of Representatives of the Seventy-Second General Assembly of the State of Colorado, the Senate concurring herein:

The rest of the House Joint Resolution lists out the additions, modifications, and deletions to 1) the Drinking Water Project Eligibility List, and 2) the Water Pollution Control Project Eligibility List.

SENATE BILL 19-016 Severance Tax Operational Fund Distribution Methodology: Concerning the methodology to distribute money in the severance tax operational fund after core departmental programs are funded without changing the transfers to the Natural Resources and Energy Grant Programs.

CWC Position: Support

Bill Summary: Water Resources Review Committee. Money in the severance tax operational fund (operational fund) is primarily used for 2 purposes.

The general assembly annually appropriates money from the operational fund for several core departmental programs, which were previously described as "tier-one programs". If money remains after these appropriations and after a reserve requirement for the core departmental programs is satisfied, then the state treasurer transfers money to an array of funds that support natural resources and energy grant programs, which were previously described as "tier-two programs".

There is also a requirement that the reserve include an amount equal to 15% of the maximum transfers to natural resources and energy grant programs required by law, and this reserve is used for the transfers, if necessary.

The bill changes the distribution of the money in the operational fund as follows:

- ! Separates the reserve into the core reserve and the grant program reserve, while maintaining the overall purpose of each reserve;

- ! Increases the maximum grant program reserve to 100% of the maximum transfers to the natural resources and energy grant programs required by law, which currently is equal to \$36,378,072;

- ! Requires the state treasurer to make the transfers to the natural resources and energy grant programs on August 15 after a fiscal year and to base the transfers on actual revenue as opposed to estimated revenue. Money from the grant program reserve may be used for these transfers; and

- ! If all of the appropriations and transfers have been made and both reserves are full, then the state treasurer is required to transfer any money remaining in the operational fund to the severance tax perpetual base fund.

SENATE BILL 19-037 Wildfire Mitigation: Concerning measures to mitigate wildfires, and, in connection therewith, permitting county personnel to enter land owned by the federal or state government to remove wildfire fuel sources and appropriating money for the use of the Forest Restoration and Wildfire Risk Mitigation Grant Program.

CWC Position: Monitor

Bill Summary: In connection with any land area that is owned by the federal or state government that is located either within the territorial boundaries of a county or outside of but within 5 miles of the territorial boundaries of a county, where a supply of wildfire fuel materials exists on the land that is sufficiently concentrated posing a substantial threat of causing or aggravating a wildfire in such area, or where the federal or state government has failed to create a defensible space on such land to reduce the potential for damage from a wildfire, **section 1** of the bill permits the board of county commissioners of any county to use persons employed by the county or to contract with for-profit or not-for-profit organizations or entities to supply persons able to enter the federal or state land for the sole purpose of removing such fuel materials or creating such defensible space.

Under the bill, a person employed by or contracting with the county is not liable for any damages caused by any conduct he or she undertakes in accordance with this authority unless the person's conduct was due to willful misconduct, gross negligence, or bad faith.

Section 2 appropriates \$10 million for the 2019-20 state fiscal year, from the general fund to the department of higher education for allocation to the Colorado state university system to be used for the forest restoration and wildfire mitigation grant program.

SENATE BILL 19-040 Establish Colorado Fire Commission: Concerning the establishment of the Colorado Fire Commission.

CWC Position: N/A

Bill Summary: The bill establishes the Colorado fire commission (commission) in the division of fire prevention and control in the department of public safety. The commission's purpose is to enhance public safety in Colorado through an integrated statewide process focused on the fire service's capacity to conduct fire management and use, preparedness, prevention, and response activities to safeguard lives, property, and natural resources, and increase the resiliency of local and regional communities. The commission may establish task forces to study and make recommendations on specific subjects within the commission's areas of study. The commission is repealed effective September 1, 2024, and is subject to a sunset review prior to its repeal.

SENATE BILL 19-096 Collect Long-term Climate Change Data: Concerning the collection of greenhouse gas emissions data to facilitate the implementation of measures that would most cost-effectively allow the state to meet its greenhouse gas emissions reduction goals.

CWC Position: Deliberating

Bill Summary: The bill requires the air quality control commission in the department of public health and environment to collect greenhouse gas emissions data from greenhouse gas-emitting entities, report on the data, including a forecast of future emissions, and propose a draft rule to address the emissions by July 1, 2020.

SENATE JOINT MEMORIAL 19-001 Memorial for Arkansas Valley Conduit: Memorializing the United States Congress to fulfill the commitment of the federal government to provide funding for the Arkansas Valley Conduit Project.

CWC Position: Support

Bill Summary: Rural Affairs & Agriculture. No summary, the main contents of the joint memorial are listed below.

WHEREAS, The Arkansas Valley Conduit is a proposed 130-mile pipeline with spurs that would deliver filtered water ready for treatment from the Pueblo reservoir to as many as 40 communities and 50,000 people east of Pueblo; and

WHEREAS, The Arkansas Valley Conduit was authorized by the United States Congress as part of the Fryingpan-Arkansas Project in 1962 as a means to address water quality and availability issues in the Arkansas River basin east of Pueblo, but it was never built, largely because of the inability of participants to repay construction costs; and

WHEREAS, In 2009, Congress enacted Pub.L. 111-11, which added to the original Fryingpan-Arkansas Project legislation a cost-sharing plan by which the federal government supplies funding for the project, and the Southeastern Colorado Water Conservancy District agrees to repay 35 percent of the funding to the federal government over a period of 50 years; and

WHEREAS, Pub.L. 111-11 also allowed miscellaneous revenues, including excess-capacity contract payments, from the Fryingpan-Arkansas Project to be applied to the construction of, and repayment for, the Arkansas Valley Conduit beginning in 2022; and

WHEREAS, These payments will initially total about \$3 million annually, increasing in future years as contract payments rise; and

WHEREAS, In 2013, the Southeastern Colorado Water Conservancy District completed a regional water conservation plan in support of the Arkansas Valley Conduit project; and

WHEREAS, In 2013, the federal Bureau of Reclamation completed a final environmental impact statement for the project, which concluded that the Arkansas Valley Conduit would have an overall positive impact on area water supplies, water quality, and efficiency of water deliveries; and

WHEREAS, In 2014, the federal Bureau of Reclamation issued a record of decision for the Arkansas Valley Conduit, which established a route and scope of work for the project; and

WHEREAS, In 2017, the federal Bureau of Reclamation completed a feasibility design report for the Arkansas Valley Conduit; and

WHEREAS, In 2017, the Southeastern Colorado Water Conservancy District, the federal Bureau of Reclamation, and the Pueblo Board of Water Works began discussions about a plan to reduce the time needed to build the Arkansas Valley Conduit; and

WHEREAS, The plan is a phased approach that would use excess capacity in the Pueblo water system to deliver water to the Arkansas Valley Conduit; and

WHEREAS, Most of the prospective participants of the Arkansas Valley Conduit currently rely on groundwater and are in need of a reliable supply of fresh water; and

WHEREAS, The Arkansas Valley Conduit is intended to provide safe drinking water to more than 50,000 people whose water supply is currently contaminated by naturally occurring radionuclides beyond the standards established by the federal "Safe Drinking Water Act", Pub.L. 93-523; and

WHEREAS, Fifteen of the 40 water systems in the Arkansas Valley Conduit are already in violation of clean water standards due to the presence of radionuclides; and

WHEREAS, These federal standards are intended to protect the health and safety of the public, and therefore it is within the interest of the federal government to partner with Colorado and local water providers to construct the Arkansas Valley Conduit; and

WHEREAS, The Colorado department of public health and environment views the Arkansas Valley Conduit as the preferred method of dealing with contamination from radionuclides in groundwater; and

WHEREAS, The cities of the lower Arkansas valley in Colorado have awaited the construction of the Arkansas Valley Conduit for decades; and

WHEREAS, Without federal funding, it is beyond the means of southeastern Colorado, an economically disadvantaged portion of the state, to construct the Arkansas Valley Conduit; and

WHEREAS, The Colorado water conservation board has committed \$60.6 million toward the construction of the Arkansas Valley Conduit; and

WHEREAS, The Arkansas Valley Conduit is supported by Colorado's entire Congressional delegation and has always had the full support of governmental entities at all levels, and no opposition to the Arkansas Valley Conduit exists; now, therefore,

Be It Resolved by the Senate of the Seventy-second General Assembly of the State of Colorado, the House of Representatives concurring herein:

That Congress should act swiftly to fulfill its commitment to provide sufficient funding to provide for the construction of the Arkansas Valley Conduit.

Be It Further Resolved, That copies of this Joint Memorial be sent to Governor Jared Polis, to each member of Colorado's Congressional delegation, to the Colorado Water Conservation Board, to the Southeastern Colorado Water Conservancy District, to the Pueblo Board of Water Works, to the federal Bureau of Reclamation, and to the current Secretary of the Interior.

Attachment B

Colorado Water Congress 2019 Bill Status Sheet													
Bill No.	Short Title	CWC Position	First House				Second House				Conference Committee	First House Repass	Governor
			Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading	Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading	
HB19-1006	Wildfire Mitigation Wildland-urban Interface Areas	11-Feb	RA 1/4										
HB19-1015	Recreation of the Colorado Water Institute	14-Jan	RA 1/4	1/14 RA	17-Jan	18-Jan	23-Jan	23-Jan	31-Jan Ag		4-Feb	5-Feb	
HB19-1026	Parks and Wildlife Violations of Law	14-Jan	RA 1/4	1/17 RA @ 1:30pm	28-Jan F	Ap							
HB19-1029	Republican River Water Conservation District	14-Jan	RA 1/4	1/14 RA @ 1:30pm	17-Jan	18-Jan	23-Jan	23-Jan	7-Feb Ag				
HB19-1050	Encourage Use of Xeriscape in Common Areas	22-Jan	EE 1/4	1/17 EE		25-Jan	28-Jan	1-Feb LG					
HB19-1082	Water Rights Easements	28-Jan	RA 1/11	1/28 RA		30-Jan	31-Jan	5-Feb Ag					
HB19-1096	Colorado Right to Rest	11-Feb	TE 1/14	2/26 TE, LG									
HB19-1113	Protect Water Quality Adverse Mining Impacts	4-Feb	RA 1/15	2/4 RA		6-Feb							
SB19-016	Severance Tax Operational Fund Distribution Methodology	14-Jan	Ag 1/4	1/17 Ag @ 1:30pm		22-Jan	23-Jan	23-Jan EE, F	7-Feb EE				
SB19-037	Wildfire Mitigation	22-Jan	SVMA 1/4	1/28 SSVMA @ 1:30pm									
SB19-096	Collect Long-term Climate Change Data	11-Feb	TE 1/23										

Bill No.	Short Title	CWC Position	First House					Second House					Conference Committee	Governor
			Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading	Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading	First House Repass	
HJR19-1005	Water Projects Eligibility Lists	14-Jan	RA 1/10	1/17 RA		25-Jan	25-Jan	29-Jan, Ag	31-Jan Ag			4-Feb		
SJM19-001	Memorial for Arkansas Valley Conduit	14-Jan	Ag 1/4	1/17 Ag @ 1:30pm			22-Jan	23-Jan RA	11-Feb RA					
SJM19-002	Corps of Engineers to Dredge Lower Arkansas River	14-Jan	Ag 1/4	1/17 Ag @ 1:30pm			22-Jan	23-Jan RA	11-Feb RA					

Bill No.	Short Title	CWC Position	First House					Second House					Conference Committee	Governor
			Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading	Introduced	1st Committee	2nd Committee	2nd Reading	3rd Reading	First House Repass	

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

Attachment C



Colorado Water Congress

2019 Federal Priorities

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

Colorado River **Drought Contingency Planning**
Authorization and Implementation (\$)

Endangered Species Recovery Implementation Programs

Annual Appropriation
Legislative Change to Authorized Annual Spending
San Juan River Basin
Platte River Program Reauthorization (2019)

USDA Conservation Programs (**Farm Bill**)

Land & Water Conservation Fund
Authorization and Funding

Watershed, Forest, and Soil Health

Infrastructure Funding
Short-Term Infrastructure Package
Maintaining Existing Programmatic Funding (ex. State Revolving Loan)
Financing Mechanisms Other than Federal Appropriations

Tax Exemption for Water Conservation Rebates

Water Rights Protection Act

Water Transfer Rule Legislation

Good Samaritan Legislation

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

Regulatory Changes due to **Climate Variability**

ESA Reform Efforts, Legislative and Administrative

NEPA and **Permit Streamlining**

Waters of the United States Rule-making

Other Colorado Priorities

NRCS Funding for Manual **Snow Course** Measurement

Bolt's Ditch

Duplicate Pesticide Permitting

USFS and BLM Management Plans

**ITEM TITLE:**

Water Supply Update

DESCRIPTION:

Raw water supply update.

SUMMARY:

United States Drought Monitor Map of Colorado, as of February 5, 2019 (Attachment A):

- Most of the South Platte Basin appears to still be designated as **Abnormally Dry** (D0).
- The southwest corner of the State still appears to be in an **Extreme Drought** (D3), with a smaller portion in and around San Juan County that is designated as **Exceptional Drought** (D4).

NRCS Colorado SNOTEL Snow Water Equivalent (SWE) Map, as of February 11, 2019 (Attachment B):

- Indicates the South Platte Basin is at **110% of Median SWE** (1981-2010)
- Overall Statewide, we are currently at **108% 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 near the Continental Divide and is indicative of conditions in the upper Big Thompson basin.

Bear Lake NRCS SNOTEL Site (Attachment C):

- First Graph shows the SWE from October 2018 through February 11, 2019 (red) compared to 2002, 2015, 2016, 2017, and the 30-year Median (1981-2010)
- As of February 11, 2019, the SWE was 10.8 inches
- Second Graph shows the entire snow accumulation and melt-off period from October through mid-June
- Currently, the SWE accumulation is trending above the 30-year median SWE and slightly below the 2016 SWE.





Next Two Tables - NRCS SNOTEL as of February 11, 2019 (Attachment D)

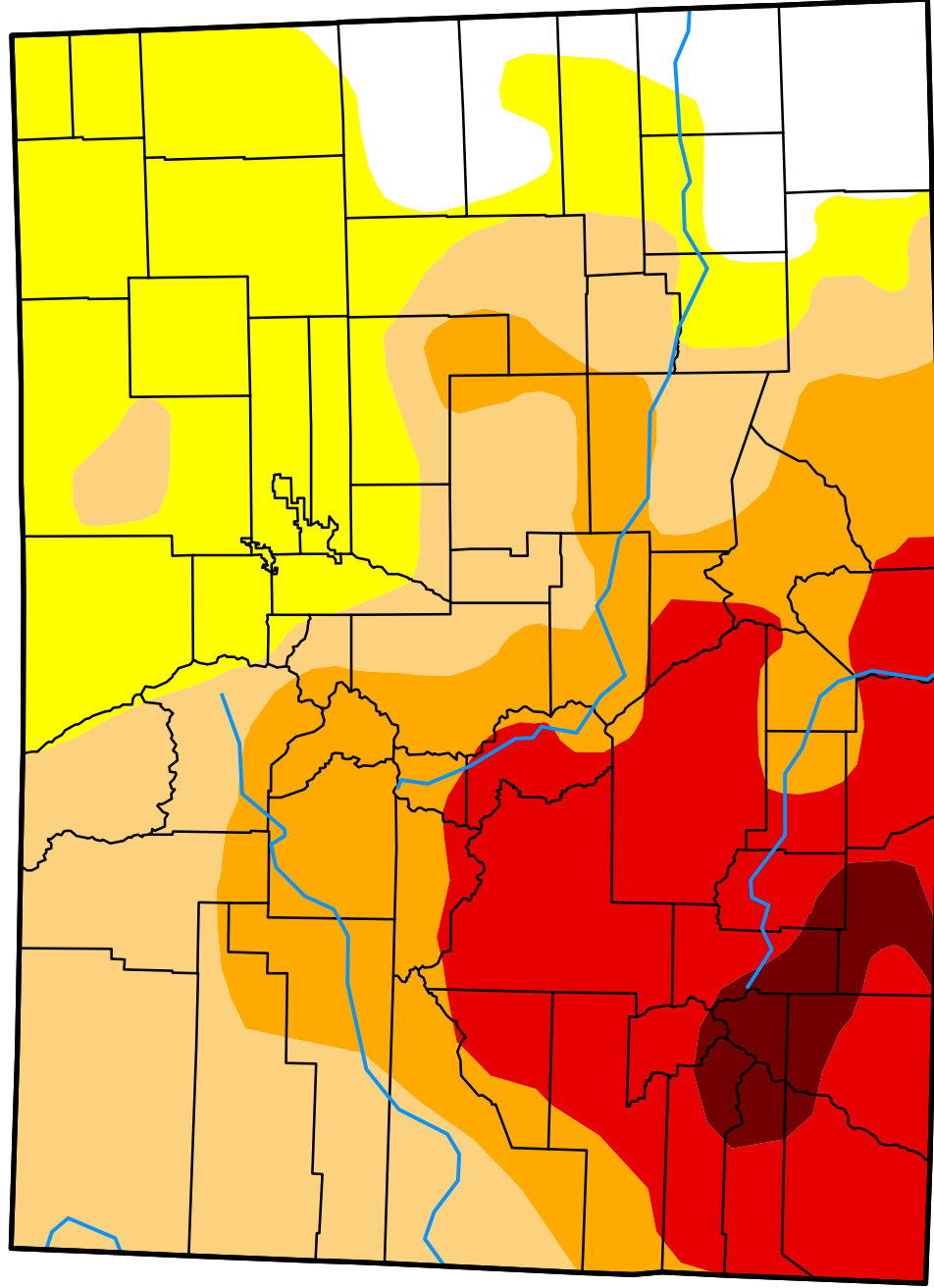
- Bear Lake SWE at 10.8 inches, or 110% of Median
- Lake Irene SWE at 15.3 inches, or 96% of Median

RECOMMENDATION:

Information item only. No action required.

ATTACHMENTS:

-  Attachment A – U.S. Drought Monitor Map of Colorado
-  Attachment B – Colorado SNOTEL SWE Update Map
-  Attachment C – Snow-Water Equivalent at Bear Lake
-  Attachment D – Colorado SNOTEL Update Table



Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

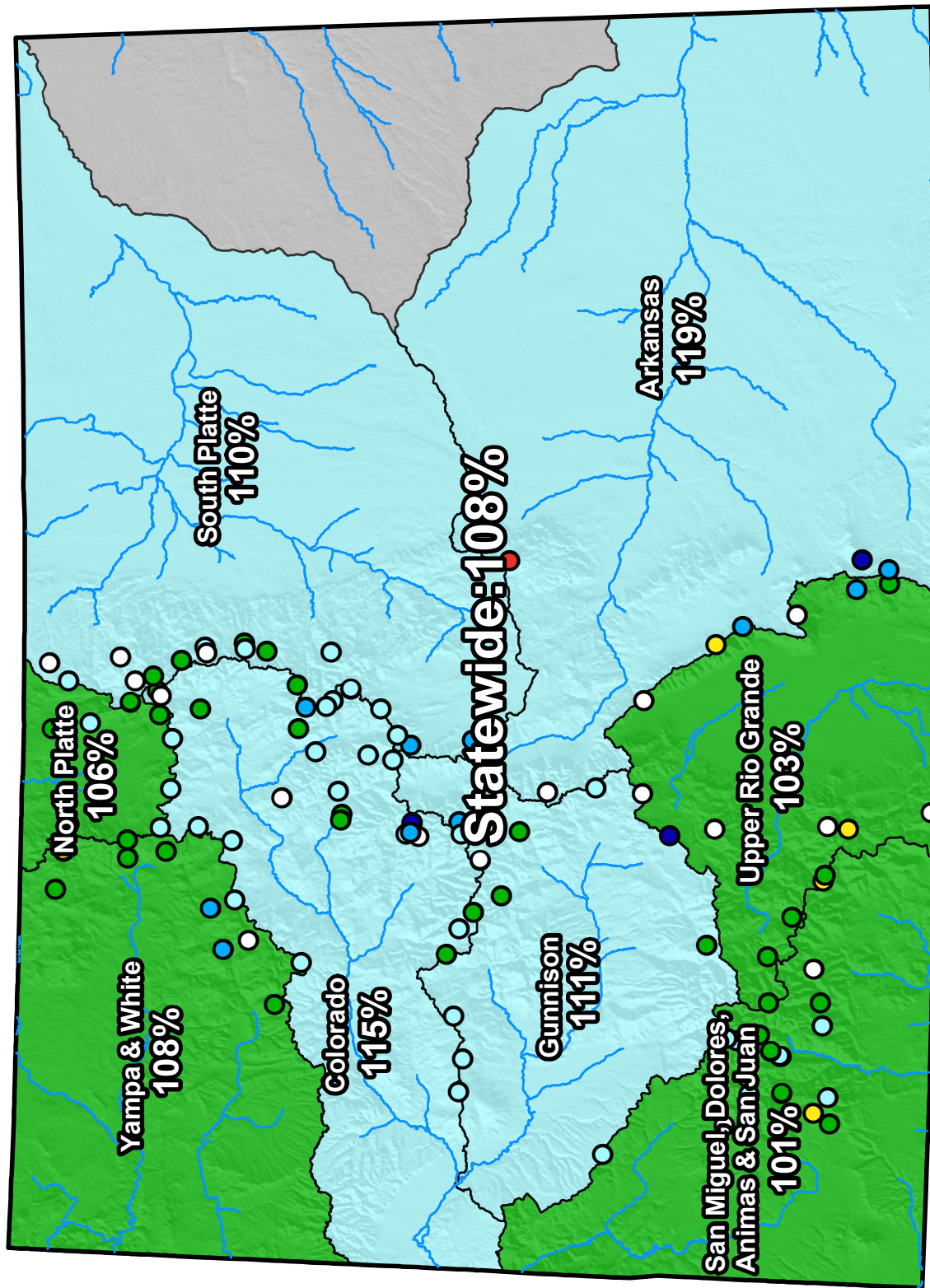
Author:

Richard Tinker
CPC/NOAA/NWS/NCEP



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

Current as of Feb 11, 2019

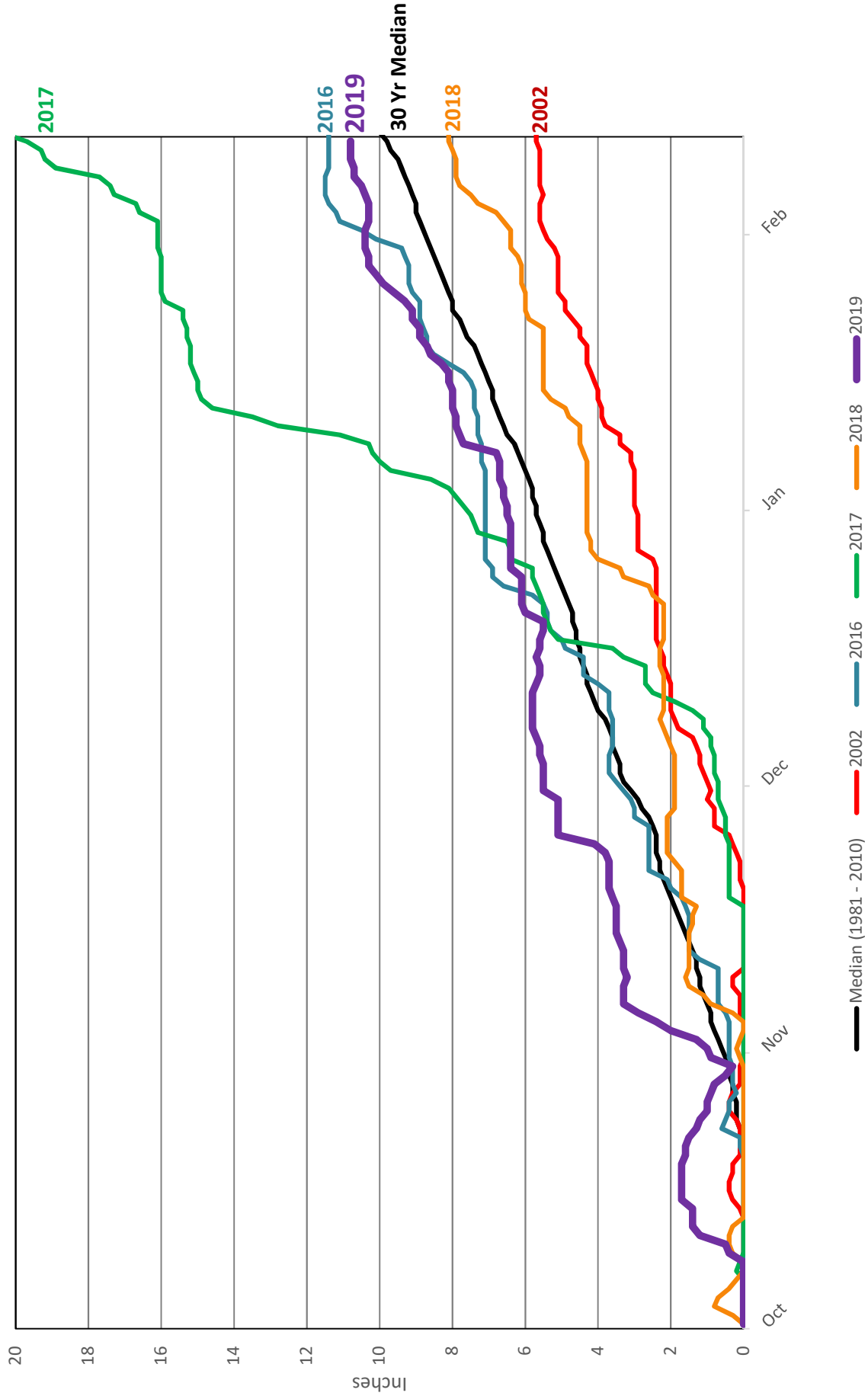


United States Department of Agriculture

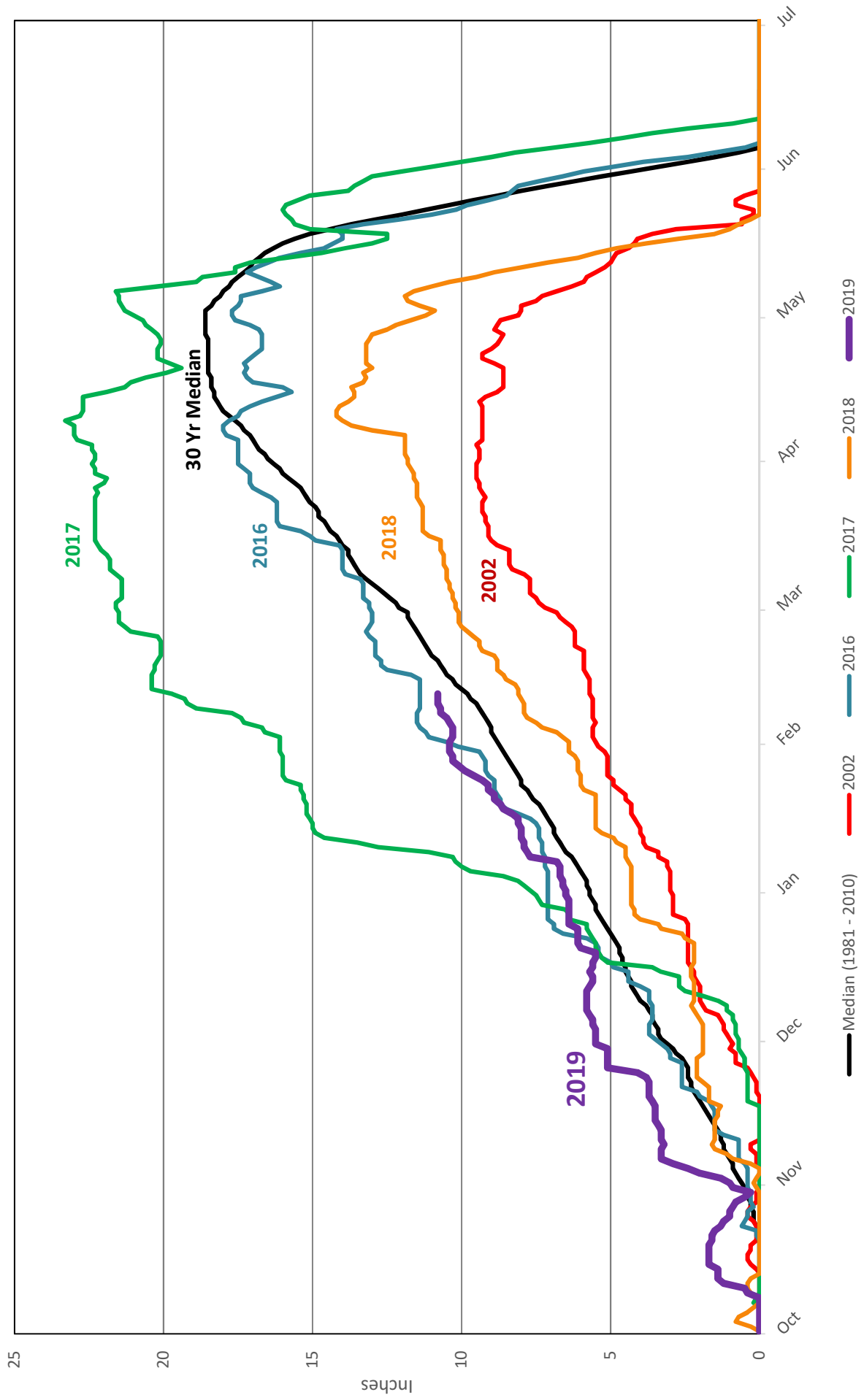
Natural Resources Conservation Service

Attachment C

Snow - Water Equivalent at Bear Lake as of February 11, 2019



Snow - Water Equivalent at Bear Lake as of February 11, 2019



Colorado SNOTEL Snowpack Update Report

Based on Mountain Data from NRCS SNOTEL Sites

Data based on first reading of the day for: **February 11, 2019**

Station Name	River Basin	Elevation (ft)	Snow Water Equivalent (SWE)				Percent of	
			Current (in)	Today's Median (in)	Median Peak (in)	Median Peak Date	Today's Median (%)	Median Peak (%)
Bear Lake	South Platte	9,500	10.8	9.8	18.6	Apr-30	110	58
Lake Irene	Upper Colorado	10,700	15.3	16.0	24.9	Apr-07	96	61

**ITEM TITLE:**

N. Wilson Waterline Replacement - Emergency Contract Change Order (#1) for Connell Resources, Inc.

DESCRIPTION:

This item is for the approval of the first change order to the contract that Connell Resources, Inc. has for the N. Wilson Waterline Replacement - Emergency (W1811C). Connell is currently finishing the installation of the waterline in Wilson Avenue that was included in the original contract that was signed in December as an emergency declaration. This change will cover the remaining construction of asphalt paving of Wilson Avenue and 22nd Street.

SUMMARY:

In December of 2018 the 12" waterline in Wilson Avenue from W. 22nd Street to Eisenhower Boulevard had approximately 8 waterline breaks over the course of a 3 week period. Due to significant impacts to customers, the disruption of traffic it was decided to complete an emergency project to replace the 12" waterline in Wilson Avenue, from W. 22nd Street to Eisenhower Boulevard, and to replace the 12" waterline in 22nd Street from Wilson Ave to Firstview Drive. The project includes replacing approximately 3,400' of 12" water line, several valves, fire hydrants, fittings, 8" connections, service connections, paving, striping, traffic control, and other miscellaneous items.

Connell Resources had previously been selected based on qualifications for a waterline Construction Manager at Risk (CMaR) project and they were still on site finishing up that project. They agreed to complete this work based on the same hourly rates and markups as the project they were under contract for and they were available to start the Wilson Avenue Waterline Replacement in early January 2019. This work was contracted after an emergency declaration was declared by the Department. Significant work has been completed under the original Contract which had a not to exceed amount of \$959,987.50. This was signed utilizing funds that were remaining from the 2018 budget. This change order to the contract will be in the amount of and not to exceed \$539,489.60. This brings the total contract value to \$1,499,477.10. The additional funds to allow for this change order and to finish out the project were made available in February 2019 after Council approved a Supplemental Appropriation to complete this 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 recommending that the LUC approve the change order to the contract for *N. Wilson Waterline Replacement - Emergency* with Connell Resources to increase the not-to-exceed amount to \$1,499,477.10 and authorize the City Manager to sign the change order on behalf of the City.

ATTACHMENTS:

 Attachment A: Connell Change Order #1 Proposal

Connell Resources, Inc.
7785 Highland Meadows Pkwy, #100
Fort Collins, CO 80528
Phone: (970) 223-3151
Fax: (970) 223-3191

Attachment A



Estimator: Roland Tremble

BUDGET FOR COST

Date: 2/8/2019

Submitted To:	City Of Loveland	Budget Title:	N. Wilson Ave. Waterline Change Order 1
Address:	500 East Third Street Loveland, CO 80537 USA	Budget Number:	
Contact:	Tanner Randall	Project Location:	Wilson Ave And 22nd Street
Phone:	970-962-2000	Project City, State:	Loveland, CO
Fax:	970-962-2908	Engineer/Architect:	HDR

We have prepared for your information the following items for budget evaluation purposes for the referenced project. This budget includes conceptual quantities, resource costs, scope-of-work and schedules and therefore may not completely represent all items of work or cost ultimately necessary for completion of the project. This budget was prepared using reasonable skill and judgment, but is not an offer to perform the Work described.

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
Mill And Overlay					
22-120	Asphalt Taper Milling If Needed For Overlay To Full Lane (6 Ft)	3,500.00	SY	\$3.88	\$13,580.00
47-120	Asphalt Paving Overlay If Needed To Lane Line	3,500.00	SY	\$10.75	\$37,625.00
Total Price for above Mill And Overlay Items:					\$51,205.00
Additional Pipe Work Between Original Plans And HDR Plans					
03-201	6" Tie To Existing	2.00	EACH	\$2,080.00	\$4,160.00
03-208	Fire Hydrant	2.00	EACH	\$4,990.00	\$9,980.00
03-207	6" Gate Valve W/ Box	4.00	EACH	\$1,010.00	\$4,040.00
03-267	8" X 6" Swivel Tee	1.00	EACH	\$550.00	\$550.00
03-306	12" Gate Valve W/ Box	3.00	EACH	\$2,960.00	\$8,880.00
03-650	Waterline Bore For Road Crossings (2 Ea 80 Ft Long)	160.00	LF	\$191.00	\$30,560.00
00-120	Flow Fill Street Crossing Waterline	60.00	CY	\$137.00	\$8,220.00
03-316	12" X 6" Swivel Tee	2.00	EACH	\$1,060.00	\$2,120.00
Total Price for above Additional Pipe Work Between Original Plans And HDR Plans Items:					\$68,510.00
Paving Scope					
47-108	Asphalt Paving Trench Patch Wilson Ave 8" Asphalt / 12" Class 5 Agg Base	3,500.00	SY	\$68.45	\$239,575.00
47-122	Asphalt Paving Hand Patch West Side And Tie Ins On Wilson	200.00	TON	\$161.68	\$32,336.00
47-108	Asphalt Paving Trench Patch 22nd Street 8" Asphalt / 12" Class 5 Agg Base	1,200.00	SY	\$90.21	\$108,252.00
47-122	Asphalt Paving Hand Patch East Side For Lateral Connections	245.00	TON	\$161.68	\$39,611.60
Total Price for above Paving Scope Items:					\$419,774.60
Total Bid Price:					\$539,489.60

- Notes:**
- Pricing is based upon Request for emergency waterline replacement in Wilson Ave from Highway 34 to 22nd Street, pricing is budgetary and contract is assumed to proceed based on Cost plus a fee using markups as established previously Cost +15%, Asphalt paving was included in original budget but was not included in contract at the time considering the emergency nature of the work. This change order represents the changes in the waterline scope from the original sketches to the final Plans by HDR. This change order scope also includes the asphalt paving scope of work to replace and open the streets. The completion date of the project is assumed to be June 1, 2019.
 - The following are excluded from this proposal: Construction layout and engineering; Drainage facility certification; Warrantee period in excess of one year; Street cleaning for work performed by others; Permits: including but not limited to, city building, development construction, construction dewatering, wastewater discharge, storm water discharge (NPDES), air quality, etc.; Fees, including but not limited to, for development, inspection, utility connection, meters, etc.; Dewatering; Maintenance of erosion control devices for others; quality control or acceptance testing; prairie dog removal, relocation, or extermination; landscaping, seeding, or revegetation.
 - Pavement Drainage less than 1.5% designed or obtainable fall will not be guaranteed.

**ITEM TITLE:**

Service Contract with the Jake Kauffman & Son, Inc. for completion of reservoir riprap

DESCRIPTION:

The City of Loveland recently purchased from Jake Kauffman & Son, Inc. ("Kauffmans") the land associated with the Great Western Pit No.1, often referred to as the downstream storage reservoir project. As part of the purchase agreement, the Kauffmans have agreed to enter into a service contract to finish the riprap reinforcement along the embankment of the lined gravel pit. The City intends to eventually use this as a raw water storage reservoir.

SUMMARY:

The City of Loveland has recently purchased Great Western Pit No. 1 from Jake Kauffman & Son, Inc. and intends to use it as a future downstream storage reservoir. City engineering staff have determined that to protect the longevity of the project the entire embankment of the lined gravel pit should be reinforced with riprap. A service contract with Jake Kauffman & Son for this work is included as Attachment A.

The riprap work will stabilize the embankment, increase erosion protection, and help maintain the integrity of the liner that passed the State mandated 90-day leak test. Approximately half of this work was completed by the Kauffmans prior to the City's purchase of the property, so the remaining work would be completed using the same materials and placement, keeping the size and spacing of the project consistent throughout. The service contract is for an amount not to exceed \$579,600.00.

The purchase contract was executed by the City of Loveland on September 27th, 2018. The purchase contract contained a copy of the unsigned service contract for the remaining riprap effort.

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 riprap reinforcement effort to **Jake Kauffman & Son, Inc.** in an amount not to exceed **\$579,600.00**, and authorize the City Manager to execute the service contract on behalf of the City.

ATTACHMENTS:

 Attachment A – Jake Kauffman & Son Service Contract

Attachment A

SERVICES CONTRACT

This Contract is entered into this ____ day of _____, 20____, by and between the **City of Loveland, Colorado** ("City") and **Jake Kauffman & Son, Inc.**, a Colorado corporation ("Contractor").

Whereas, the parties desire to contract with one another to complete the following project: **Kauffman Pit Reservoir Riprap Completion**.

Now, therefore, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Services. The Contractor shall perform the services set forth in Exhibit A, attached hereto and incorporated herein by reference ("Services"). The Contractor represents that it has the authority, capacity, experience, and expertise to perform the Services in compliance with the provisions of this Contract and all applicable laws. The City reserves the right to remove any of the Services from Exhibit A upon written notice to Contractor. In the event of any conflict between this Contract and Exhibit A, the provisions of this Contract shall prevail.

2. Price. The City shall pay the Contractor a sum not to exceed **\$579,600.00**. **The City shall pay the Contractor \$155.00 per linear foot of riprap installed by Contractor to the satisfaction of the City**. The City shall make payment within thirty days of receipt and approval of monthly invoices, which shall identify the specific Services performed for which payment is requested.

3. Term. This Contract shall be effective from Click here to enter a date. **through December 31, 2023**. This Contract may be extended or renewed by written agreement of the parties.

4. Appropriation. To the extent this Contract constitutes a multiple fiscal year debt or financial obligation of the City, it shall be subject to annual appropriation pursuant to the City of Loveland Municipal Charter Section 11-6 and Article X, Section 20 of the Colorado Constitution. The City shall have no obligation to continue this Contract in any fiscal year in which no such appropriation is made.

5. Independent Contractor. The parties agree that the Contractor is an independent contractor and is not an employee of the City. **The Contractor is not entitled to workers' compensation benefits from the City and is obligated to pay federal and state income tax on any money earned pursuant to this Contract.**

6. Insurance Requirements.

a. Policies. The Contractor and its subcontractors, if any, shall procure and keep in force during the duration of this Contract the following insurance policies and shall provide the City with a certificate of insurance evidencing upon execution of this Contract:

(i) Comprehensive general liability insurance insuring the Contractor and naming the City as an additional insured with minimum combined single limits of \$1,000,000 each occurrence and \$1,000,000 aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall contain a severability of interests provision.

(ii) Comprehensive automobile liability insurance insuring the Contractor and naming the City as an additional insured against any liability for personal injury, bodily injury, or death arising out of the use of motor vehicles and covering operations on or off the site of all motor vehicles controlled by the Contractor which are used in connection with this Contract, whether the motor vehicles are owned, nonowned, or hired, with a combined single limit of at least \$1,000,000.

(iii) Professional liability insurance insuring the Contractor against any professional liability with a limit of at least \$1,000,000 per claim and annual aggregate. *(Note: this policy shall only be required if the Contractor is an architect, engineer, surveyor, appraiser, physician, attorney, accountant, or other licensed professional.)*

(iv) Workers' compensation insurance and all other insurance required by any applicable law. *(Note: if under Colorado law the Contractor is not required to carry workers' compensation insurance, the Contractor shall execute a Certificate of Exemption and Waiver, attached hereto as Exhibit B and incorporated herein by reference.)*

b. Requirements. Required insurance policies shall be with companies qualified to do business in Colorado with a general policyholder's financial rating acceptable to the City. Said policies shall not be cancelable or subject to reduction in coverage limits or other modification except after thirty days prior written notice to the City. The Contractor shall identify whether the type of coverage is "occurrence" or "claims made." If the type of coverage is "claims made," which at renewal the Contractor changes to "occurrence," the Contractor shall carry a six-month tail. Comprehensive general and automobile policies shall be for the mutual and joint benefit and protection of the Contractor and the City. Such policies shall provide that the City, although named as an additional insured, shall nevertheless be entitled to recover under said policies for any loss occasioned to it, its officers, employees, and agents by reason of negligence of the Contractor, its officers, employees, agents, subcontractors, or business invitees. Such policies shall be written as primary policies not contributing to and not in excess of coverage the City may carry.

7. Indemnification. The Contractor agrees to indemnify and hold harmless the City, its officers, employees, and agents from and against all liability, claims, and demands on account

of any injury, loss, or damage arising out of or connected with the Services, if such injury, loss, or damage, or any portion thereof, is caused by, or claimed to be caused by, the act, omission, or other fault of the Contractor or any subcontractor of the Contractor, or any officer, employee, or agent of the Contractor or any subcontractor, or any other person for whom the Contractor is responsible. The Contractor shall investigate, handle, respond to, and defend against any such liability, claims, and demands, and shall bear all other costs and expenses related thereto, including court costs and attorneys' fees. If the Contractor is providing architectural, engineering, design, or surveying services, the obligation to indemnify and pay costs, expenses, and attorneys' fees, is limited to the amount represented by the degree or percentage of negligence or fault attributable to the Contractor, or the Contractor's agents, representatives, employees, servants, subcontractors, or suppliers as determined by adjudication, alternative dispute resolution, or otherwise resolved by mutual agreement between the Contractor and the City. The Contractor shall notify the City and provide a copy of any and all written claims or demands within two business days of receipt. The Contractor's indemnification obligation shall not be construed to extend to any injury, loss, or damage to the extent caused by the act, omission, or other fault of the City. This paragraph shall survive the termination or expiration of this Contract.

8. Governmental Immunity Act. No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the notices, requirements, immunities, rights, benefits, protections, limitations of liability, and other provisions of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 *et seq.* and under any other applicable law.

9. Colorado Open Record Act. Be advised that the City of Loveland is subject to section 24-72-201 *et seq.* of the Colorado Revised Statutes. If you object to the disclosure of any information in your statement of work or Exhibit A, you must provide a detailed written statement containing: a) The exact pages, paragraphs, or charts you believe should be withheld; b) the specific legal basis for that position. Please note that your objection will be considered, but is not binding on the City. The City is required to make a determination under the Colorado Open Records Act, and may only withhold documents that are confidential under the law.

10. Compliance with Applicable Laws.

a. Generally. The Contractor shall comply with all applicable federal, state, and local laws, including the ordinances, resolutions, rules, and regulations of the City. The Contractor shall solely be responsible for payment of all applicable taxes and for obtaining and keeping in force all applicable permits and approvals.

b. C.R.S. Article 17.5, Title 8. The Contractor hereby certifies that, as of the date of this Contract, it does not knowingly employ or contract with an illegal alien who will perform work under this Contract and that the Contractor will participate in the e-verify program or Colorado Department of Labor and Employment ("Department") program as defined in C.R.S. § 8-17.5-101 in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Contract. The Contractor shall not knowingly employ or contract with an illegal alien to

perform work under this Contract or enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. The Contractor certifies that it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Contract through participation in either the e-verify program or the Department program. The Contractor is prohibited from using either the e-verify program or the Department program procedures to undertake pre-employment screening of job applicants while this Contract is being performed. If the Contractor obtains actual knowledge that a subcontractor performing work under this Contract knowingly employs or contracts with an illegal alien, the Contractor shall be required to: (i) notify the subcontractor and City within three days that Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to this subparagraph the subcontractor does not stop employing or contracting with the illegal alien; except that Contractor shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien. The Contractor shall comply with any reasonable request by the Department made in the course of an investigation that it is undertaking pursuant to the authority established in C.R.S. Article 17.5, Title 8. If the Contractor violates this paragraph, the City may terminate this Contract for default in accordance with "Termination," below. If this Contract is so terminated, the Contractor shall be liable for actual and consequential damages to the City. *(Note: this paragraph shall not apply to contracts: (i) for Services involving the delivery of a specific end product (other than reports that are merely incidental to the performance of said work); or (ii) for information technology services and/or products.)*

c. C.R.S. § 24-76.5-103. If the Contractor is a natural person (*i.e.*, not a corporation, partnership, or other legally-created entity), he/she must complete the affidavit attached hereto as Exhibit C and attach a photocopy of a valid form of identification. If the Contractor states that he/she is an alien lawfully present in the United States, the City will verify his/her lawful presence through the SAVE Program or successor program operated by the U.S. Department of Homeland Security. In the event the City determines that the Contractor is not lawfully present in the United States, the City shall terminate this Contract for default in accordance with "Termination," below.

11. Termination.

a. Without Cause. Either party may terminate this Contract without cause upon thirty days prior written notice to the other. The City shall be liable to pay the Contractor for Services performed as of the effective date of termination, but shall not be liable to the Contractor for anticipated profits.

b. For Default. Each and every term and condition hereof shall be deemed to be a material element of this Contract. In the event either party fails to perform according to the terms of this Contract, such party may be declared in default. If the defaulting party does not cure said breach within ten days of written notice thereof, the non-defaulting

party may terminate this Contract immediately upon written notice of termination to the other. In the event of such termination by the City, the City shall be liable to pay the Contractor for Services performed as of the effective date of termination, but shall not be liable to Contractor for anticipated profits; provided, however, that the Contractor shall not be relieved of liability to the City for any damages sustained by the City by virtue of any default under this Contract, and the City may withhold payment to the Contractor for the purposes of setoff until such time as the exact amount of damages is determined.

12. Notices. Written notices shall be directed as follows and shall be deemed received when hand-delivered or emailed, or three days after being sent by certified mail, return receipt requested:

To the City:

Water Utility Manager
City of Loveland
200 N. Wilson Ave
Loveland, CO 80537
Email:
Roger.Berg@cityofloveland.org

To the Contractor:

Jake Kauffman & Son, Inc.
808 SCR 9E.
Loveland, CO 80537
Attn: Shane T. Kauffman
Email: kauffman27@msn.com

13. Special Provisions. The provisions of paragraph 2 are hereby modified as follows: on or before April 1, 2019, and October 1 of each year thereafter during the term of this contract, the City shall notify Contractor of the amount of the City's appropriation for the riprap construction for the following budget year, which amount shall be the Contractor's limit for riprap construction for that following year. If Contractor has materials available to complete additional riprap for that budget year in an amount that would require an additional appropriation, Contractor shall first notify the City and obtain permission from the City to complete the additional riprap. On or before November 1, 2019 and each year thereafter during the term of this contract, the Contractor shall certify to the City the amount of linear feet of riprap constructed since the previous certification and shall invoice the City for payment, at \$155.00 per linear feet, of such riprap constructed for that period. The City shall have forty-five days to verify such construction and to make payment to Contractor on such invoice. It is specifically understood and acknowledged by the City and the Contractor that execution of this Services Contract, and the Price described in paragraph 2 for the Services described herein, is one component of the negotiated consideration provided by the City for the purchase of the real property from the Contractor consisting of Lot 2, Kauffman Minor Land Division #18-LAND3831, based on the Agreement for Purchase and Sale of Real Property between Jake Kauffman & Son, Inc. and the City of Loveland, Colorado dated September 27, 2018, as amended.

14. Time of the Essence. Time is of the essence in performance of the Services and is a significant and material term of this Contract.

15. Miscellaneous. This Contract contains the entire agreement of the parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the parties. In the event a court of competent jurisdiction holds any provision of this Contract invalid or unenforceable, such holding shall not invalidate or

render unenforceable any other provision of this Contract. The Contractor shall not assign this Contract without the City’s prior written consent. This Contract shall be governed by the laws of the State of Colorado, and venue shall be in the County of Larimer, State of Colorado.

16. Electronic Signature. This Contract may be executed by electronic signature in accordance with C.R.S 24-71.3-101 *et seq.*

City of Loveland, Colorado

By: _____

Title: _____

Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

Assistant City Attorney

Contractor

By: Shane T. Kauffman Shane T. Kauff

Title: V.P.

STATE OF Colorado)
COUNTY OF Larimer) ss.

The foregoing instrument was signed by Shane T. Kauffman * as Vice President of Jake Kauffman & Son, Inc. on behalf of the Inc. contractor and acknowledged before me this 5th day of February, 20 19.

[Signature]
Notary's official signature

SEAL

5.21.19
Commission expiration date

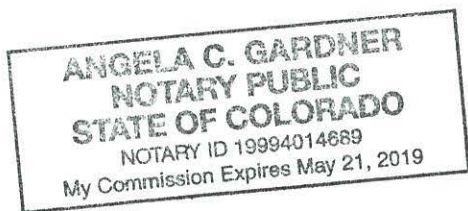
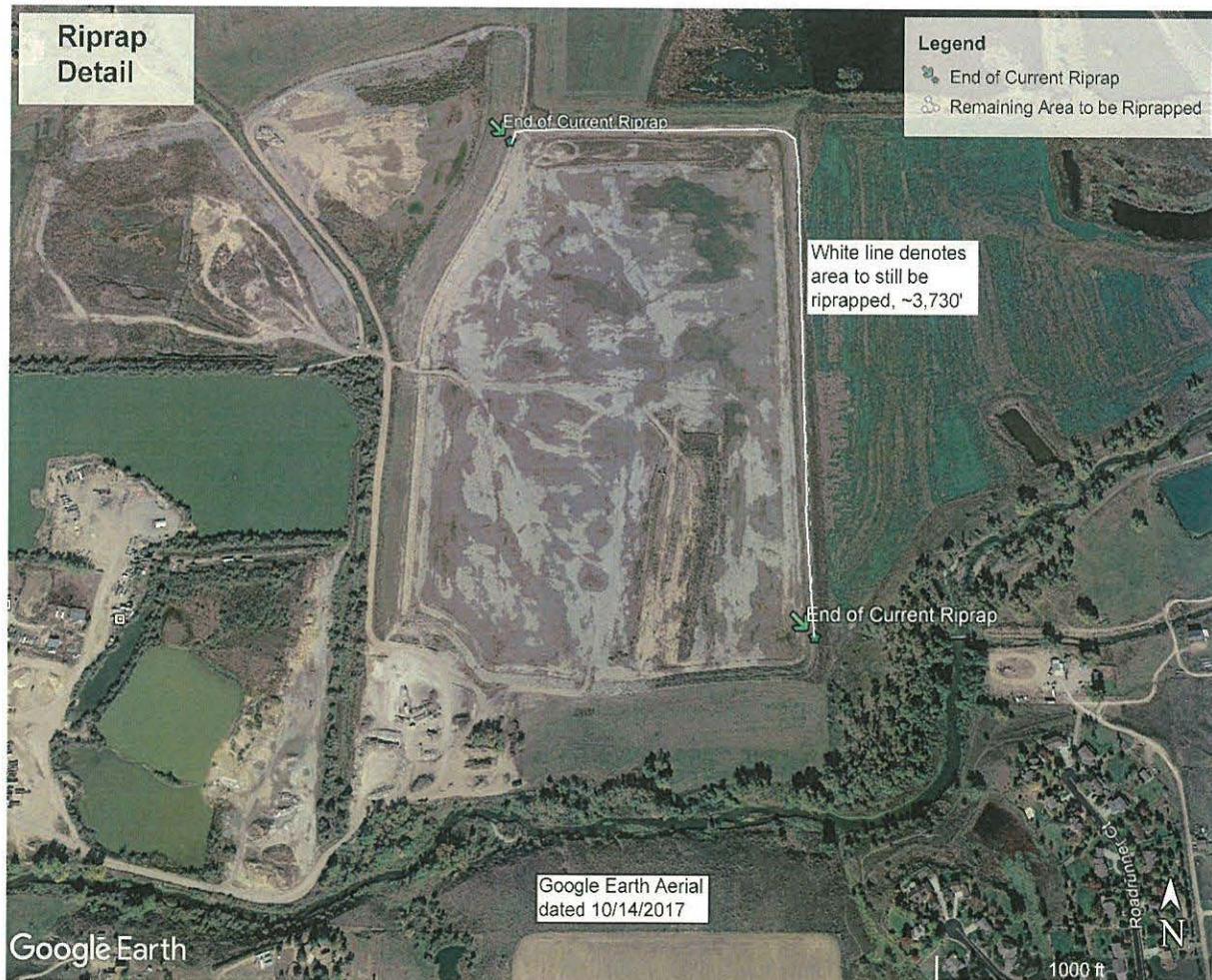


EXHIBIT A – SERVICES

Contractor shall install riprap around the perimeter of the gravel pit on the Property, as shown on the following depiction, until the shore of the gravel pit is entirely encapsulated with riprap material installed in a manner to prevent erosion on the shore of the pit caused by wave action. Contractor agrees that it shall install riprap material of a size, width, and depth consistent with the existing riprap installed on the shores of the gravel pit and placed in a manner consistent with the existing riprap to prevent wave action erosion on a reservoir shoreline. Prior to payment, the City shall have the opportunity to inspect and approve the riprap installation completed by Contractor.

Contractor shall complete such riprap installation at a reasonable pace, given the availability of material. The City expects and intends to appropriate sufficient funds for construction of a minimum of 900 linear feet to be completed annually, but understands that such schedule is dependent on factors outside of the control of Contractor.

DEPICTION OF EXISTING RIPRAP AND AREA OF FUTURE RIPRAP INSTALLATION:



DIRECTIONS:

- ✓ If the Contractor is NOT required under Colorado law to carry workers' compensation insurance and DOES NOT carry it, this exhibit MUST be completed and attached to the Contract.
- ✓ If the Contractor IS required under Colorado law to carry workers' compensation insurance and DOES carry it, this exhibit IS NOT REQUIRED and may be discarded.

Contractor

Title: _____

The foregoing instrument was acknowledged before me this ____ day of _____,
20____ by _____.
(Insert name of individual signing on behalf of the Contractor)

Notary's official signature

Commission expiration date

EXHIBIT C – AFFIDAVIT

DIRECTIONS:

- ✓ If the Contractor is an individual, this exhibit **MUST** be completed and attached to the Contract. A copy of a valid form of identification **MUST** be attached.
- ✓ If the Contractor is a corporation, partnership, or other legally-created entity, this exhibit **IS NOT REQUIRED** and may be discarded.

I, _____, swear or affirm under penalty of perjury under the laws of the State of Colorado that (check one):

- _____ **I am a United States citizen.**
(Valid I.D. must be provided)
- or*
- _____ **I am a legal permanent resident of the United States.**
(Alien registration number and valid I.D. must be provided)
- or*
- _____ **I am lawfully present in the United States pursuant to federal law.**
(Alien registration number and valid I.D. must be provided)

I understand that this sworn statement is required by law because I have applied for a public benefit. I understand that state law requires me to provide proof that I am lawfully present in the United States prior to receipt of this public benefit. I further acknowledge that making a false, fictitious, or fraudulent statement or representation in this sworn affidavit is punishable under the criminal laws of Colorado as perjury in the second degree under C.R.S. § 18-8-503 and that it shall constitute a separate criminal offense each time a public benefit is fraudulently received. If I checked the second or third option above, I understand that my lawful presence in the United States will be verified through the Federal Systematic Alien Verification of Entitlement Program (SAVE Program).

Signature

C.R.S. 24-76.5-103

Date

Rev. 3-29-2018

Internal Use Only – Valid Forms of Identification

- Current Colorado driver's license, minor driver's license, probationary driver's license, commercial driver's license, restricted driver's license, or instruction permit. **
 - Current Colorado identification card. **
 - U.S. military card or dependent identification card.
 - U.S. Coast Guard Merchant Mariner card.
 - Native American tribal document.
 - Original birth certificate from any state of the U.S.
 - Certificate verifying naturalized status by U.S. with photo and raised seal.
 - Certificate verifying U.S. citizenship by U.S. government (e.g., U.S. passport).
 - Order of adoption by a U.S. court with seal of certification.
 - Valid driver's license from any state of the U.S. or the District of Columbia excluding IL, UT, and WA.
 - Valid immigration documents demonstrating lawful presence (e.g., current foreign passport with current I-551 stamp or visa, current foreign passport with I-94, I-94 with asylum status, unexpired Resident Alien card, Permanent Resident card or Employment Authorization card).
- ** Note: A Colorado driver's license or ID card with a black flag that indicates "not valid for federal identification, voting or public benefit purposes" requires additional verification.

Note: If an individual has identification (excluding driver's licenses) not included on this list, contact the Department Director. Also, a waiver may be available where no identification exists or can be obtained due to a medical condition, homelessness, or insufficient documentation to receive a Colorado driver's license or identification card.

**ITEM TITLE:**

C-BT Water Market Recognition

DESCRIPTION:

This item evaluates our existing Cash-in-Lieu price charged to satisfy water rights required for development.

SUMMARY:

The City's current Cash-in-Lieu (CIL) price of \$29,710/acre-foot is set at C-BT market price plus 5%. The recognized market price of \$28,292/unit was acknowledged by the LUC in Resolution R-1-2018U at the regular Commission meeting held on Wednesday, June 20, 2018. Previous to that, the recognized market price was \$26,553/unit (R-1-2017U).




C-BT prices have risen rapidly since November 2018. This information is shown graphically on Attachment B, where the average price for the data shown for July 2018 through December 2018 is \$35,444/unit. The vertical bars represent individual transactions, and prices have been relatively consistent between blocks of smaller and larger sizes. The difference between \$35,444/unit and the currently recognized market price of \$28,292/unit is 25.3%, so consideration of changing the price is very important and timely.

Adding 5% to the current average price of \$35,444/unit, as required by Section 19.04.041 of the Municipal Code, yields a rounded CIL price of \$37,220/acre-foot should the LUC choose to recognize \$35,444/unit as the current market price. A draft of proposed Resolution R-02-2019U is attached for use in making this change in market price recognition if desired.

RECOMMENDATION:

Approve Resolution R-01-2019U (Attachment A), setting the City's recognized current C-BT market value at \$35,444/unit. This will result in a revised Cash-in-Lieu price of \$37,220/acre-foot after adding the required 5%.

ATTACHMENTS:

-  Attachment A: Resolution #R-01-2019U
-  Attachment B: Graph of Price of C-BT and Units Sold per Transaction (Apr 2018 – Dec 2018)
-  Attachment C: Graph of C-BT Price per Unit Over Time

Attachment A

LOVELAND UTILITIES COMMISSION

RESOLUTION #R-01-2019U

RESOLUTION RECOGNIZING THE MARKET PRICE OF ONE COLORADO-BIG THOMPSON PROJECT UNIT AS AUTHORIZED BY LOVELAND MUNICIPAL CODE SECTION 19.04.041

WHEREAS, Section 19.04.041 of the Loveland Municipal Code authorizes the Loveland Utilities Commission to recognize by resolution the market price of one Colorado-Big Thompson Project (“C-BT”) unit; and

WHEREAS, the Loveland Utilities Commission has reviewed relevant C-BT unit market data; and

WHEREAS, the current value of C-BT units per Section 19.04.018.C of the Loveland Municipal Code is one acre-foot per unit.

WHEREAS, following said review and applying the 1.05 quotient as required in Section 19.04.041 of the Loveland Municipal Code, the Loveland Utilities Commission is of the opinion that the market price of one C-BT unit is \$35,444.

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

Section 1. That the Loveland Utilities Commission hereby recognizes that the market price of one C-BT unit as \$35,444.

Section 2. That Resolution #R-01-2018U of the Loveland Utilities Commission is hereby repealed and superseded in all respects by this Resolution.

Section 3. That this Resolution shall be effective as of the date of its adoption.

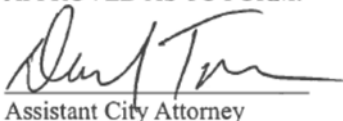
ADOPTED this 20th day of February, 2019.

Chairman, Loveland Utilities Commission

ATTEST:

Secretary, Loveland Utilities Commission

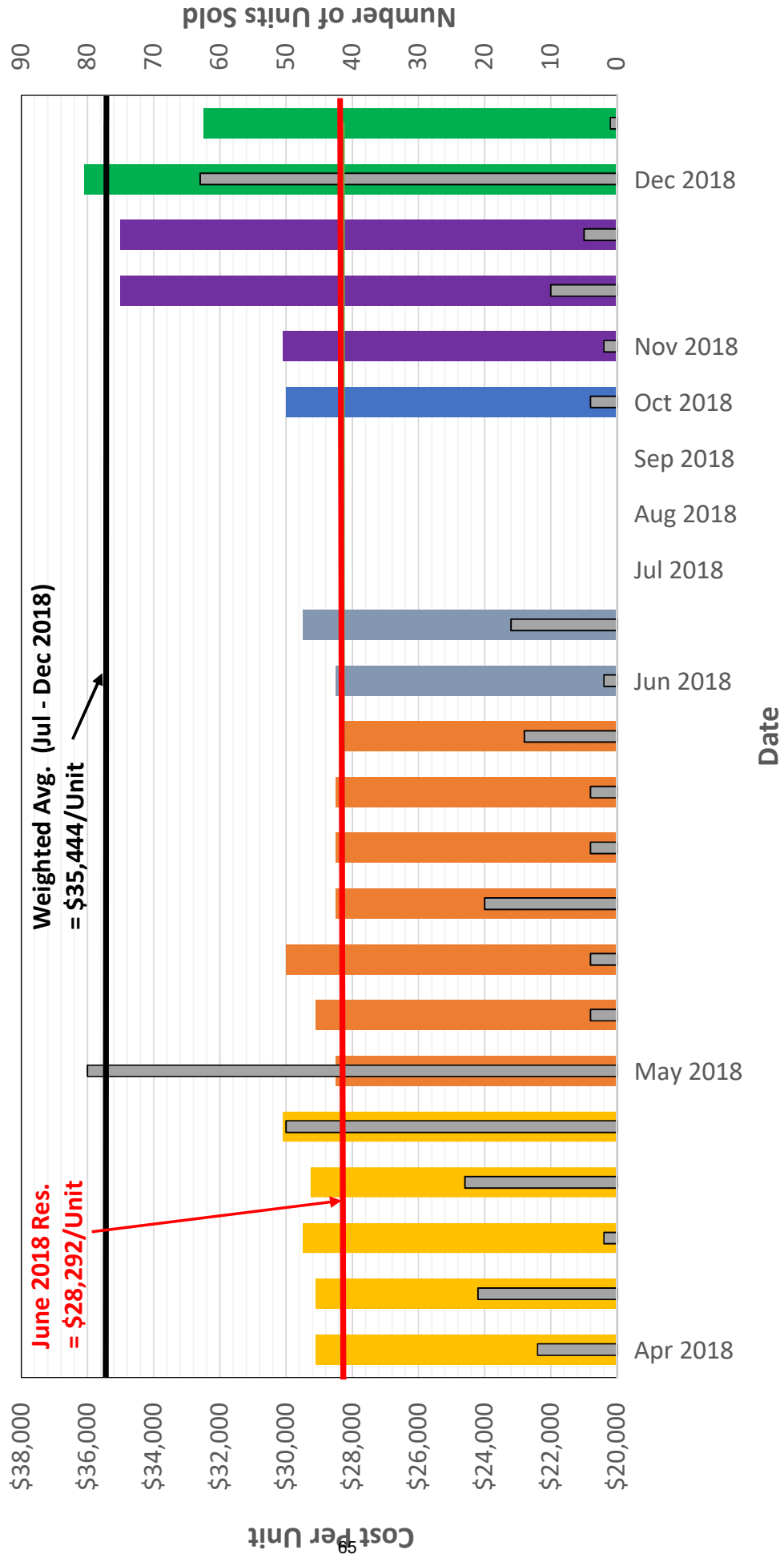
APPROVED AS TO FORM:



Assistant City Attorney

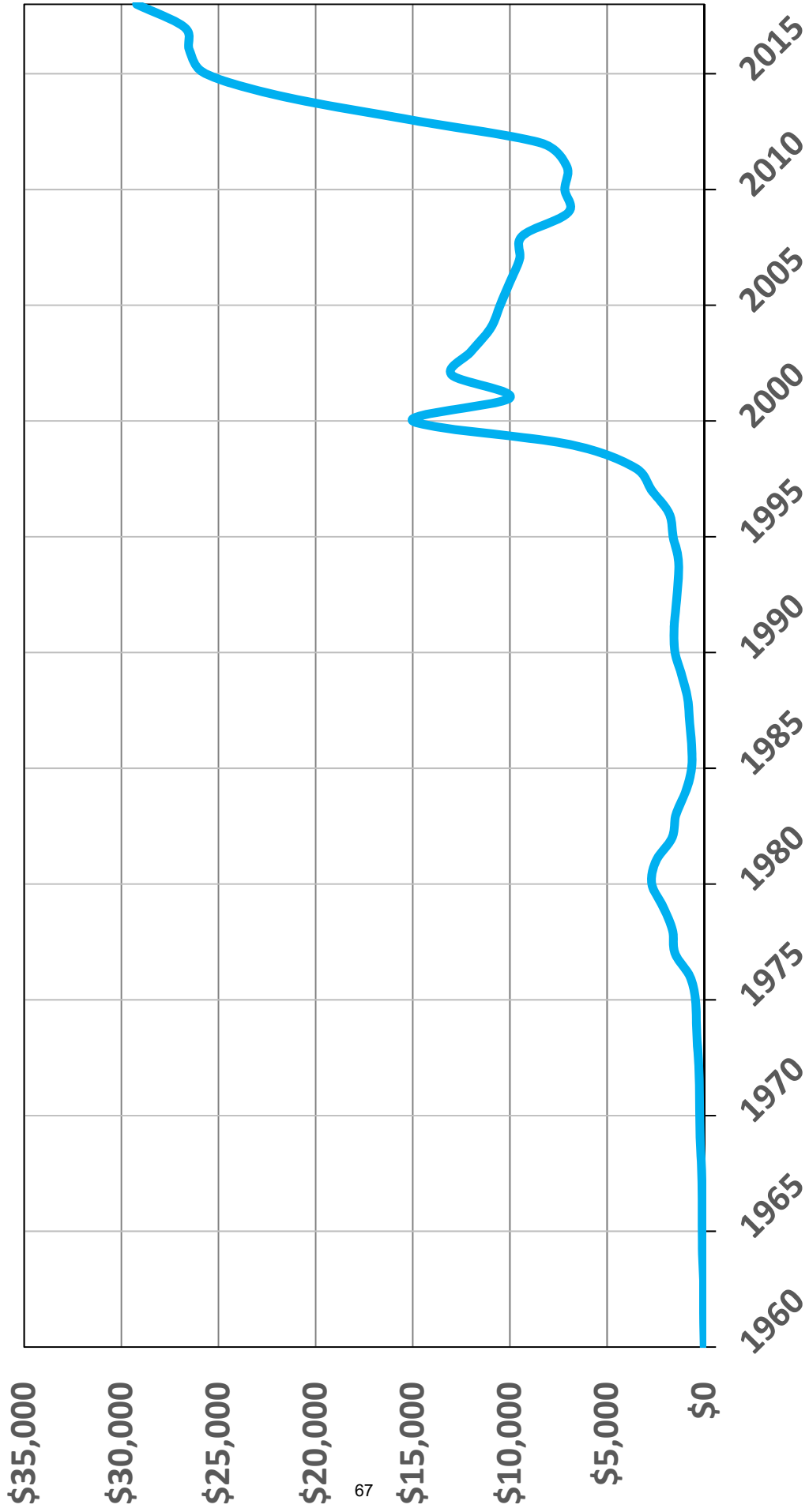
Attachment B

Price of C-BT Units Sold per Transaction (April 2018 through December 2018)



Attachment C

CB-T Historical Average Annual Prices per Unit



**ITEM TITLE:**

Proposed Modifications to the Platte River Power Authority (PRPA) Organic Contract and Power Supply Agreement

SUMMARY:

The Platte River Power Authority was formed in 1975 by an Organic Contract between the four owner cities of Estes Park, Ft. Collins, Longmont, and Loveland. PRPA staff is proposing changes to the Organic Contract and Power Supply Agreement(s) (PSAs) as described below.

DESCRIPTION:

The purpose of this item is to describe proposed changes to both the Organic Contract (a contract between the four PRPA Owner Cities) that Power Supply Agreement between the City of Loveland and PRPA. The Organic Contract and (PSAs) were last renewed in 2010 and currently extend through 2050.

PRPA staff is proposing to modify (as noted below), renew, and extend the Organic Contract and PSAs to provide flexibility in future bond issuances as well as flexibility in future Power Purchase Agreements (PPAs) for additional local solar resources. The changes will allow flexibility regarding the possibility of an organized market.

The proposed change to the Organic Contract (between the four owner cities) is:



- Extend the term of the contract to 2060
- The proposed changes to the PSA (each PSA is between PRPA and an individual owner city)
- Extend the term of the agreement to 2060
- Expand the exceptions to the “all requirements” obligation to allow third-party solar development
- Change the metering point to the high side of substation transformers

Additionally, PRPA is proposing minor, non-substantive language changes and clean-up of the two documents.

RECOMMENDATION:

Adopt a motion recommending that City Council approve the proposed changes to the Organic Contract and Power Supply Agreement between the City of Loveland and the Platte River Power Authority.

ATTACHMENTS:

-  Attachment A: Proposed Organic Contract
-  Attachment B: Proposed Power Supply Agreement between City of Loveland and PRPA

Attachment A



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

ORGANIC CONTRACT

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**AMENDED AND RESTATED ORGANIC CONTRACT ESTABLISHING PLATTE RIVER
POWER AUTHORITY AS A SEPARATE GOVERNMENTAL ENTITY**

THIS CONTRACT, originally made and entered into as of June 17, 1975, and amended February 14, 1977, and July 27, 1978, and amended and restated the 31st day of March 1980, and the 1st day of July, 1998, and ~~as further amended and restated on this~~ the 1st day of September, 2010, and as further amended on the _____ day of _____, 2019, by the parties to this Contract which are: TOWN OF ESTES PARK, COLORADO, a municipal corporation of the State of Colorado ("Estes Park"), CITY OF FORT COLLINS, COLORADO, a municipal corporation of the State of Colorado ("Fort Collins"), CITY OF LONGMONT, COLORADO, a municipal corporation of the State of Colorado ("Longmont"), and CITY OF LOVELAND, COLORADO, a municipal corporation of the State of Colorado ("Loveland"). When specificity is not required, the municipal corporations which are parties hereto will hereinafter be individually referred to as "Municipality" and collectively as "Municipalities."

WITNESSETH:

WHEREAS, Estes Park owns and operates a municipal electric system which supplies electric power and energy at retail to users located within the town limits of Estes Park and the adjacent service area of the Estes Park electric system; and

WHEREAS, Fort Collins owns and operates a municipal electric system which supplies electric power and energy at retail to users located within the city limits of Fort Collins and the adjacent service area of the Fort Collins electric system; and

WHEREAS, Longmont owns and operates a municipal electric system which supplies electric power and energy at retail to users located within the city limits of Longmont and the adjacent service area of the Longmont electric system; and

WHEREAS, Loveland owns and operates a municipal electric system which supplies electric power and energy at retail to users located within the city limits of Loveland and the adjacent service area of the Loveland electric system; and

WHEREAS, the Municipalities on June 17, 1975, established, pursuant to the provisions of C.R.S. § 29-1-204, as then enacted, Platte River Power Authority (the "Authority"), as a separate governmental entity and successor to a nonprofit corporation, to be the instrumentality of the Municipalities and as such successor, to continue to supply their wholesale electric power and energy requirements; and

WHEREAS, during 1998 the Municipalities contracted with one another to establish, pursuant to the provisions of C.R.S. § 29-1-203, the Authority as a separate legal entity and multi-purpose intergovernmental authority to provide designated functions, services, or facilities lawfully authorized to any combination of two or more of the Municipalities provided that such function, service, or facility constitutes an “enterprise” as defined in subsection 2(d) of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, increased complexity and risk in the electric utility industry have created the need to enhance utility image and customer loyalty, the Municipalities wish to clarify that the Organic Contract authorizes the Authority to engage in a broad range of services which are incidental to or supportive of the Municipalities’ continued ability to provide electric power and energy services to their customers on a competitive basis; and

WHEREAS, the Municipalities acting through the Authority wish to ensure a source of electric power and energy that is reliable, cost-effective, and environmentally responsible; and

WHEREAS, providing energy in an environmentally responsible manner requires that the Authority incorporate environmental factors as an integral component of planning, design, construction and operational decisions; and

WHEREAS, the Municipalities now wish to further amend the Organic Contract, to extend its term and to restate the amended provisions thereof in a single updated document.

NOW, THEREFORE, the Municipalities do hereby amend and restate the Organic Contract, originally executed June 17, 1975, and subsequently amended, so that as hereby amended and restated it provides, and the Municipalities do agree, as follows:

1.0 EFFECTIVE DATE

This Contract, as hereby amended and restated, shall become effective when it has been duly executed by all of the Municipalities.

2.0 ESTABLISHMENT OF PLATTE RIVER POWER AUTHORITY

As of June 17, 1975, the Municipalities established a separate governmental entity, to be known as Platte River Power Authority, to be used by the Municipalities to effect the development of electric energy resources and the production and transmission of electric energy in whole or in part for the benefit of the inhabitants of the Municipalities. As of July 1, 1998, the Municipalities also established the Authority as a separate governmental entity and multi-purpose intergovernmental authority to provide additional designated functions, services, or facilities lawfully

authorized to any combination of two or more of the Municipalities, provided that such function, service, or facilities constitutes an “enterprise” as defined in subsection 2(d) of Article X, Section 20 of the Colorado Constitution.

2.1 PURPOSES

The purposes of the Authority are to conduct its business and affairs for the benefit of the Municipalities and their inhabitants:

- (i) to provide the electric power and energy requirements of the Municipalities and the retail customers within the Municipalities in a reliable, cost-effective, and environmentally responsible manner;
- (ii) to engage in business activities related to the provision of electric power and energy services, which may include but are not limited to investment in energy efficiency, renewable energy, demand side management, and associated communication systems, that the Board determines are likely to enhance the competitive position of the Authority or the Municipalities; and
- (iii) to provide any additional designated function, service, or facility lawfully authorized to any combination of two or more of the Municipalities, provided that these constitute an “enterprise” as defined in subsection 2(d) of Article X, Section 20 of the Colorado Constitution.

A particular function, service, or facility shall be treated as designated as a separate purpose under clause (iii) of the previous sentence only upon receipt by each Municipality which is designating the function, service, or facility to also be performed by the Authority of (a) a resolution adopted by unanimous vote of the Board of Directors of the Authority designating the function, service, or facility as a purpose to also be jointly exercised by the designating Municipalities through the Authority and (b) opinions of counsel to each Municipality which is designating the function, service, or facility to also be performed by the Authority setting forth the extent to which the

designated function, service, or facility is lawfully authorized by such designating Municipality; and (c) an opinion of the Authority's bond counsel to the effect that the designated function, service, or facility constitutes an "enterprise" as defined in subsection 2(d) of Article X, Section 20 of the Colorado Constitution.

2.2 FUNCTIONS, SERVICES, OR FACILITIES

The functions, services, or facilities to be provided by the Authority are: The supplying of the electric power and energy requirements of the Municipalities and retail customers within the Municipalities; and, the provision of any additional function, service, or facility, by means of

- (i) acquiring, constructing, owning, reconstructing, improving, rehabilitating, repairing, operating and maintaining electric generating plants, transmission systems and related facilities, or interests therein, for the purpose of producing, transmitting and delivering to the Municipalities, electric power and energy to the extent of their requirements, including renewable energy requirements;
- (ii) purchasing electric power and energy from electric utilities and other producers of energy, as required to supply the Municipalities and perform its other obligations;
- (iii) selling at wholesale to the Municipalities all of the electric power and energy produced or purchased by the Authority which the Municipalities require;
- (iv) selling, exchanging and otherwise disposing of, under the most advantageous terms and conditions obtainable, any surplus power and energy or transmission capacity which the Authority owns, produces or purchases;

- (v) developing electric energy resources (including renewable sources) and producing and transmitting electric energy in whole or in part for the benefit of the inhabitants of the Municipalities;
- (vi) developing cost-effective, reliable, and environmentally responsible products and services to improve the efficiency of generation, transmission and use of electrical energy, which may include but are not limited to investment in energy efficiency, renewable energy, demand side management, and associated communication systems;
- (vii) acquiring, constructing, owning, purchasing, selling, exchanging or otherwise disposing of, reconstructing, improving, rehabilitating, repairing, operating, and maintaining assets, infrastructure, plants, systems, and related facilities or interests therein;
- (viii) developing products, services, infrastructure, and resources related to such function, service, or facility for delivery to appropriate markets in whole or in part for the benefit of the inhabitants of the Municipalities; and
- (ix) on termination of this Contract to vest in the Municipalities all right, title and interest of the Authority in or to all of its property and assets.

2.3 BOARD OF DIRECTORS

The governing body of the Authority shall be a Board of Directors in which all legislative power of the Authority is vested.

2.3.1 NUMBER

The number of Directors shall be eight (8).

2.3.2 SELECTION

Each Municipality shall be represented by two (2) members on the Board of Directors of the Authority, who shall be designated or appointed as follows:

(i) MAYORS

The Mayor of each of the Municipalities is hereby designated and shall serve as a member of the Board of Directors of the Authority contemporaneously with service as Mayor; provided, however, that any Mayor may designate some other member of the governing board of such Municipality to serve as a Director of the Authority in place of the Mayor.

(ii) APPOINTED DIRECTORS

The governing body of each of the Municipalities shall appoint one (1) additional member to the Board of Directors. Appointed Directors shall be selected for judgment, experience, and expertise which make that person particularly qualified to serve ~~as a~~ on the Board of Directors of ~~an electric utility~~ the Authority.

2.3.3 TERM

The term of office of the Directors of the Authority shall be as follows:

(i) MAYORS

The Mayor of each Municipality, or the member of the Municipality's governing board designated by the Mayor, shall serve as a Director of the Authority for the same period of time that the Mayor serves as Mayor of that Municipality.

(ii) APPOINTED DIRECTORS

The term of the Appointed Director for Estes Park shall expire on December 31, 2011, the term of the Appointed

Director for Fort Collins shall expire on December 31, 2008, the term of the Appointed Director for Longmont shall expire on December 31, 2010, and the term of the Appointed Director for Loveland shall expire on December 31, 2009. Each successor shall be appointed for a term of four years from the date of the expiration of the term for which the predecessor was appointed.

2.3.4 REMOVAL

Any Director appointed by the governing board of a Municipality may be removed at any time by such governing board, with or without cause. A Mayor will be automatically removed as a Director upon vacating the office of Mayor, and a member of the Municipality's governing board designated to serve in place of a Mayor may be removed at any time by the Mayor, with or without cause.

2.3.5 VACANCIES

A vacancy occurring in the directorship of an Appointed Director, whether such vacancy be the result of resignation, death, removal or disability, shall be filled by the appointment of a successor Appointed Director by the governing body of the Municipality which appointed the Director whose office has become vacant. In the case of a vacancy in the directorship of a Mayor or his designee from any Municipality, the vacancy shall be filled by the new Mayor or the Mayor's designation of some other member of the governing board of that Municipality.

2.3.6 COMPENSATION

Directors shall not receive compensation for their services, but Directors may be reimbursed their actual expenses for attendance at meetings of the Board of Directors and for expenses otherwise incurred on behalf of the Authority.

2.3.7 ANNUAL MEETINGS

An annual meeting of the Board of Directors shall be held within the first 120 days in each year at such place in Fort Collins, Colorado, as shall be designated in the notice of the meeting, to elect officers, to pass upon reports for the preceding fiscal year, and to transact such other business as may come before the meeting. Failure to hold the annual meeting at a designated time, or failure to hold the annual meeting in any year, shall not cause a forfeiture or dissolution or otherwise affect the Authority.

2.3.8 REGULAR MEETINGS

The Board of Directors may provide for the time and place for the holding of regular meetings by resolution without notice to Directors other than the resolution adopting the meeting schedule.

2.3.9 SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the ~~Chairman~~Chair or any Director and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the Board of Directors shall be held at such time and place within the State of Colorado as shall be fixed by the ~~Chairman~~Chair or the Director calling the meeting.

2.3.10 NOTICE OF MEETINGS

Written notice of the annual or of any special meeting of the Board of Directors shall be delivered to each Director not less than seven (7), nor more than thirty-five (35), days before the date fixed for such meeting, either personally or by mail, by or at the direction of the Secretary, or, upon his/her default, by the person calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his/her address as it appears on the records of the Authority, with postage prepaid.

2.3.11 WAIVER OF NOTICE

Whenever any notice is required to be given to any Director of the Authority under the provisions of the law or this Contract, a waiver thereof in writing signed by such Director, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Director at any meeting of the Board of Directors shall constitute a waiver by such Director of notice of such meeting except when such Director attends such meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

2.3.12 QUORUM

A majority of the number of Directors then in office shall constitute a quorum for the transaction of business; provided that, if less than a majority of the Directors then in office is present at a meeting, a majority of the Directors present may adjourn the meeting; and, provided further, that the Secretary shall notify any absent Directors of the time and place of such adjourned meeting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

2.3.13 ATTENDANCE BY TELECONFERENCE

Directors may attend and fully participate in any meeting through electronic teleconferencing.

2.3.14 VOTE IN CASE OF DEADLOCK

In the event the Board of Directors, at a meeting at which a quorum is present, is deadlocked and unable to obtain a majority vote of the Directors present concerning a matter being considered for action, any Director may require a "Weighted Vote." A "Weighted Vote" shall then be taken with each Director's vote being given one half the proportion which:

- (i) the dollar amount of electric power and energy purchased from the Authority during the twelve-month period ending with the close of the billing period for the month two months prior to the month of the deadlocked meeting and paid for by the Municipality appointing such Director bears to;
- (ii) the dollar amount of all electric power and energy purchased from the Authority and paid for by the Municipalities during said twelve-month period.

The act of a majority of the “Weighted Vote” shall be the act of the Board of Directors.

2.3.15 DUTIES

The duties of the Board of Directors shall be:

- (i) To govern the business and affairs of the Authority.
- (ii) To exercise all powers of the Authority.
- (iii) To comply with the provisions of parts 1, 5, and 6 of Article 1 of Title 29, C.R.S.
- (iv) To adopt a fiscal resolution, which complies with statutory and other restrictions imposed by law on the affairs of the Authority, to govern the financial transactions of the Authority, including the receipt, custody, and disbursement of its funds, securities, and other assets, and to provide for the services of a firm of independent certified public accountants to examine, at least annually, the financial records and accounts of the Authority and to report thereupon to the Board of Directors.
- (v) To keep minutes of its proceedings.

2.4 OFFICERS

The officers of the Authority shall be a ChairmanChair, Vice ChairmanChair, Secretary, Treasurer, General Manager and such other officers and assistant officers as may be authorized by the Board of Directors to perform such duties as may be assigned by the Board of Directors. The ChairmanChair and Vice ChairmanChair shall be members of the Board of Directors, but other officers of the Authority need not be members of the Board of Directors.

2.4.1 ELECTION OF OFFICERS AND TERMS OF OFFICE

At each annual meeting of the Board of Directors, the members of the Board of Directors shall elect officers who shall serve as such officers of the Authority until the next annual meeting of the Board of Directors and until their successors are elected and qualified. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Vacancies or new offices may be filled at any meeting of the Board of Directors.

2.4.2 REMOVAL

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without cause, whenever in its judgment the best interests of the Authority will be served thereby.

2.4.3 DUTIES OF OFFICERS

In addition to duties assigned by the Board of Directors, the duties of the officers shall include the following:

(i) CHAIRMANCHAIR

The ChairmanChair shall preside at all meetings of the Board of Directors and, except as otherwise delegated by the Board of Directors, shall execute all legal instruments of

the Authority, and shall perform such other duties as the Board of Directors may prescribe.

(ii) VICE ~~CHAIRMAN~~CHAIR

The Vice ~~Chairman~~Chair shall, in the absence of the ~~Chairman~~Chair, or in the event of the ~~Chairman~~Chair's inability or refusal to act, perform the duties of the ~~Chairman~~Chair and when so acting shall have all the powers of and be subject to all the restrictions upon the ~~Chairman~~Chair. The Vice ~~Chairman~~Chair shall also perform such other duties as may be prescribed by the Board of Directors.

(iii) SECRETARY

The Secretary shall maintain the official records of the Authority, including all resolutions and regulations approved by the Board of Directors, the minutes of meetings of the Board of Directors, and a register of the names and addresses of Directors and officers, and shall issue notice of meetings, attest and affix the corporate seal to all documents of the Authority, and shall perform such other duties as the Board of Directors may prescribe.

(iv) TREASURER

The Treasurer shall serve as financial officer of the Authority and shall, pursuant to the fiscal resolution adopted by the Board of Directors governing the financial transactions of the Authority and the restrictions imposed by law, be responsible for the receipt, custody, investment, and disbursement of the Authority's funds and securities and for duties incident to the office of Treasurer, and shall perform other duties as the Board of Directors may prescribe.

(v) GENERAL MANAGER

The General Manager shall be the principal executive officer of the Authority with full responsibility for the planning, operations, and administrative affairs of the Authority, and the coordination thereof, pursuant to policies and programs approved by the Board of Directors, and shall be the agent for service of process on the Authority. When and while a vacancy exists in the office of General Manager, the Board of Directors shall appoint a qualified interim General Manager to act as the principal executive officer of the Authority.

2.4.4 BONDS OF OFFICERS

The Treasurer and any other officer or agent of the Authority charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent, or employee of the Authority to give bond in such amount and with such surety as it shall determine. The cost of such bond shall be an expense payable by the Authority.

2.5 INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each Director and officer of the Authority, whether or not then in office, and his/her personal representatives, shall be indemnified by the Authority against all costs and expenses actually and necessarily incurred by him/her in connection with the defense of any action, suit, or proceeding in which he/she may be involved or to which he/she may be made a party by reason of his/her being or having been such Director or officer, except in relation to matters as to which he/she shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willful and wanton misconduct in the performance of duty. Such costs and expenses shall include amounts reasonably paid in settlement for the purpose of curtailing the costs of litigation, but only if the Authority is advised in writing by its counsel that in his/her opinion the person indemnified did not commit gross

negligence or willful and wanton misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which he/she may be entitled as a matter of law or by agreement.

2.6 TERM OF CONTRACT

This Contract shall continue in force and effect until December 31, 20~~50~~60, and until thereafter terminated by any Municipality following not less than twelve (12) months written notice to the other Municipalities of its intention to terminate; provided, however, that this Contract may be amended, modified, or terminated at any time by a written document approved and executed by each and every Municipality which is a party to this Contract; and, provided further, however, that this Contract may not in any event be terminated so long as the Authority has bonds, notes, or other obligations outstanding, unless provision for full payment of such obligations, by escrow or otherwise, has been made pursuant to the terms of such obligations.

2.7 ASSETS AND PROPERTIES

All assets and properties of the Authority shall be held in trust for the purposes herein mentioned, including the payment of the liabilities of the Authority.

2.8 DISTRIBUTION OF ASSETS UPON TERMINATION

In the event of the termination of this Contract and the dissolution of the Authority, all of its assets shall immediately vest in the Municipalities. The assets of the Authority conveyed to each Municipality shall be that proportion which (i) the total dollar amount of electric power and energy purchased and paid for by such Municipality, from the Authority and its predecessor during their corporate existence, bears to (ii) the total dollar amount of all electric power and energy purchased and paid for by all of the Municipalities, from the Authority and its predecessor during their corporate existence.

2.9 SEAL

The corporate seal of the Authority shall be in the form of a circle and have inscribed thereon the name of the Authority and the words "Corporate Seal," together with such insignia, if any, as the Board of Directors may authorize.

2.10 CONTRACTS

Except as otherwise provided by law, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, or execute and deliver any instrument in the name and on behalf of the Authority.

2.11 CHECKS, DRAFTS, AND OTHER FINANCIAL DOCUMENTS

All checks, drafts, or other orders for payment of money and all notes, bonds, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents, employee or employees of the Authority and in such manner as shall be determined by the fiscal resolution.

2.12 DEPOSITS

All funds of the Authority shall be deposited in a manner set forth by the fiscal resolution.

2.13 FISCAL YEAR

The fiscal year of the Authority shall be the calendar year.

2.14 PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Authority shall be in Fort Collins, Colorado.

3.0 GENERAL POWERS

The general powers of the Authority shall include the following powers:

(i) ELECTRIC ENERGY

To develop electric energy resources and related services, and produce, purchase, and transmit electric energy, in whole or in part, for the benefit of the inhabitants of the Municipalities.

(ii) **CONTRACTS**

To make and enter contracts of every kind with the Municipalities, the United States, any state or political subdivision thereof, and any individual, firm, association, partnership, corporation or any other organization of any kind.

(iii) **AGENTS AND EMPLOYEES**

To employ agents and employees.

(iv) **FACILITIES**

To acquire, construct, manage, maintain, and operate electric energy facilities, works, and improvements and any interests therein, including, without limitation, to acquire, construct, reconstruct, improve, and rehabilitate, repair, operate, and maintain (separately or jointly) generating plants, transmission systems and related facilities for the purpose of delivering electrical power and energy generated thereby to the Municipalities, and any mine, well, pipeline, plant, structure, or other facility for the development, production, manufacture, storage, fabrication, or processing of fossil or nuclear fuel of any kind for use, in whole or in major part, in any of such generating plants, and any railroad cars, trackage, pipes, equipment, and any structures or facilities of any kind used or useful in the transporting of fuel to any of such generating plants, and to sell, deliver, exchange, or otherwise dispose of the power and energy generated by said plants, and any of the waste or by-products therefrom, and to purchase, lease, or otherwise acquire and equip, maintain, operate, sell, assign, convey, lease, mortgage, pledge, and otherwise dispose of electrical generating plants, transmission systems and related facilities,

together with all lands, buildings, equipment, and all other real or personal property, tangible or intangible, necessary or incidental thereto.

(v) PROPERTY

To acquire, hold, lease (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, and service including, without limitation, to buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire, and to own, hold, maintain, equip, operate, manage, improve, develop, mortgage, and deal in and with, and to sell, lease, exchange, transfer, convey and otherwise dispose of and to mortgage, pledge, hypothecate and otherwise encumber real and personal property of every kind, tangible and intangible.

(vi) CONDEMNATION

To condemn property for public use, if such property is not owned by any public utility and devoted to such public use pursuant to state authority.

(vii) DEBT

To incur debts, liabilities, or obligations and to borrow money and, from time to time, to make, accept, endorse, execute, issue, and deliver bonds, debentures, promissory notes, bills of exchange, and other obligations of the Authority for monies borrowed or in payment for property acquired or for any of the other purposes of the Authority, and to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other collateral instrument, or by other lien upon, assignment of, or agreement in regard to, all or any part of the properties, rights, assets, contracts, easements, revenues, and privileges of the Authority wherever situated.

(viii) LITIGATION

To sue and be sued in its own name.

(ix) SEAL

To have and to use a corporate seal.

(x) RATES

To fix, maintain, and revise fees, rates, and charges for functions, services, or facilities provided by the Authority.

(xi) REGULATIONS

To adopt, by resolution, regulations respecting the exercise of its power and the carrying out of its purposes.

(xii) AGENTS

To do and perform any acts and things authorized by this section under, through, or by means of an agent or by contracts with any person, firm, corporation or governmental entity.

(xiii) JOINT OWNERSHIP

To own, operate, and maintain real and personal property, and facilities in common with others, as permitted by law, and to conduct joint, partnership, cooperative, or other operations with others and to exercise all of the powers granted in this Contract in joint partnership or cooperative efforts and operations with others.

(xiv) OTHER POWERS

To exercise any other powers which are essential, necessary, incidental, convenient, or conducive to providing the wholesale electric power and energy requirements of the Municipalities, as well as to accomplishing the purposes, functions, services, and facilities set forth in Sections 2.0, 2.1, and 2.2 of this Organic Contract.

4.0 POLITICAL SUBDIVISION

The Authority shall be a political subdivision and a public corporation of the State of Colorado separate from the Municipalities. It shall have the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate.

5.0 REVENUE BONDS

The Authority is authorized to issue bonds, notes, or other obligations secured by its electric revenues pursuant to the terms, conditions, and authorization contained in C.R.S. § 29-1-204(7).

6.0 DEBT NOT THAT OF MUNICIPALITIES

The bonds, notes, and other obligations of the Authority shall not be the debts, liabilities, or obligations of the Municipalities.

7.0 FILING OF CONTRACT

A copy of this Contract shall be filed with the Division of Local Government of the State of Colorado within ten (10) days after its execution by the Municipalities.

8.0 NOTICES

Any formal notice, demand, or request provided for in this Contract shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Town of Estes Park, Colorado
c/o Town Administrator
P.O. Box 1200
Estes Park, Colorado 80517

City of Fort Collins, Colorado
c/o Utilities Executive Director
P.O. Box 580
Fort Collins, Colorado 80522

City of Longmont, Colorado
c/o Director of Longmont Power & Communications
1100 South Sherman
Longmont, Colorado 80501

City of Loveland, Colorado
c/o Water and Power Director
200 North Wilson
Loveland, Colorado 80537

9.0 SEVERABILITY

In the event that any of the terms, covenants, or conditions of this Contract or their application shall be held invalid as to any person, corporation, or circumstance by any court having jurisdiction, the remainder of this Contract and the application and effect of its terms, covenants, or conditions to such persons, corporation, or circumstances shall not be affected thereby.

10.0 DUPLICATE ORIGINALS

This Contract may be executed in several counterparts, each of which will be an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Municipalities have caused this Contract, as amended, to be executed as of the 1st day of September, 2010.

TOWN OF ESTES PARK, COLORADO

ATTEST:

By: _____
Mayor

By: _____
Town Clerk

CITY OF FORT COLLINS, COLORADO

ATTEST:

By: _____
Mayor

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

CITY OF LOVELAND, COLORADO

ATTEST:

By: _____
Mayor

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

CITY OF LONGMONT, COLORADO

ATTEST:

By: _____
Mayor

By: _____
City Clerk

APPROVED AS TO FORM AND SUBSTANCE:

Director of Longmont Power & Communications

APPROVED AS TO FORM:

Assistant City Attorney

PROOFREAD:

Attachment B

AMENDED CONTRACT FOR THE SUPPLY OF ELECTRIC POWER AND ENERGY

This contract, made this ____ 4th day of ~~September~~_____, 2010~~9~~, between PLATTE RIVER POWER AUTHORITY, a political subdivision organized and existing under and by virtue of the laws of the State of Colorado (hereinafter called "Platte River") and the CITY OF LOVELAND, COLORADO, a municipal corporation of the State of Colorado (hereinafter called "Loveland.")

WITNESSETH:

WHEREAS, Platte River was formed by Estes Park, Fort Collins, Longmont, and Loveland (hereinafter collectively called "Municipalities") in order to provide the wholesale power and energy requirements of the Municipalities in a reliable, cost-effective, and environmentally responsible manner; and

WHEREAS, Platte River, owns, operates, and maintains electric generating facilities, transmission lines, substations, and related facilities for the purpose of supplying electric power and energy to the electric systems owned and operated by the Municipalities for resale; and

WHEREAS, Platte River has heretofore entered into or will enter into agreements for the sale of electric power and energy similar in form to this Agreement with the cities of Estes Park, Fort Collins, and Longmont; and

~~WHEREAS, this Agreement replaces the Transmission Facilities Agreement between Platte River and Loveland, dated March 18, 1980; and~~

WHEREAS, Loveland desires to purchase electric power and energy from Platte River on the terms and conditions herein set forth;

WHEREAS, through this Agreement the parties acknowledge that the electric industry is evolving from an industry dominated by central station power to one that relies upon increasing amounts of distributed generation resources; and

WHEREAS, the Platte River Board of Directors approved a Resource Diversification Policy with the goal of becoming 100% non-carbon by 2030 and in doing so the Board recognized that distributed generation will be needed to achieve this goal; and

WHEREAS, the parties recognize that the exceptions created to the all-requirements provision set forth in Article 1(a) are not intended to be the only means by which the parties either

singularly or in coordination work toward meeting the goal of the Resource Diversification Policy; and

WHEREAS, the parties intend through the expanded covenant contained in Article 3(c) to meet routinely to review new technologies and business models that may merit recognition through specific amendments to this Agreement; and

WHEREAS, in order to meet the goal of the Resource Diversification Policy the parties are committed to use this incremental amendment process to explore expanding opportunities for distributed generation resources that likely become an increasingly important component of our future resource mix and to amend this agreement when appropriate to accommodate technologies and business models that are not contemplated today; and

WHEREAS, in order to accomplish amendments identified as suitable exceptions to the all-requirements provisions set forth in Article 1(a) Platte River recognizes that it may be necessary in future financings to modify bond covenant restrictions.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the Parties hereto agree as follows:

Article 1: Sale and Purchase of Electric Power and Energy

(a) Platte River shall sell and deliver to Loveland and Loveland shall purchase and receive from Platte River all electric power and energy which Loveland shall require for the operation of its municipal electric system to the extent that Platte River shall have such power and energy available; provided, however, that (1) Loveland shall have the right to continue to generate its own power and energy to the extent of the capacity of its generating facilities in service on September 5, 1974 and may also generate power and energy for its own use from any new generation resource(s) owned and operated by Loveland provided that the total rated capacity of all such new generation is no greater than 1,000 kW or one percent of the peak load of Loveland, whichever is greater, provided further that if Loveland develops new generation resources of a total rated capacity as set forth above Platte River commits that it will meet with Loveland to discuss in good faith an increase in the total rated capacity limit, and (2) Loveland shall not be in violation of the all requirements purchase obligation herein when it purchases power from net metered customers, provided that customers who have entered into agreements with entities that own and operate solar generation located on the customer's property size the solar generation to supply no more than one hundred and twenty percent (120%) of the annual average consumption of electricity by the customer at that site.

(b) Subject to the provisions of Article 2(a), Loveland hereby binds itself to take and pay for all power and energy that is generated, purchased, or otherwise obtained by Platte River, and is furnished to Loveland for resale pursuant to Article 1(a) hereof, said payment to be made at the rates set forth in the Tariff Schedules of Platte River in effect at the time the power and energy is furnished to Loveland.

Article 2: Rate for Power and Energy

(a) Loveland shall pay Platte River for all electric power and energy furnished hereunder at the rates and on the terms and conditions as provided in the Platte River Tariff Schedules; provided, however, that notwithstanding any other provision of this Agreement, the obligation of Loveland to pay Platte River for all electric power and energy furnished hereunder shall be, and is, a special obligation of Loveland payable solely from revenues to be received by Loveland from the sale of electric power and energy to its electric utility customers during the term hereof and is not a lien, charge, or liability against Loveland or against any property or funds of Loveland other than revenues to be received by Loveland from the sale of electric power and energy to its electric utility customers during the term hereof, and the obligation to pay Platte River for all electric power and energy furnished hereunder does not constitute a debt, liability, or obligation of Loveland other than from its revenues to be received from the sale of electric power and energy to its electric utility customers during the term hereof, and Loveland is not otherwise obligated to pay such obligation.

(b) The Board of Directors of Platte River at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the rates for electric power and energy furnished hereunder and under similar agreements with the other Municipalities and, if necessary, shall revise such rates to produce revenues which shall be sufficient, but only sufficient, with the revenues of Platte River from all other sources,

- (i) to meet the cost of operation and maintenance (including, without limitation, fuel, replacements, insurance, taxes, fees, and administrative and general overhead expense) of the electric generating plants, transmission system, and related facilities of Platte River;
- (ii) to meet the cost of any power and energy purchased for resale hereunder by Platte River and the cost of transmission service;

- (iii) to make payments of principal and interest on all indebtedness and revenue bonds of Platte River and provide an earnings margin adequate to enable Platte River to obtain revenue bond financing on favorable terms; and
- (iv) to provide for the establishment and maintenance of reasonable reserves.

(c) Platte River shall cause a notice in writing to be given to each Municipality to which it furnishes electric power and energy, which notice shall set out each revision of the rates with the effective date thereof, which shall be not less than thirty (30) days after the date of the notice. All rate adjustments shall apply equally to all Municipalities to which Platte River furnishes electric power and energy, unless otherwise agreed upon, and shall not be discriminatory. Loveland agrees that the rates from time to time established by the Board of Directors of Platte River shall be deemed to be substituted for the rates presently contained in the Tariff Schedules and agrees to pay for electric power and energy furnished to it hereunder after the effective date of any revisions to the Tariff Schedules at such revised rates.

Article 3: Covenants of Platte River

(a) Platte River shall use reasonable diligence to furnish a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail, or be interrupted, or become defective through uncontrollable forces, as defined herein, Platte River shall not be liable for any claim or damages caused thereby.

(b) After first satisfying the electric power and energy requirements of all Municipalities to which it furnishes electric power and energy, Platte River may, in its sole discretion, market and dispose of any surplus electric power and energy which it owns or produces or which Platte River is obligated by contract to purchase, under the most advantageous terms and conditions obtainable.

(c) Platte River shall carry out the planning, design, construction, and operating decisions associated with the performance of its obligations under this Agreement in an environmentally responsible manner. This includes, but is not limited to, scheduling meetings with Loveland at least every two years to review new technologies and business models that may serve to increase the penetration of distributed generation and efficiency technologies. As appropriate the parties will amend this Agreement to allow such new technologies and business models to operate within the retail service territory of Loveland.

Article 4: Covenants of Loveland

(a) Loveland agrees to maintain rates for electric power and energy furnished to its electric utility customers which will, after payment of all of Loveland's costs of operation and maintenance (including, without limitation, replacements, insurance, administrative and general overhead expense), return to Loveland sufficient revenue to meet its obligations to Platte River hereunder.

(b) Loveland shall not sell at wholesale any of the electric energy delivered to it hereunder to any of its customers for resale by that customer, unless such resale is specifically approved in writing by Platte River.

(c) Loveland acknowledges that it is familiar with the provision of Platte River's contract with the Western Area Power Administration, which requires, as a condition of the purchase of federally generated power, that the Municipalities comply with certain provisions of the "General Power Contract Provisions," which is attached hereto as Attachment A. Loveland acknowledges its compliance obligations under the General Power Contract Provisions, as that document presently exists and as it may be modified in the future.

Article 5: Conditions of Delivery of Power and Energy

(a) The electric power and energy to be furnished by Platte River shall be alternating current, sixty (60) hertz, three-phase, subject to conditions of delivery and measurement as hereinafter provided and in the Tariff Schedules.

(b) Responsibilities for the facilities through which electric power and energy is delivered are set forth in Attachment B of this Agreement, attached hereto and made a part hereof.

(c) Loveland shall make and pay for all final connections between its system and the system owned by, or available to, Platte River at the points of delivery agreed upon.

(d) Unless otherwise agreed, Loveland shall install, own, and maintain the necessary substation equipment at the points of delivery from the system of, or available to, Platte River and shall install, own, and maintain switching and protective equipment of adequate design and sufficient capacity beyond such points of delivery to enable Loveland to take and use the electric power and energy supplied hereunder without hazard to such system.

(e) To provide adequate service to Loveland, Platte River agrees to increase the capacity of an existing transmission point of delivery, or to establish a new transmission point of delivery at a mutually agreeable location, of a design capacity of not less than ~~1020~~ 20,000 kVa maximum nameplate rating at 55° C. rise, and in accordance with this Agreement.

(f) Loveland shall give Platte River at least two years written notice of the need to increase the capacity of an existing transmission point of delivery or the need for a new transmission point of delivery. If new transmission is required, Loveland shall give at least four years written notice. The notice shall specify the amount of additional or new capacity, the new transmission required, and the desired initial date of its operation. Platte River shall, within sixty (60) days after receipt of such notice, and on the basis of the best information available to Platte River from system plans and load projections for Loveland, inform Loveland in writing of Platte River's plans and schedules with respect to the supply of the additional capacity requested by Loveland, and shall thereafter keep Loveland informed of Platte River's progress in supplying such additional capacity. Any written notice requesting additional capacity at an existing point of delivery or the establishment of a new point of delivery shall provide to Platte River any and all authority necessary for its facilities to occupy the property of Loveland during the period in which that point of delivery is used by Platte River for the delivery of power and energy.

(g) If Loveland requires the construction of a 115 kV or 230 kV transmission line for additional service where such line is a tap or radial line over which energy can flow in only one direction, as distinguished from a system line over which energy can flow in either direction, then ownership, operation and maintenance of such 115 kV or 230 kV transmission line will be undertaken by Platte River pursuant to a separate agreement with Loveland which provides for an appropriate sharing of the annual costs of ownership and operations of such line for as long as such energy flow and delivery conditions prevail.

Article 6: Consultation on System Planning

(a) At least once each year, on or before July 1, Platte River shall consult Loveland concerning its requirements for transmission facilities to effect delivery of power and energy by Platte River. The date for such annual consultation shall be set by agreement of the Parties.

(b) At least thirty (30) days prior to the date of such annual consultation, Loveland shall provide Platte River with two (2) copies of its latest estimate of requirements for delivery of power and energy covering a future period of ten (10) years. Platte River shall review Loveland's annual estimates and shall consider them in preparing Platte River's annual system plan. Following Platte River's annual consultations on delivery requirements with all Municipalities, Platte River shall prepare an annual system plan for the delivery of power and energy to all Municipalities covering a future period of ten (10) years. Decisions regarding the construction of any transmission and delivery facilities by Platte River primarily to supply Loveland, will take into account Loveland's

long-range distribution requirements and costs and the long-range costs and benefits of alternative service plans. Platte River's annual system plan shall include appropriate load flow and stability studies and a copy thereof shall be furnished to Loveland if requested.

Article 7: Measurement of Power and Energy

(a) Metering equipment shall be furnished, installed, and maintained by Platte River at each point of delivery to Loveland at the low-high voltage side of the transforming equipment or at such other points as agreed upon by the Parties.

(b) Loss adjustments for low-high voltage side or remote metering shall be as specified in the Tariff Schedule or as otherwise agreed by the Parties.

Article 8: Meter Readings and Payment of Bills

(a) Platte River shall read meters and invoice Loveland for power and energy furnished hereunder at approximately monthly intervals. Such invoices shall be due and payable to Platte River within fifteen (15) days from date of issuance and shall become delinquent thereafter.

(b) If Loveland's monthly bill becomes delinquent, late charges at the rate of a one and one-half percent (1½ %) per month of the unpaid balance shall be added, and if such bill is delinquent for a period of fifteen (15) days or longer, Platte River may discontinue delivery of electric power and energy not less than fifteen (15) days following written notice to Loveland.

Article 9: Meter Testing and Billing Adjustment

(a) Platte River shall test and calibrate meters by comparison with accurate standards at intervals of twelve (12) months, and shall also make special meter tests at any time at Loveland's request. The cost of all tests shall be borne by Platte River; provided, however, that if any special meter test made at Loveland's request shall disclose that the meters are recording accurately, Loveland shall reimburse Platte River for the cost of such test. Meters registering within two percent (2%) above or below normal shall be deemed to be accurate.

(b) The readings of any meter which are disclosed by test to be inaccurate shall be corrected from the beginning of the monthly billing period immediately preceding the billing period during which the test was made; provided, that no correction shall be made for a longer period than such inaccuracy is determined by Platte River to have existed. If a meter fails to register, the electric power and energy delivered during such period of failure shall, for billing purposes, be estimated by Platte River from the best information available.

(c) Platte River shall notify Loveland in advance of any meter reading or test so that Loveland's representative may be present at such meter reading or test.

Article 10: Right of Occupancy and Access

Both Parties shall have a revocable license to occupy the property of the other Party necessary to deliver and receive power and energy under this Agreement as described in Attachment B. Duly authorized representatives of either Party shall be permitted to enter the premises of the other Party at all reasonable times in order to carry out the provisions of this Agreement and those described in Attachment B.

Article 11: Uncontrollable Forces

Neither Party to this Agreement shall be considered to be in default in performance of any of its obligations, except the agreement to make payment, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the Party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or inaction by, or failure to obtain the necessary authorization or approvals from, any governmental agency or authority, which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of an uncontrollable force shall give prompt written notice of such fact, if reasonable to do so, to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.

Article 12: Enforceability

The Parties hereto recognize that there are legal constraints imposed upon them by the constitution, statutes, and rules and regulations of the State of Colorado and of the United States, and imposed upon them by their respective governing statutes, charters, ordinances, rules and regulations, 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 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.

Article 13: Term of Agreement

(a) This Agreement shall become effective when executed by both Parties, and shall amend and supersede the existing Contract for the Supply of Electric Power and Energy between Platte River and Loveland, dated ~~July 1, 1998~~ September 1, 2010. This Agreement shall remain in effect until December 31, ~~2050~~2060, and thereafter until terminated by either Party following not less than twelve (12) months written notice to the other Party of its intention to terminate.

~~(b) The Transmission Facilities Agreement between Platte River and Loveland dated March 18, 1980, shall be deemed terminated as of the date of this Agreement.~~

Article 14: Notices

Any formal notice provided for in this Agreement, and the payment of monies due, shall be deemed properly served, given or made, if delivered in person or sent by regular mail to the persons specified below:

For Platte River:

General Manager
Platte River Power Authority
2000 East Horsetooth Road
Fort Collins, Colorado 80525

For Loveland:

City of Loveland, Colorado
Water and Power Director
200 North Wilson
Loveland, Colorado 80537

Article 15: Severability

In the event that any of the terms, covenants, or conditions of this Agreement or their application shall be held invalid as to any person or circumstance by any Court having jurisdiction, the remainder of this Agreement and the application of its terms, covenants, or conditions to such persons or circumstances shall not be affected thereby.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

PLATTE RIVER POWER AUTHORITY

ATTEST:

By: _____
General Manager

By: _____
Assistant Secretary

CITY OF LOVELAND

ATTEST:

By: _____
Mayor

By: _____
City Clerk

APPROVED AS TO FORM:

Assistant City Attorney

ATTACHMENT A

Effective September 1, 2007

WESTERN AREA POWER ADMINISTRATION GENERAL POWER CONTRACT PROVISIONS

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*Legal Citation Revised September 1, 2007

**WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS**

I. APPLICABILITY.

1. Applicability.

1.1 These General Power Contract Provisions (Provisions) shall be a part of the contract to which they are attached. In the event these Provisions differ from requirements of the contract, specific terms set forth in the contract shall prevail.

1.2 If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with Provisions 10, 17, 18, 19, 29, 30, 36, 43, 44, and 45 of these General Power Contract Provisions.

II. DELIVERY OF SERVICE PROVISIONS.

2. Character of Service.

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

3. Use of Capacity or Energy in Excess of Contract Obligation.

The Contractor is not entitled to use Federal power, energy, or capacity in amounts greater than the Western contract delivery obligation in effect for each type of service provided for in the contract except with the approval of Western. Unauthorized overruns of contract delivery obligations shall be subject to charges specified in the contract or the applicable rate schedules. Overruns shall not establish any continuing right thereto and the Contractor shall cease any overruns when requested by Western, or in the case of authorized overruns, when the approval expires, whichever occurs first. Nothing in the contract shall obligate Western to increase any delivery obligation. If additional power, energy, or capacity is not available from Western, the responsibility for securing additional power, energy, or capacity shall rest wholly with the Contractor.

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Provision 34 (Uncontrollable Forces) herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions, which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.

5. Multiple Points of Delivery.

When electric service is supplied at or transmitted to two or more points of delivery under the same rate schedule, said rate schedule shall apply separately to the service supplied at or transmitted to each point of delivery; Provided, That where the meter readings are considered separately, and during abnormal conditions, the Contractor's system is interconnected between points of delivery such that duplication of metered power is possible, the meter readings at each affected point of delivery will be adjusted to compensate for duplication of power demand recorded by meters at alternate points of delivery due to abnormal conditions which are beyond the Contractor's control or temporary conditions caused by scheduled outages.

6. Metering.

6.1 The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western, a designated representative of Western, or where situations deem it appropriate as determined by Western, by the Contractor or its agent(s). In the event metering equipment is furnished and maintained by the Contractor or its agent(s) and the equipment is used for billing and other accounting purposes by Western, the Contractor shall ensure that the metering equipment complies with applicable metering policies established by Western.

6.2 Meters shall be secured by appropriate security measures and meters shall not be accessed except when the meters are to be inspected, tested, adjusted, or repaired. Representatives of affected parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested each year by the party responsible for meter maintenance, unless a different test interval is determined in accordance with good utility practices by an applicable regional metering policy, or as agreed upon by the parties. Meters shall also be tested at any reasonable time upon request by a party hereto, or by an affected supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance as soon as practicable. Meters found with security breaches shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Provision 6.3 below.

6.3 Except as otherwise provided in Provision 6.4 hereof, should any meter that is used by Western for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during the period of failure to register accurately, shall, for billing purposes, be estimated by Western from the best available information.

6.4 If inspections and tests of a meter used by Western for billing or other accounting purposes disclose an error exceeding 2 percent, or a lesser range in error as agreed upon by the parties, then a correction based upon the inaccuracy found shall be made to the service records for the period of inaccuracy as determined by Western. If the period of inaccuracy cannot be determined, the inaccuracy shall be assumed to have existed during the entire monthly billing period immediately preceding the billing period in which the inspection or test was made and the resulting correction shall be made accordingly.

6.5 Any correction in billing or other accounting information that results from a correction in meter records shall be made in a subsequent monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties arising out of inaccurate metering equipment.

7. Existence of Transmission Service Contract.

If the contract provides for Western to furnish services using the facilities of a third party, the obligation of Western shall be subject to and contingent upon the existence of a transmission service contract granting Western rights to use such facilities. If Western acquires or constructs facilities which would enable it to furnish direct service to the Contractor, Western, at its option, may furnish service over its own facilities.

8. Conditions of Transmission Service.

8.1 When the electric service under the contract is furnished by Western over the facilities of others by virtue of a transmission service arrangement, the power and energy will be furnished at the voltage available and under the conditions which exist from time to time on the transmission system over which the service is supplied.

8.2 Unless otherwise provided in the contract or applicable rate schedule, the Contractor shall maintain a power factor at each point of delivery from Western's transmission agent as required by the transmission agent.

8.3 Western will endeavor to inform the Contractor from time to time of any changes planned or proposed on the system over which the service is supplied, but the costs of any changes made necessary in the Contractor's system, because of changes or conditions on the system over which the service is supplied, shall not be a charge against or a liability of Western.

8.4 If the Contractor, because of changes or conditions on the system over which service under the contract is supplied, is required to make changes on its system at its own expense in order to continue receiving service under the contract, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to making such changes, but not thereafter.

8.5 If Western notifies the Contractor that electric service provided for under the contract cannot be delivered to the Contractor because of an insufficiency of capacity available to Western in the facilities of others over which service under the contract is supplied, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to the date on which said capacity ceases to be available to Western, but not thereafter.

9. Multiple Points of Delivery Involving Direct and Indirect Deliveries.

When Western has provided line and substation capacity under the contract for the purpose of delivering electric service directly to the Contractor at specified direct points of delivery and also has agreed to absorb transmission service allowance or discounts for deliveries of energy over other system(s) to indirect points of delivery and the Contractor shifts any of its load served under the contract from direct delivery to indirect delivery, Western will not absorb the transmission service costs on such shifted load until the unused capacity, as determined solely by Western, available at the direct delivery points affected is fully utilized.

10. Construction, Operation, and Maintenance of Contractor's Power System.

The Contractor shall, and, if applicable, shall require each of its members or transmission agents to construct, operate, and maintain its power system in a manner which, as determined by Western, will not interfere

with the operation of the system of Western or its transmission agents over which electric services are furnished to the Contractor under the contract, and in a manner which will coordinate with the protective relaying and other protective arrangements of the system(s) of Western or Western's transmission agents. Western may reduce or discontinue furnishing services to the Contractor if, after notice by Western, the Contractor fails or refuses to make such changes as may be necessary to eliminate an unsatisfactory condition on the Contractor's power system which is determined by Western to interfere significantly under current or probable conditions with any service supplied from the power system of Western or from the power system of a transmission agent of Western. Such a reduction or discontinuance of service will not relieve the Contractor of liability for any minimum charges provided for in the contract during the time said services are reduced or discontinued. Nothing in this Provision shall be construed to render Western liable in any manner for any claims, demands, costs, losses, causes of action, damages, or liability of any kind or nature arising out of or resulting from the construction, operation, or maintenance of the Contractor's power system.

III. RATES, BILLING, AND PAYMENT PROVISIONS.

11. Change of Rates.

Rates applicable under the contract shall be subject to change by Western in accordance with appropriate rate adjustment procedures. If at any time the United States promulgates a rate changing a rate then in effect under the contract, it will promptly notify the Contractor thereof. Rates shall become effective as to the contract as of the effective date of such rate. The Contractor, by written notice to Western within ninety (90) days after the effective date of a rate change, may elect to terminate the service billed by Western under the new rate. Said termination shall be effective on the last day of the billing period requested by the Contractor not later than two (2) years after the effective date of the new rate. Service provided by Western shall be paid for at the new rate regardless of whether the Contractor exercises the option to terminate service.

12. Minimum Seasonal or Annual Capacity Charge.

When the rate in effect under the contract provides for a minimum seasonal or annual capacity charge, a statement of the minimum capacity charge due, if any, shall be included in the bill rendered for service for the last billing period of the service season or contract year as appropriate, adjusted for increases or decreases in the contract rate of delivery and for the number of billing periods during the year or season in which service is not provided. Where multiple points of delivery are involved and the contract rate of delivery is stated to be a maximum aggregate rate of delivery for all points, in determining the minimum seasonal or annual capacity charge due, if any, the monthly capacity charges at the individual points of delivery shall be added together.

13. Billing and Payment.

13.1 Western will normally issue bills to the Contractor for services furnished during the preceding month within ten (10) days after the end of the billing period.

13.2 If Western is unable to issue timely monthly bill(s), Western may elect to render estimated bill(s). Such estimated bill(s) shall be subject to the same payment provisions as final bill(s), and any applicable adjustments will be shown on a subsequent monthly bill.

13.3 Payments of bills issued by Western are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western. Bills will be paid electronically or via the Automated Clearing House method of payment unless a written request to make payments by mail is submitted by the Contractor and approved by Western. Should Western agree to accept payments by mail, these payments will be accepted as timely and without assessment of the charge provided for in Provision 14 (Nonpayment of Bills in Full When Due) if a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

13.4 The parties agree that net billing procedures will be used for payments due Western by the Contractor and for payments due the Contractor by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of electric facilities, and other services. Payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

14. Nonpayment of Bills in Full When Due.

14.1 Bills not paid in full by the Contractor by the due date specified in Provision 13 (Billing and Payment) hereof shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Western will also assess a fee of twenty-five dollars (\$25.00) for processing a late payment. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

14.2 Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The rights reserved to Western herein shall be in addition to all other remedies available to Western either by law or in equity, for the breach of any of the terms hereof.

15. Adjustments for Fractional Billing Period.

The demand or capacity charge and minimum charges shall each be proportionately adjusted when fractional billing periods are applicable under this contract. A fractional billing period can occur: (1) at the beginning or end of electric service; (2) at the beginning or end of irrigation pumping service each year; (3) for a fractional billing period under a new rate schedule; or (4) for fractional periods due to withdrawals of electric services. The adjustment will be made based on the ratio of the number of hours that electric service is available to the Contractor in such fractional billing period to the total number of hours in the billing period involved. Energy billing shall not be affected by fractional billing periods.

16. Adjustments for Curtailments to Firm Service.

16.1 Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of one (1) hour or longer in duration each.

Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Provision 14 (Nonpayment of Bills in Full When Due). For purposes of billing adjustments under this Provision, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

16.2 The total number of hours of curtailed firm electric service in any billing period shall be determined by adding: (1) the sum of the number of hours of interrupted electric service to (2) the product, of each reduction, of: the number of hours reduced electric service and the percentage by which electric service was reduced below the delivery obligation of Western at the time of each said reduction of electric service. The demand or capacity charge and applicable minimum charges shall each be proportionately adjusted in the ratio that the total number of hours of electric service determined to have been curtailed bears to the total number of hours in the billing period involved.

16.3 The Contractor shall make written claim within thirty (30) days after receiving the monthly bill, for adjustment on account of any curtailment of firm electric service, for periods of one (1) hour or longer in duration each, alleged to have occurred that is not reflected in said bill. Failure to make such written claim, within said thirty-day (30-day) period, shall constitute a waiver of said claim. All curtailments of electric service, which are due to conditions on the power system of the United States, shall be subject to the terms of this Provision; Provided, That withdrawal of power and energy under the contract shall not be considered a curtailment of electric service.

IV. POWER SALES PROVISIONS.

17. Resale of Firm Electric Service (Wholesale Sales for Resale).

The Contractor shall not sell any firm electric power or energy supplied under the contract to any electric utility customer of the Contractor for resale by that utility customer; Provided, That the Contractor may sell the electric power and energy supplied under the contract to its members on condition that said members not sell any of said power and energy to any customer of the member for resale by that customer.

18. Distribution Principles.

The Contractor agrees that the benefits of firm electric power or energy supplied under the contract shall be made available to its consumers at rates that are established at the lowest possible level consistent with sound business principles, and that these rates will be established in an open and public manner. The Contractor further agrees that it will identify the costs of firm electric power or energy supplied under the contract and power from other sources to its consumers upon request. The Contractor will demonstrate compliance with the requirements of this Provision to Western upon request.

19. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13 (a) of the Boulder Canyon Project Act of December 21, 1928, 43 U.S.C. §§ 617a-e, and the parties to the contract shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor

under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

V. FACILITIES PROVISIONS.

20. Design Approval.

All facilities, construction, and installation by the Contractor pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western's current "General Requirements for Interconnection," in effect upon the signing of the contract document providing for each interconnection, copies of which are available from Western. At least ninety (90) days, unless otherwise agreed, prior to the date the Contractor proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, the Contractor shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities the Contractor proposes to purchase, construct, and install. The Contractor assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet the Contractor's needs.

21. Inspection and Acceptance.

Western shall have the right to inspect the materials and work furnished by the Contractor, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the work site. Any materials or work that Western determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of the Contractor before the new facilities are energized.

22. As-Built Drawings.

Within a reasonable time, as determined by Western, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor's drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by Western. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by Western.

23. Equipment Ownership Markers.

23.1 The Contractor shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the United States right-of-way or in Western substations pursuant to the contract which are owned by the Contractor, by permanently affixing thereto suitable markers clearly identifying the Contractor as the owner of said equipment and facilities.

23.2 If requested by the Contractor, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the Contractor's right-of-way or in the Contractor's substations pursuant to the contract which are owned by the United States, by

permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.

24. Third-Party Use of Facilities.

The Contractor shall notify Western of any proposed system change relating to the facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies the Contractor that said system change will, as solely determined by Western, adversely affect the operation of Western's system the Contractor shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

25. Changes to Western Control Facilities.

If at any time during the term of the contract, Western determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission system, and said changes or additions are entirely or partially required because of the Contractor's equipment installed under the contract, such changes or additions shall, after consultation with the Contractor, be made by Western with all costs or a proportionate share of all costs, as determined by Western, to be paid by the Contractor. Western shall notify the Contractor in writing of the necessary changes or additions and the estimated costs to be paid by the Contractor. If the Contractor fails to pay its share of said estimated costs, Western shall have the right, after giving sixty (60) days' written notice to the Contractor, to terminate the applicable facility installation provisions to the contract and require the removal of the Contractor's facilities.

26. Modification of Western Facilities.

Western reserves the right, at any time, to modify its facilities. Western shall keep the Contractor informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit the Contractor to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At the Contractor's option, Western shall cooperate with the Contractor in planning alternate arrangements for service which shall be implemented at no cost or expense to Western. The Contractor and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

27. Transmission Rights.

If the contract involves an installation which sectionalizes a Western transmission line, the Contractor hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.

28. Construction and Safety Procedures.

28.1 The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, operation, maintenance, replacement, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply

with all applicable safety laws and building and construction codes, including the provisions of Chapter 1 of the Power System Operations Manual, entitled Power System Switching Procedure, and the Occupational Safety and Health Administration regulations, Title 29 C.F.R. §§ 1910 and 1926, as amended or supplemented. In addition to the safety program required herein, upon request of the United States, the Contractor shall provide sufficient information to demonstrate that the Contractor's safety program is satisfactory to the United States.

28.2 The Contractor and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the work performed by the Contractor under the contract. Prior to starting any construction, installation, or removal work, the Contractor shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by the Contractor, its employees, agents, or subcontractors until written authorization to proceed is obtained from Western.

28.3 At all times when the Contractor, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of the Contractor who shall be authorized to represent the Contractor in all matters pertaining to the activity being performed. The Contractor and Western will keep each other informed of the names of their designated representatives at the site.

28.4 Upon completion of its work, the Contractor shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to the Contractor or used under the Contractor's direction, and in the event of failure to do so the same may be removed by Western at the expense of the Contractor.

28.5 In the event the Contractor, its employees, agents, or subcontractors fail to comply with any requirement of this Provision, or Provision 21 (Inspection and Acceptance) herein, Western or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

29. Environmental Compliance.

Facilities installed under the contract by any party shall be constructed, operated, maintained, replaced, transported, and removed subject to compliance with all applicable laws, including but not limited to the National Historic Preservation Act of 1966, 16 U.S.C. §§ 470x-6, the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4347, the Endangered Species Act of 1973, 16 U.S.C. §§ 1531-1544, and the Archaeological Resources Protection Act of 1979, 16 U.S.C. §§ 470aa-470mm, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, as well as any other existing or subsequent applicable laws, regulations, and executive orders.

30. Responsibility for Regulated Materials.

When either party owns equipment containing regulated material located on the other party's substation, switchyard, right-of-way, or other property, the equipment owner shall be responsible for all activities related to regulated materials in such equipment that are necessary to meet the requirements of the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901-6992k, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601-

9675, the Oil Pollution Act of 1990, 33 U.S.C. §§ 2702-2761, the Clean Water Act, 33 U.S.C. §§ 1251-1387, the Safe Drinking Water Act, 42 U.S.C. §§ 300f-j26, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, and any other existing or subsequent applicable laws, regulations, and executive orders. Each party shall label its equipment containing regulated material in accordance with appropriate laws and regulations. If the party owning the equipment does not perform activities required under appropriate laws and regulations within the time frame specified therein, the other party may perform or cause to be performed the required activities after notice to and at the sole expense of the party owning the equipment.

VI. OTHER PROVISIONS.

31. Authorized Representatives of the Parties.

Each party to the contract, by written notice to the other, shall designate the representative(s) who is (are) authorized to act in its behalf with respect to those matters contained in the contract which are the functions and responsibilities of the authorized representatives of the parties. Each party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.

32. Effect of Section Headings.

Section headings or Provision titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

33. Operating Guidelines and Procedures.

The parties to the contract may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.

34. Uncontrollable Forces.

Neither party to the contract shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Provision 13 (Billing and Payment) herein, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

35. Liability.

35.1 The Contractor hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Contractors', its employees', agents', or subcontractors' construction, operation, maintenance, or replacement activities under the contract.

35.2 The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.

36. Cooperation of Contracting Parties.

If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Provisions 13 (Billing and Payment) and 14 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

37. Transfer of Interest in the Contract or Change in Preference Status.

37.1 No voluntary transfer of the contract or of the rights of the Contractor under the contract shall be made without the prior written approval of the Administrator of Western. Any voluntary transfer of the contract or of the rights of the Contractor under the contract made without the prior written approval of the Administrator of Western may result in the termination of the contract; Provided, That the written approval of the Administrator shall not be unreasonably withheld; Provided further, That if the Contractor operates a project financed in whole or in part by the Rural Utilities Service, the Contractor may transfer or assign its interest in the contract to the Rural Utilities Service or any other department or agency of the Federal Government without such prior written approval; Provided further, That any successor to or assignee of the rights of the Contractor, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were the original Contractor under the contract; and, Provided further, That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Provision.

37.2 The Contractor shall maintain its status as an entity eligible for preference in Western's sale of Federal power pursuant to Reclamation law, as amended and supplemented.

37.3 Western shall give the Contractor written notice of Western's proposed determination that the Contractor has violated Provision 37.1 and Western's proposed action in response to the violation.

37.4 The Contractor shall have 120 days after receipt of Western's notice provided under Provision 37.3 to submit a written response to Western. The Contractor may also make an oral presentation to the Administrator during this 120-day period.

37.5 At any time during this process, the Contractor and Western may agree upon corrective action to resolve Western's proposed determination that the Contractor is in violation of Provision 37.1.

37.6 Within 30 days of receipt of the Contractor's written response provided under Provision 37.4, Western will notify the Contractor in writing of its final decision. The Administrator's written notice will include the intended action, the effective date thereof, and the reasons for taking the intended action. Implementation of the Administrator's action shall take place no earlier than 60 days from the Contractor's receipt of such notice.

37.7 Any successor to Western shall be subject to all the provisions and conditions of the contract to the same extent as though such successor were an original signatory to the contract.

37.8 Nothing in this Provision shall preclude any right to judicial review available to the Contractor under Federal law.

38. Choice of Law and Forum.

Federal law shall control the obligations and procedures established by this contract and the performance and enforcement thereof. The forum for litigation arising from this contract shall exclusively be a Federal court of the United States, unless the parties agree to pursue alternative dispute resolution.

39. Waivers.

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not be deemed a waiver with respect to any subsequent default or matter.

40. Notices.

Any notice, demand, or request specifically required by the contract or these Provisions to be in writing shall be considered properly given when delivered in person or sent by postage prepaid registered or certified mail, commercial delivery service, facsimile, electronic, prepaid telegram, or by other means with prior agreement of the parties, to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice. Where facsimile or electronic means are utilized for any communication covered by this Provision, the sending party shall keep a contemporaneous record of such communications and shall verify receipt by the other party.

41. Contingent Upon Appropriations and Authorization.

41.1 Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States' obligations under the contract. In case such

appropriation is not made, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

41.2 In order to receive and expend funds advanced from the Contractor necessary for the continued performance of the obligations of the United States under the contract, additional authorization may be required. In case such authorization is not received, the Contractor hereby releases the United States from those contractual obligations and from all liability due to the lack of such authorization.

42. Covenant Against Contingent Fees.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

43. Contract Work Hours and Safety Standards.

The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 329, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 327-334, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

44. Equal Opportunity Employment Practices.

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into the contract, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

45. Use of Convict Labor.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.

Attachment B-1

Substation Cost and Maintenance Responsibility

And

Lease of 115kV Facilities

The following describes the cost and maintenance responsibilities for Loveland and Platte River at the existing East, West, Valley, Airport, Horseshoe, ~~and Crossroads~~, and Foothills Substations. This description will also apply to any future substations that may be constructed by Loveland. If any special arrangements are required for a new substation different from the understanding described below, it will be documented in a separate letter agreement between the Loveland and Platte River and attached hereto.

Loveland will furnish, own, and maintain at its expense the following items in each substation owned by Loveland:

- The substation site with sufficient space for both the Loveland and Platte River equipment
- Grading and surfacing within the fenced or walled area
- Access right-of-way and roads
- Perimeter substation fence or wall
- Landscaping and maintenance of any grounds outside the fenced or walled area
- The 230 or 115kV/12.47 transformers, switchgear, feeder circuits, associated foundations and ~~oil~~ containment structures, duct banks, conduits, and all cabling, relays, and controls required to operate such equipment
- The Loveland switchgear room in a common Loveland/Platte River switchgear/control building or separate building, whichever is appropriate
- A remote terminal unit (RTU), for use to transmit substation information to Loveland
- The DC power supply system and associated equipment or ½ the cost of a DC system shared with Platte River.
- Substation site electric service (equipment, power and energy)
- Substation yard lighting
- Substation yard below grade grounding system

Platte River will furnish, own, and maintain at its expense the following items in each substation owned by Loveland:

- All transmission equipment required at the appropriate voltage class to deliver electric capacity and energy to Loveland's facilities including the transmission line transition structures, breakers, switches, bus system, relays, meters and associated controls
- All foundations required for the Platte River equipment listed above
- The Platte River control room in a combined Loveland/Platte River switchgear/control building, or the cost of a separate control building, whichever is appropriate
- Communication connections for Power System Operations use by both Loveland and Platte River
- A remote terminal unit (RTU), ~~for shared~~ use to transmit substation information to ~~both Loveland and~~ Platte River
- Weed control

Loveland and Platte River will share equally the cost of any substation security deemed by both parties to be appropriate for the location of the substation.

Lease of 115kV Facilities:

Background: In the Transmission Facilities Agreement dated March 11, 1980, Loveland leased multiple transmission and substation facilities to Platte River. With that lease Platte River assumed responsibility for 115kV transmission and substation facilities that served the Boyd, East, West, Horseshoe and Valley Substations. Platte River owns ~~all~~ 115kV facilities at Airport, ~~and~~ Crossroads, ~~and~~ Foothills Substations and all 230 facilities at Boyd ~~and~~ Horseshoe Substations as these substations were constructed after 1980.

Continuation of Lease: Loveland agrees to continue the lease of the facilities on the following list ("Leased Facilities") to Platte River through the term of this Agreement or until such facility is permanently removed from service or replaced. Platte River shall continue to have the right to use the Leased Facility in whatever manner it shall determine to be the most effective to meet its obligations under this Agreement and the local needs of Loveland and to make whatever modifications, improvements, repairs and replacements it shall determine to be necessary to provide reliable service. Platte River shall not permit any lien or encumbrance to attach to the Leased Facility and shall deliver them up to Loveland at the termination of this Agreement.

The following items comprise the Leased Facilities:

Land and Land Rights

All land, land rights and easements on which the following facilities are located:

- The portion of the Boyd Substation purchased by Loveland
- The West Tap (on the WAPA 115kV Valley-Flatiron line) to West Substation 115kV transmission line
- The 115kV transmission line from Horseshoe Substation east to 57th Street
- The 115kV transmission line from Horseshoe Substation west to West Substation

Substation Equipment

~~All~~ 115kV breakers, busses, switches, insulators, meters, relays, control panels, structural steel, foundations, and miscellaneous 115kV support equipment at the following substations:

- Boyd
- East
- West
- Horseshoe
- Valley

Transmission Lines

All poles and conductors and all support equipment required for operation of the following 115kV transmission lines:

- West Tap to West Substation
- Double circuit line north from Boyd Substation to 57th Street
- Horseshoe Substation to West Substation
- Horseshoe Substation to 115kV line at 57th Street

DRAFT

ITEM TITLE:

Quarterly Financial Report Update

DESCRIPTION:

This item summarizes the monthly and year-to date financials for December 2018.

SUMMARY:

The December 2018 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 2017. The summarized and detailed monthly financial statements that compare December Year-To-Date actuals to the 2018 budgeted figures are attached.

	December					December Year-To-Date			
	2018	2017	\$ Ovr/(Und) vs. 2017	% Ovr/(Und) vs. 2017		2018	2017	\$ Ovr/(Und) vs. 2017	% Ovr/(Und) vs. 2017
WATER									
Sales	\$882,447	\$799,049	\$83,398	10.4%		\$16,740,304	\$14,840,067	\$1,900,237	12.8%
Operating Expenses	\$1,619,117	\$1,349,414	\$269,703	20.0%		\$13,942,295	\$17,173,956	(\$3,231,661)	-18.8%
Capital (Unrestricted)	\$621,477	\$695,457	(\$73,980)	-10.6%		\$2,104,655	\$2,221,257	(\$116,602)	-5.2%
WASTEWATER									
Sales	\$1,031,190	\$913,354	\$117,836	12.9%		\$12,542,108	\$11,217,566	\$1,324,542	11.8%
Operating Expenses	\$1,302,438	\$1,143,566	\$158,871	13.9%		\$9,449,121	\$7,616,972	\$1,832,149	24.1%
Capital (Unrestricted)	\$2,225,347	\$3,304,608	(\$1,079,261)	-32.7%		\$12,775,542	\$7,061,390	\$5,714,152	80.9%
POWER									
Sales	\$5,093,179	\$4,647,264	\$445,915	9.6%		\$65,897,853	\$61,144,148	\$4,753,705	7.8%
Operating Expenses	\$5,692,006	\$5,257,762	\$434,244	8.3%		\$60,164,274	\$56,574,226	\$3,590,047	6.3%
Capital (Unrestricted)	\$2,170,747	\$1,531,795	\$638,952	41.7%		\$11,630,099	\$14,137,781	(\$2,507,682)	-17.7%

RECOMMENDATION:

Staff item only. No action required.

ATTACHMENTS:

-  Attachment A: City of Loveland Financial Statement-Raw Water
-  Attachment B: City of Loveland Financial Statement-Water
-  Attachment C: City of Loveland Financial Statement-Wastewater
-  Attachment D: City of Loveland Financial Statement-Power
-  Attachment E: Preliminary 2018 Year End Balance Sheet-Water
-  Attachment F: Preliminary 2018 Year End Balance Sheet-Wastewater
-  Attachment G: Preliminary 2018 Year End Balance Sheet-Power
-  Attachment H: 4th Quarter 2018 Financial PowerPoint Presentation

Attachment A

City of Loveland
Financial Statement-Raw Water
 Period Ending 12/31/2018 Preliminary as of 2-5-19

	* TOTAL BUDGET *		YTD	YTD	OVER	
	FYE 12/31/2018		ACTUAL	BUDGET	<UNDER>	VARIANCE
1 REVENUES & SOURCES	*	*				
	*	*				
2 High Use Surcharge	* 74,667 *		94,812	74,667	20,145	27.0%
3 Raw Water Development Fees/Cap Rec Surcharge	* 514,952 *		442,293	514,952	(72,659)	-14.1%
4 Cash-In-Lieu of Water Rights	* 527,084 *		506,459	527,084	(20,625)	-3.9%
5 Native Raw Water Storage Fees	* 31,598 *		394,889	31,598	363,291	1149.7%
6 Loan Payback from Water	* 32,500 *		0	32,500	(32,500)	-100.0%
7 Raw Water 3% Transfer In	* 491,220 *		502,210	491,220	10,990	2.2%
8 Interest on Investments	* 351,950 *		404,014	351,950	52,064	14.8%
9 TOTAL REVENUES & SOURCES	* 2,023,971 *		2,344,677	2,023,971	320,706	15.8%
	*	*				
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)	* 2,016,871 *		2,337,633	2,016,871	320,762	15.9%
	*	*				
15 RAW WATER CAPITAL EXPENDITURES	* 5,564,900 *		1,154,081	5,564,900	(4,410,819)	-79.3%
	*	*				
16 ENDING CASH BALANCES	*	*				
	*	*				
17 Total Available Funds	* *		18,560,481			
18 Reserve - Windy Gap Cash	* *		0			
19 Reserve - 1% Transfer From Rates	* *		6,632,300			
20 Reserve - Native Raw Water Storage Interest	* *		1,645,403			
	*	*				
21 TOTAL RAW WATER CASH	* 21,969,732 *		26,838,184	21,969,732	4,868,452	22.2%

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 3407001

Attachment B

City of Loveland
Financial Statement-Water
For Period Ending 12/31/2018 - Preliminary as of 2-6-19

	TOTAL BUDGET		YTD ACTUAL	YTD BUDGET	OVER	
	FYE 12/31/2018				<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*	*				
2 REVENUES & SOURCES	*	*				
3 Water Sales	*	16,373,998	*	16,740,304	16,373,998	366,306 2.2%
4 Raw Water Transfer Out	*	(491,220)	*	(502,210)	(491,220)	(10,990) 2.2%
5 Wholesale Sales	*	161,307	*	242,065	161,307	80,758 50.1%
6 Meter Sales	*	94,722	*	85,854	94,722	(8,869) -9.4%
7 Interest on Investments	*	89,770	*	41,494	89,770	(48,276) -53.8%
8 Other Revenue	*	1,408,745	*	987,298	1,408,745	(421,447) -29.9%
9 Federal and State Grants	*	0	*	79,318	0	79,318 0.0%
10 Internal Loan Monies Received	*	750,000	*	750,000	750,000	0 0.0%
11 External Loan Monies Received	*	0	*	0	0	0 0.0%
12 TOTAL REVENUES & SOURCES	*	18,387,322	*	18,424,123	18,387,322	36,801 0.2%
13 OPERATING EXPENSES	*	*	*			
14 Source of Supply	*	2,079,597	*	1,784,365	2,079,597	(295,232) -14.2%
15 Treatment	*	3,721,785	*	3,254,697	3,721,785	(467,088) -12.6%
16 Distribution Operation & Maintenance	*	4,032,648	*	3,311,250	4,032,648	(721,398) -17.9%
17 Administration	*	2,517,512	*	798,539	2,517,512	(1,718,973) -68.3%
18 Customer Relations	*	421,932	*	298,869	421,932	(123,063) -29.2%
19 PILT	*	1,111,790	*	1,136,667	1,111,790	24,877 2.2%
20 1% for Arts Transfer	*	73,314	*	16,795	73,314	(56,519) -77.1%
21 Services Rendered-Other Departments	*	1,480,676	*	1,483,176	1,480,676	2,500 0.2%
22 Internal Loan Debt Expense	*	827,500	*	795,300	827,500	(32,200) -3.9%
23 External Loan Debt Expense	*	1,015,150	*	1,062,638	1,015,150	47,488 4.7%
24 TOTAL OPERATING EXPENSES	*	17,281,904	*	13,942,295	17,281,904	(3,339,609) -19.3%
26 NET OPERATING REVENUE/(LOSS)(excl depr)	*	1,105,418	*	4,481,827	1,105,418	3,376,409 305.4%
27 CAPITAL EXPENDITURES	*	4,215,715	*	2,104,655	4,215,715	(2,111,060) -50.1%
28 REVENUES LESS OPER EXP LESS CAPITAL	*	(3,110,297)	*	2,377,173	(3,110,297)	5,487,470 -176.4%
30 ENDING CASH BALANCE (50% OF OPER EXP)	*	3,665,654	*	8,577,478	3,665,654	4,911,824 134.0%
31 WATER DEBT FUNDS ENDING CASH BALANCE	*	*	*	459,970		
32 MINIMUM BALANCE (15% OF OPER EXP)	*	*	*	2,592,286		
33 OVER/(UNDER) MINIMUM BALANCE	*	*	*	5,985,192		
34 **RESTRICTED FUNDS**	*	*	*			
35 REVENUES & SOURCES	*	*	*			
36 SIF Collections	*	6,168,963	*	2,689,781	6,168,963	(3,479,182) -56.4%
37 SIF Interest Income	*	51,660	*	68,304	51,660	16,644 32.2%
38 SIF Federal and State Grants	*	0	*	75,804	0	75,804 0.0%
39 Internal Loan Monies Received	*	0	*	0	0	0 0.0%
40 TOTAL SIF REVENUES & SOURCES	*	6,220,623	*	2,833,889	6,220,623	(3,386,734) -54.4%
41 SIF Capital Expenditures	*	7,527,489	*	2,734,420	7,527,489	(4,793,069) 100
42 1% for Arts Transfer	*	38,462	*	24,778	38,462	(13,684) -35.6%
43 Legal Agreements & Shared Costs	*	276,440	*	17,885	276,440	(258,555) -93.5%
44 TOTAL SIF CAPITAL EXPENDITURES	*	7,842,391	*	2,777,082	7,842,391	(5,065,309) -64.6%
45 SIF REVENUE LESS EXPENDITURES	*	(1,621,768)	*	56,807	(1,621,768)	1,678,575 100
46 SIF ENDING CASH BALANCE	*	1,640,978	*	3,731,943	1,640,978	2,090,965 227.4%
47 TOTAL ENDING CASH BALANCE				12,309,421		
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES				2,818,660		
48 Water Treated at WTP (in million gallons)	*	*	*	4,664		
49 Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales)	*	3,756	*	3,915	3,756	159 4.2%

Attachment C

City of Loveland-LIVE Financial Statement-Wastewater For Period Ending 12/31/2018 - Preliminary as of 2-6-19

	TOTAL BUDGET		OVER		
	* FYE 12/31/2018 *	* YTD ACTUAL	YTD BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*	*			
2 REVENUES & SOURCES	*	*			
3 Sanitary Sewer Charges	* 12,620,160 *	12,542,108	12,620,160	(78,052)	-0.6%
4 High Strength Surcharge	* 393,240 *	524,449	393,240	131,209	33.4%
5 Interest on Investments	* 88,800 *	188,096	88,800	99,296	111.8%
6 Other Revenue	* 763,090 *	71,374	763,090	(691,716)	-90.6%
7 Bond Proceeds	* 15,659,620 *	11,183,316	15,659,620	(4,476,304)	-28.6%
8 Federal Grants	* 0 *	(23,700)	0	(23,700)	0.0%
9 State Grants	* 0 *	(781)	0	(781)	0.0%
10 TOTAL REVENUES & SOURCES	* 29,524,910 *	24,484,863	29,524,910	(5,040,047)	-17.1%
11 OPERATING EXPENSES	*	*			
12 Treatment	* 4,355,725 *	4,003,299	4,355,725	(352,426)	-8.1%
13 Collection System Maintenance	* 3,314,770 *	2,362,952	3,314,770	(951,818)	-28.7%
14 Administration	* 1,734,963 *	741,362	1,734,963	(993,601)	-57.3%
15 Customer Relations	* 50,855 *	43,545	50,855	(7,310)	-14.4%
16 PILT	* 910,940 *	914,659	910,940	3,719	0.4%
17 1% for Arts Transfer	* 255,989 *	116,767	255,989	(139,222)	-54.4%
18 Services Rendered-Other Departments	* 758,706 *	758,706	758,706	0	0.0%
19 Debt Service	* 88,819 *	507,830	88,819	419,011	471.8%
20 TOTAL OPERATING EXPENSES	* 11,470,767 *	9,449,121	11,470,767	(2,021,646)	-17.6%
21 NET OPERATING REVENUE/(LOSS)(excl depr)	* 18,054,143 *	15,035,742	18,054,143	(3,018,401)	-16.7%
22 CAPITAL EXPENDITURES	* 24,946,892 *	12,775,542	24,946,892	(12,171,350)	-48.8%
23 REVENUES LESS OPER EXP LESS CAPITAL	* (6,892,749) *	2,260,200	(6,892,749)	9,152,949	-132.8%
24 ENDING CASH BALANCE (127% OF OPER EXP)	* 2,938,500 *	14,571,615	2,938,500	11,633,115	395.9%
25 WASTEWATER DEBT FUNDS ENDING CASH BALANCE	*	692,822			
26 MINIMUM BALANCE (15% OF OPER EXP)	*	1,720,615			
27 OVER/(UNDER) MINIMUM BALANCE	* 12,851,000				
28 **RESTRICTED FUNDS**	*	*			
29 REVENUES & SOURCES	*	*			
30 SIF Collections	* 2,386,151 *	1,852,688	2,386,151	(533,463)	-22.4%
31 SIF Interest Income	* 89,010 *	159,922	89,010	70,912	79.7%
32 SIF Bond Proceeds	* 8,691,380 *	6,854,291	8,691,380	(1,837,089)	-21.1%
33 TOTAL SIF REVENUES & SOURCES	* 11,166,541 *	8,866,901	11,166,541	(2,299,640)	-20.6%
34 SIF Capital Expenditures	* 17,573,793 *	13,485,787	17,573,793	(4,088,006)	-23.3%
35 1% for Arts Transfer	* 177,664 *	128,625	177,664	(49,039)	-27.6%
36 Debt Service	* 49,406 *	311,536	49,406	262,130	530.6%
37 TOTAL SIF CAPITAL EXPENDITURES	* 17,800,863 *	13,925,949	17,800,863	(3,874,914)	-21.8%
38 SIF REVENUE LESS EXPENDITURES	* (6,634,322) *	(5,059,048)	(6,634,322)	1,575,274	-23.7%
39 SIF ENDING CASH BALANCE	* 200,640 *	4,499,901	200,640	4,299,261	2142.8%
40 TOTAL ENDING CASH BALANCE		19,071,516			
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING		11,439,300			
Wastewater Treated at WWTP (in million gallons)	* N/A *	2,175	N/A		
Wastewater Billed To Customers (in million gallons)	* 1,768 *	1,750	1,768	(18)	-1.0%

Attachment D

City of Loveland Financial Statement-Power

For Period Ending 12/31/2018 - Preliminary as of 2-9-18

	*	TOTAL BUDGET	*	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
UNRESTRICTED FUNDS	*		*				
1 REVENUES & SOURCES:	*		*				
2 Electric revenues	*	\$65,421,010	*	\$65,897,853	\$65,421,010	\$476,843	0.7%
3 Wheeling charges	*	\$260,000	*	\$275,681	\$260,000	\$15,681	6.0%
4 Interest on investments	*	\$258,420	*	\$229,342	\$258,420	(\$29,078)	-11.3%
5 Aid-to-construction deposits	*	\$1,530,000	*	\$1,865,537	\$1,530,000	\$335,537	21.9%
6 Customer deposit-services	*	\$310,000	*	\$121,145	\$310,000	(\$188,855)	-60.9%
7 Late Payment Penalty Fees	*	\$450,000	*	\$473,092	\$450,000	\$23,092	5.1%
8 Connect Fees	*	\$170,000	*	\$172,053	\$170,000	\$2,053	1.2%
9 Services rendered to other depts.	*	\$0	*	\$0	\$0	\$0	0.0%
10 Other revenues	*	\$306,230	*	\$474,484	\$306,230	\$168,254	54.9%
11 Federal Grants	*	\$365,000	*	\$346,897	\$365,000	(\$18,103)	-5.0%
12 State Grants	*	\$61,000	*	\$57,888	\$61,000	(\$3,112)	-5.1%
13 Year-end cash adjustments	*	\$0	*	\$0	\$0	\$0	0.0%
14 TOTAL REVENUES & SOURCES	*	\$69,131,660	*	\$69,913,972	\$69,131,660	\$782,312	1.1%
15 OPERATING EXPENSES:	*		*				
16 Hydro oper. & maint.	*	\$949,821	*	\$212,060	\$949,821	(\$737,761)	-77.7%
17 Solar oper. & maint.	*	\$90,000	*	\$40,575	\$90,000	(\$49,425)	-54.9%
18 Purchased power	*	\$44,079,146	*	\$44,596,397	\$44,079,146	\$517,251	1.2%
19 Distribution oper. & maint.	*	\$5,601,230	*	\$4,953,889	\$5,601,230	(\$647,341)	-11.6%
21 Customer Relations	*	\$1,528,241	*	\$1,413,163	\$1,528,241	(\$115,079)	-7.5%
22 Administration	*	\$3,732,454	*	\$1,588,534	\$3,732,454	(\$2,143,920)	-57.4%
23 Payment in-lieu-of taxes	*	\$4,579,440	*	\$4,564,369	\$4,579,440	(\$15,071)	-0.3%
24 1% for Arts Transfer	*	\$83,488	*	\$111,170	\$83,488	\$27,682	33.2%
25 Services rendered-other depts.	*	\$2,767,799	*	\$2,684,117	\$2,767,799	(\$83,682)	-3.0%
26 TOTAL OPERATING EXPENSES (excl depn)	*	\$63,411,619	*	\$60,164,274	\$63,411,619	(\$3,247,345)	-5.1%
27 NET OPERATING REVENUE/(LOSS) (excl depn)	*	\$5,720,041	*	\$9,749,699	\$5,720,041	\$4,029,658	
28 CAPITAL EXPENDITURES:	*		*				
29 General Plant/Other Generation & Distribution	*	\$10,354,838	*	\$9,508,714	\$10,354,838	(\$846,124)	-8.2%
30 Aid-to-construction	*	\$1,345,000	*	\$1,846,443	\$1,345,000	\$501,443	37.3%
31 Service installations	*	\$310,000	*	\$274,942	\$310,000	(\$35,058)	-11.3%
32 TOTAL CAPITAL EXPENDITURES	*	\$12,009,838	*	\$11,630,099	\$12,009,838	(\$379,739)	-3.2%
33 REVENUES LESS OPER EXP LESS CAPITAL	*	(\$6,289,797)	*	(\$1,880,400)	(\$6,289,797)	\$4,409,397	
34 ENDING CASH BALANCE (22% of Oper Exp)	*	\$13,945,814	*	\$14,242,797	\$13,945,814	\$296,983	2.1%
35 MINIMUM BAL. (23% of OPER EXP)	*		*	\$14,584,672			
36 OVER/(UNDER) MINIMUM BALANCE	*		*	(\$341,875)			
37 **RESTRICTED FUNDS**	*		*				
38 PIF Collections	*	\$3,115,400	*	\$3,216,912	\$3,115,400	\$101,512	3.3%
39 PIF Interest Income	*	\$12,350	*	\$26,928	\$12,350	\$14,578	118.0%
40 Water Loan Payback	*	\$795,000	*	\$795,300	\$795,000	\$300	0.0%
41 Federal Grants	*	\$0	*	\$0	\$0	\$0	0.0%
42 State Grants	*	\$0	*	\$0	\$0	\$0	0.0%
43 TOTAL REVENUES	*	\$3,922,750	*	\$4,039,140	\$3,922,750	\$116,390	3.0%
44 PIF Feeders	*	\$3,700,000	*	\$1,441,611	\$3,700,000	(\$2,258,389)	-61.0%
45 PIF Substations & Solar	*	\$1,850,000	*	\$0	\$1,850,000	(\$1,850,000)	-100.0%
46 TOTAL EXPENDITURES	*	\$5,550,000	*	\$1,441,611	\$5,550,000	(\$4,108,389)	-74.0%
47 PIF REVENUES LESS EXPENDITURES	*	(\$1,627,250)	*	\$2,597,529	(\$1,627,250)	\$4,224,779	
48 ENDING PIF CASH BALANCE	*	\$1,953,543	*	\$6,383,235	\$1,953,543	\$4,429,692	226.8%
49 TOTAL ENDING CASH BALANCE	*		*	\$20,626,032			

NOTE: YTD ACTUAL does NOT include encumbrances totalling \$6,388,374.

50 Energy Purchased (in million kWh) from PRPA	*	744	*	742	744	(2)	-0.2%
51 Energy Sold to Customers (in million kWh)	*	715	*	724	715	9	1.3%

Attachment E

City of Loveland

Statement of Net Assets - For Fund Water fund - Proprietary consolidated
For Period Ending 12/31/2018 - as of 2/13/19

Assets

Current Assets

Equity in Pooled Cash	\$ 7,642,216.82
Equity in Pooled Investments	922,437.84
Receivables, Net	1,605,376.70
Interfund Loan Receivable	-
Accrued Interest	118,433.93
Inventory, at Cost	281,314.07

Total Current Assets	<u>10,569,779.36</u>
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Restricted Assets

Future Raw Water Projects	26,571,619.74
Restricted Cash	461,980.85
System Impact Fees	3,675,296.37
Windy Gap Commitment	-

Total Restricted Assets	<u>30,708,896.96</u>
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Property, Plant & Equipment

Land	508,866.43
Intangible Assets/Easements	3,318,722.80
Buildings	3,467,553.01
Equipment	2,351,198.72
Improvements Other Than Buildings	177,622,146.19
Water Rights	75,694,522.47
Construction in Progress	5,427,395.70

Total Property, Plant & Equipment	<u>268,390,405.32</u>
Accumulated Depreciation	(52,541,901.31)

Net Property, Plant & Equipment	<u>215,848,504.01</u>
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Total Non-Current Assets	<u>246,557,400.97</u>
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Total Assets	<u>\$ 257,127,180.33</u>
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Liabilities

Current Liabilities

Accounts Payable	\$ 1,116,993.69
Accrued Liabilities	205,916.14
Bond Interest Payable	156,701.05
Deferred Revenue	-
Current Portion of Long-Term Debt	279,887.60

Total Current Liabilities	<u>1,759,498.48</u>
Long-Term Liabilities	
Compensated Absences	228,998.95
External Loan Payable	11,980,000.00
Interfund Loan Payable	2,250,000.00
Total Long-Term Liabilities	<u>14,458,998.95</u>
Total Liabilities	<u><u>\$ 16,218,497.43</u></u>
Net Position	
Net Investment in Capital Assets	\$ 215,848,504.01
Restricted for Future Capital Improvements	30,708,896.96
Unrestricted	<u>(5,648,718.07)</u>
Total Net Position	<u><u>\$ 240,908,682.90</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.

Attachment F

City of Loveland

Statement of Net Assets - For Fund Wastewater fund - Proprietary consolidated
For Period Ending 12/31/2018 - as of 2/13/19

Assets

Current Assets

Equity in Pooled Cash	\$ 2,950,129.04
Equity in Pooled Investments	11,439,729.77
Receivables, Net	1,591,029.68
Accrued Interest	77,526.99
Inventory, at Cost	4,749.32

Total Current Assets	16,063,164.80
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Non-current Assets

Interfund Loan Receivable	-
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Restricted Assets

Restricted Cash	692,821.71
Cash with Fiscal Agent	6,328,609.60
System Impact Fees	4,396,147.58

Total Restricted Assets	11,417,578.89
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Property, Plant & Equipment

Land	380,222.08
Intangible Assets/Easements	3,344,691.29
Buildings	3,441,799.26
Equipment	3,105,991.80
Improvements Other Than Buildings	75,327,909.21
Construction in Progress	15,659,896.85

Total Property, Plant & Equipment	101,260,510.49
Accumulated Depreciation	(10,675,014.60)

Net Property, Plant & Equipment	90,585,495.89
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Total Non-Current Assets	102,003,074.78
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Total Assets	\$ 118,066,239.58
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Liabilities

Current Liabilities

Accounts Payable	\$ 6,214,350.44
Accrued Liabilities	114,938.66
Bond Interest Payable	412,320.85
Deferred Revenue	-
Current Portion of Long-Term Debt	240,722.09

Total Current Liabilities	<u>6,982,332.04</u>
Long-Term Liabilities	
Compensated Absences	196,954.44
External Loan Payable	24,900,000.00
Total Long-Term Liabilities	<u>25,096,954.44</u>
Total Liabilities	<u>\$ 32,079,286.48</u>
Net Position	
Net Investment in Capital Assets	\$ 90,585,495.89
Restricted for Future Capital Improvements	11,417,578.89
Unrestricted	(16,016,121.68)
Total Net Position	<u>\$ 85,986,953.10</u>

NOTES:

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

Attachment G

City of Loveland

Statement of Net Assets - For Fund Power fund - Proprietary consolidated
For Period Ending 12/31/2018 - as of 2/13/19

Assets

Current Assets

Equity in Pooled Cash	\$	(3,175,070.49)
Equity in Pooled Investments		17,221,328.14
Receivables, Net		8,519,924.33
Accrued Interest		80,122.19
Inventory, at Cost		3,248,501.78

Total Current Assets		25,894,805.95
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Non-current Assets

Interfund Loan Receivable		2,250,000.00
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Restricted Assets

System Impact Fees		6,277,606.06
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Property, Plant & Equipment

Land		1,407,823.89
Intangible Assets/Easements		3,519,622.69
Buildings		4,067,961.38
Equipment		3,685,258.49
Improvements Other Than Buildings		161,787,846.09
Construction in Progress		20,603,662.21

Total Property, Plant & Equipment		195,072,174.75
Accumulated Depreciation		(59,213,901.96)

Net Property, Plant & Equipment		135,858,272.79
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Total Non-Current Assets		144,385,878.85
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Total Assets	\$	170,280,684.80
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Liabilities

Current Liabilities

Accounts Payable	\$	6,342,438.48
Accrued Liabilities		195,764.14
Deposits		2,388,274.84
Current Portion of Long-Term Debt		328,989.58

Total Current Liabilities		9,255,467.04
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Long-Term Liabilities

Compensated Absences		269,173.30
Interfund Loan Payable		-

Total Liabilities	\$	9,524,640.34
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Net Position

Net Investment in Capital Assets	\$	135,858,272.79
Restricted for Future Capital Improvements		6,277,606.06
Unrestricted		18,620,165.61

Total Net Position	\$	160,756,044.46
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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.

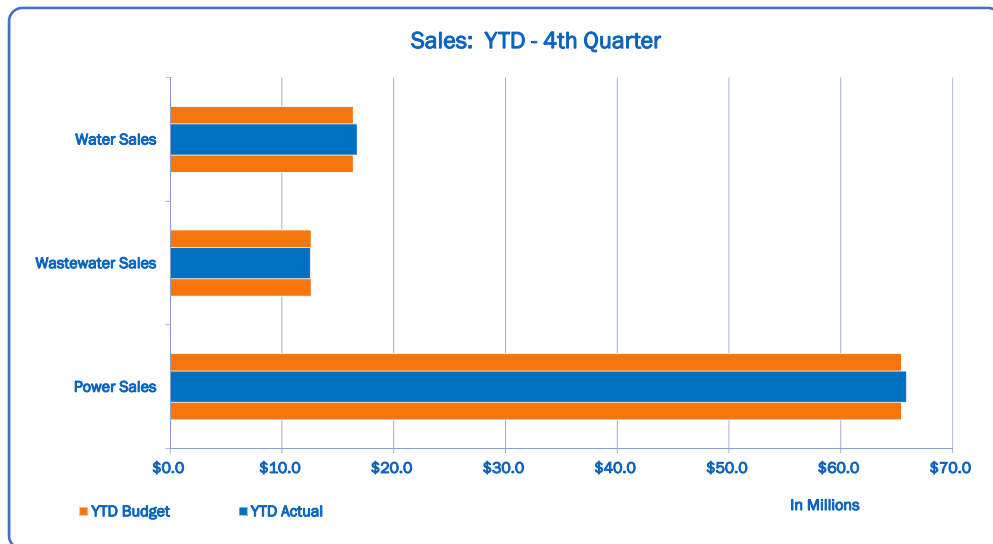
Attachment H

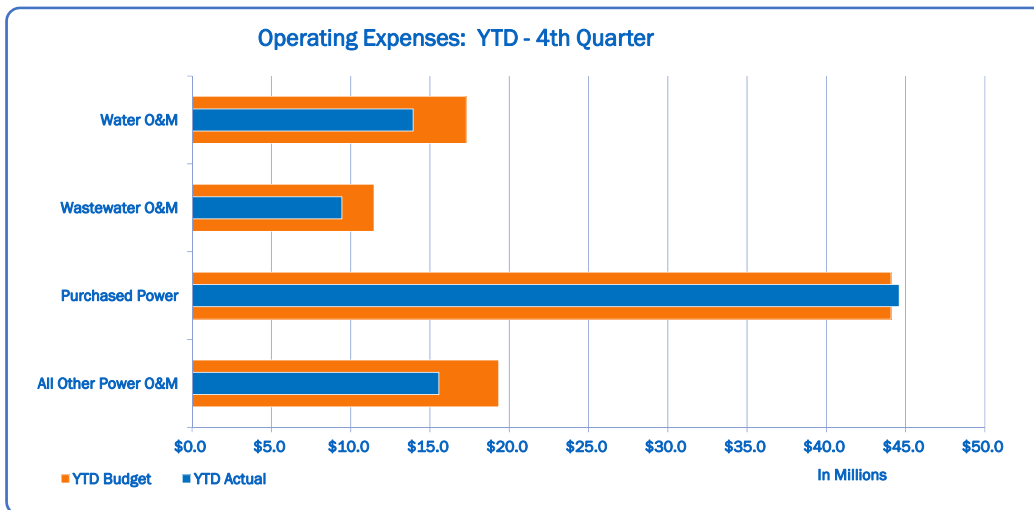
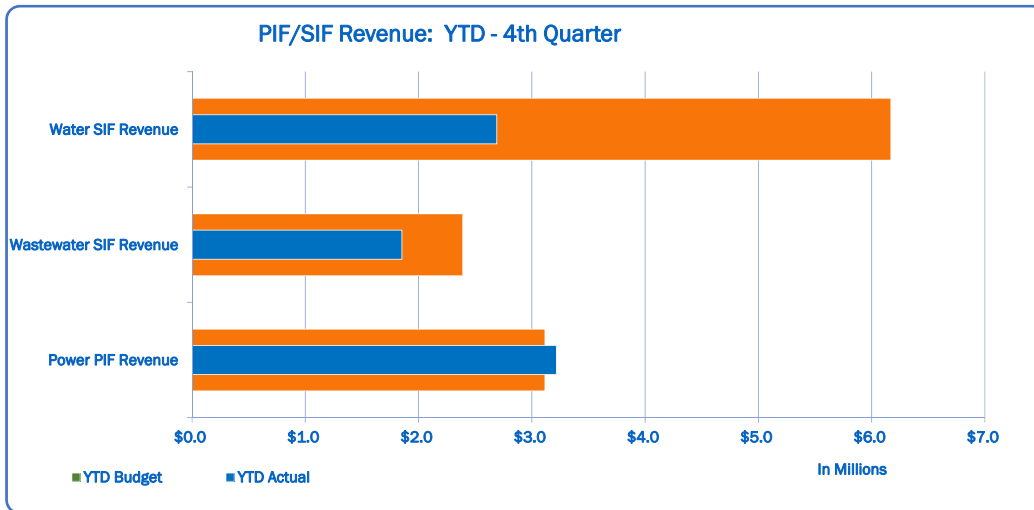


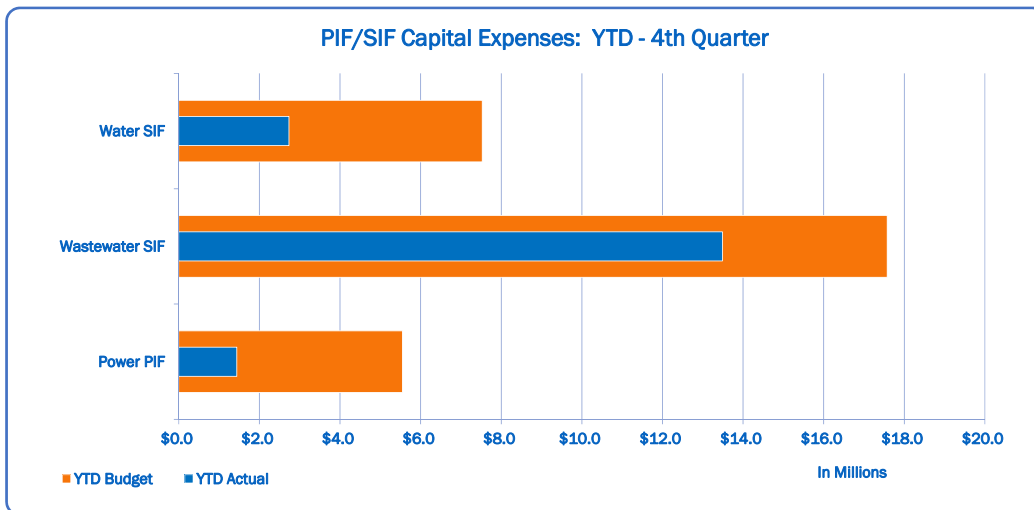
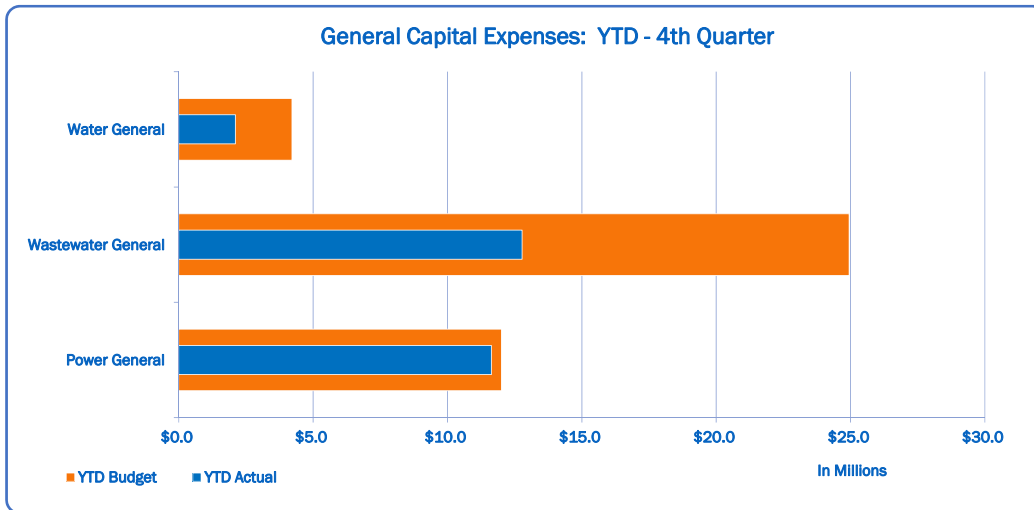
Quarterly Financial Report



Jim Lees,
Utility Accounting Manager
February 20, 2019







QUESTIONS?

**ITEM TITLE:**

Wireless Pole Attachment and Permit Fees

DESCRIPTION:

Information on a resolution set to go to City Council on February 19, 2019 for the revision of pole attachment fees within the Schedule of Rates, Charges, and Fees.

SUMMARY:

Loveland Water and Power will have a resolution for consideration on the February 19, 2019 council agenda for the revision of the schedule of pole attachment rates, charges, and fees within the Schedule of Rates, Charges and Fees for services provided by the Water and Power Department of the City of Loveland.

The City of Loveland Water and Power Department has many utility poles and street lights throughout the City that have been used to jointly locate communications infrastructure. The Power Division has an application and permitting process in place that allows for other utilities to request co-location on city-owned utility poles. The applicants are responsible for submitting a permit request identifying the poles for co-location, submitting information on the attachment type, and engineering calculations for the impact to utility infrastructure. The applicants are also responsible for all expenses related to engineering and upgrades to the utility infrastructure, called “make-ready” work. As outlined in the Schedule of Rates, Charges, and Fees, the Water and Power Department currently charges a yearly attachment fee. This fee is intended for wired pole attachments and is calculated based on formulas specified by the Federal Communications Commission (FCC).

On April 18, 2017 the State of Colorado signed into law House Bill 17-1193, changing the requirements for attachment of small cell facilities on utility poles and streetlights. Previously, the FCC requirements allowed utilities to deny wireless attachments and attachments of communication facilities to streetlight poles, as long as the utility treated all communications facilities, including utility owned equipment, equally. Following the signing of HB 17-1193, the city has been working to modify the application process, pole attachment agreement and pole attachment fees to accommodate for small cell wireless attachments. This revision clearly outlines the applicable fees for wired and wireless pole attachments on city-owned utility poles within our Schedule of Rates, Charges and Fees. The FCC has issued guidance on reasonable fees for application review and recurring wireless attachment which the Water and Power Department is adopting. The fee for wireless pole attachments will be reviewed yearly, and updated as needed through the annual City Council process of setting the rates, charges, and fees for the Water and Power Department.

RECOMMENDATION:

Information item only. No action required.




ITEM TITLE:

Commission & Council Report

SUMMARY:

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

 City Council Report

RECOMMENDATION:

Commission/Council report only.

**ITEM TITLE:**

Director's Report

GENERAL & PREVIOUS LUC MEETING FOLLOW UP ITEMS:

Creative District Announcement: In fall 2019, the City of Loveland will apply for the State of Colorado's official designation as a creative district. See attachment for more information.

Water Graphs: See attachments for some historical and long-term projection graphs used for planning efforts when looking into upcoming plant expansion projects.

EVENTS:

Northern Water presentation at City Council Study Session: Brad Wind and Kyle Whitaker will give a Colorado River status update at the City Council Study Session at 6:00 pm on February 26, 2019 in the City Council Chambers of the Civic Center Building.

Northern Water Spring Water Users Meeting: Save the date for April 9, 2019. Learn more about the upcoming water season as well as receive updates on the projects Northern Water is pursuing during the 2019 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 2019.

OPERATIONS:**Water Operations:**

Water Quality Laboratory: HDR Engineering has reached the 90% design milestone for the project. We are expecting contractor bids in April with an anticipated start of construction in mid to late May. This new laboratory will be located on the east side of the wastewater treatment plant and will serve the needs of both the water and wastewater utility. Five million dollars has been budgeted in 2019 for construction of this laboratory. It is anticipated that the Water Quality staff will transition into this facility in the summer of 2020.

30" Morning Drive: Connell Resources completed the installation of the 30" Morning Drive Waterline in December 2018. The \$3,030,800 project consisted of installing 5,100 linear feet of 30" PVC water main from the Foothills Baptist Church to the 29th Street Tank. The completion of this projects provides a redundant feed to serve the 29th Street Tank and a future second 29th Street Tank as well as to be utilized to meet high flow demands in the P1 Pressure Zone. Phase 2 of this project installed numerous new valves and piping near the 29th Street Pump Station that will improve operational flexibility to provide water into the pressure and gravity zones. In addition, this project allowed us to replace the leaking concrete tank drain pipe with a new PVC tank drain and outlet structure. The new tank drain outlet structure was designed and constructed to accommodate a second tank drain from the future 29th Street tank. This project was successful due to the collaboration of Water Operations and Technical Services Staff working jointly with Connell Resources. During construction, Water Operations and Technical Services had to accommodate numerous different water operation scenarios that required many different valves to be turned on/off, pump stations to operate differently than normal, and reversal of water flow in pipes. Thanks to all who participated and aided in the success of this project. See pictures next page.



*Morning Drive Tank
Drain Outlet Structure*



*Left: New 30"
Morning Drive
Water Main
Connecting to
existing piping at
29th Street tank.*



Modulating Valve Vault Project: The Modulating Valve Vault Project was recently competitively bid and received 6 responsive bids. The project will be awarded to RN Civil at a cost of \$677,400.00 and is estimated to start construction in late February 2019. This project will rehabilitate the existing Modulating Valve Vault located at the NW corner of State Highway 34 and Hidden Valley Drive. All the treated water



*Left: Existing 36" Gate Valves to be Replaced
Below: Existing Mod Valve*



that serves the City is conveyed from the WTP via three different transmission waterlines: 48", 36" and 20". These waterlines enter a series of vaults where flow is controlled through a modulating valve operated by WTP staff. This modulating valve and others within the vault along with associated piping are in need of rehabilitation to ensure years of reliability and also to address safety concerns. This project will replace (2) existing 36" gate valves, remove inoperable valves which are over 70 years old, simplify piping arrangements, make electrical upgrades, and make structural improvements to the aging vault lid.

Power Operations:

Line Crews: Something new shows up at times that give the line crews a challenge and a chance to hone skills and experience in the lineworker trade. Over the past few months, Loveland line crews have been chipping away on various projects in the Big Thompson Canyon as the overhead canyon circuits rebuild moves forward. January found our crews, with emphasis on the line apprentices, setting multiple poles by hand. The area for the pole line west of Viestenz-Smith Park is only accessible by foot. The overhead electric distribution pole line runs through the Forest Service property, so crews were not able to build a road for access. Rigging off trees and the existing power poles, crews were able to drag the new poles from Highway 34, up and over rough rocky terrain, then into their next fifty years' resting place. This project took strong leadership, a listening ear, plus clear and concise directions.



A job completed!

Back, L to R: J. Martin and J. Detterer.

Front L to R; S. Sullivan, L. Bomgaars, K. Terry, T. Roitsch, C. Krabbenhoft, B. West, J. Snyder.

Design Engineering and Electric Metering: Completion of downtown event power source – structure and 400 amp panel. The story shown in pictures.



- 1) R. Lamasters welded structure and brackets to for metal art work.
- 2) Power staff help to install metal artwork on front of structure
- 3) Installing metal art work to the front of the structure



- 4, 5, 6) Installing metal art work to the front of the structure





**A TRIBUTE TO THE LINEMEN OF THE PAST,
IN HONOR OF THOSE TODAY,
WITH GRATITUDE TO THOSE OF OUR FUTURE.**

CONSTRUCTED FROM STEEL POLES THAT SUPPORTED LOVELAND'S FIRST ELECTRIC SYSTEM IN THE 1920s,
THIS STRUCTURE NOW PROVIDES POWER FOR OUR COMMUNITY EVENTS.

LEGACY

MARK LEICHLITER

STAINLESS STEEL

COMMISSIONED BY THE CITY OF LOVELAND ART IN PUBLIC PLACES PROGRAM
2018

UTILITY APPLICATION SERVICES:

Upgrade to Designer: We just received our new license file for the new electric design software. The implementation will begin very soon. This will give our design staff much needed flexibility that we didn't have before

Work Order System: We are contract talks with Innoprise to configure the work order, establish key integrations, and enhance inventory. Statement of Work is being developed as we speak.

Cityworks/Australia Visit: Cityworks asked us if we could host Evoenergy/ActewAGL an Electric Provider from Australia, for a day to show our Cityworks program. We will be doing this on Monday, February 25. We are excited to share our knowledge and our humbled to be recognized by Cityworks.

Project & Request Tracking: One of the Technology Roadmap recommendations was to establish a tracking system for our team's work. Since the beginning of 2017 we have configured Cityworks for this purpose. The big projects, tracked as work orders, are reported to be approved and prioritized by our division's team. There are currently 22 approved projects in our queue, 8 of which currently have the status of "In Progress". The smaller, maintenance type jobs are tracked as service requests. So far this year we have completed 18 requests within an average of 7.17 days. These are the numbers broken down by type since 2017:

- Application Requests – 5.97 days
- Application Support – 10.26 days
- Data Requests – 7.21 days
- Hardware Support – 8.33 days
- Map Requests – 5.12 days
- Report Requests – 6.17 days

UTILITY ACCOUNTING:

Power Usage Update: December of 2018 showed a downturn from last December in both demand and purchased energy. This year, Loveland's share of PRPA's December peak was 98,418 kW, down 3.5% from December of last year. Purchased energy was down 3.1% vs. December of 2017. Overall, in comparing the sum of all the monthly peak demands for 2018 to the total for 2017, this year is up 4.1%, and purchased energy for 2018 was up 2.4% from 2017. The 4.1% increase in billed peak demands represents the largest year-over-year increase since 2006, and the 2.4% increase in purchased energy represents the first year-over-year increase in purchased energy since 2014.

Water Usage Up Slightly vs. Last December: For December, the average usage per customer was 5,662 gallons, which is 1.3% higher than December of 2017. The 5,662 gallons does, however, represent a 5.4% decrease compared to the average usage of the past 5 Decembers. The overall average usage for 2018 is 11,885 gallons per customer. The 11,885 gallons is 1.7% higher than the average usage of the past five years. With this above-average usage, water sales came in ahead of budget by \$366,000.

Year-End Inventory: The year-end inventory count for the Warehouse showed impressive results again for 2018. 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 \$2.1 million, having no variance is as good as it gets. Big kudos to Tim Hedgespeth, Steve Johnson, Steve Lindenmuth and Alex Kunzie for another job well done!

CUSTOMER RELATIONS:

Key Accounts Networking Event: Customer Relations began 2019 with an Annual Key Accounts networking event. This event was held at the Budweiser Events Center on January 18th. The event celebrated the commitment LWP has to its Key Account customers, and showcased what to expect in 2019. Key Account representatives were provided branded portfolios which contained updates from the City Manager, the LWP team, and an overview of commercial rate increases. The Rocky Mountain Center for Innovation and Technology was recognized this year as a top participant in the Efficiency Works business program.



Website Training: The Customer Relations team had a virtual session with Granicus, the City's web provider, on January 16th to train on website functionality. Along with some city teammates, the Customer Relations team brushed up on tools at their disposal to present website material in a dynamic and engaging style. LWP will be working these website upgrades into the 2019 plans.

2018 Fact Sheet: Customer Relations is excited to showcase the amazing work of the LWP team in this year's Fact Sheet. Similar to 2017, the 2018 Fact Sheet will highlight statistics pertaining to the scope and volume of work completed by LWP in the year prior.



Winter Water Efficiency Stakeholder Meeting: Customer Relations joined other utility representatives at this annual event hosted by Northern Water. Presentations highlighted the importance of water conservation and showcased methods other communities are using to encourage water conservation in their communities.

Upcoming -

Residential 2019 Planning: The Customer Relations team is currently developing a 2019 work plan as well as a communications and campaign schedule. This schedule

helps maximize the team's time by spreading efforts across a variety of communication methods and topics. Contracts for 2019 programs are being completed as well.

Children's Day: LWP is looking forward to hosting two booths at the annual Children's Day celebration taking place at Public Works on March 1. One booth will be dedicated to a Power Safety Demonstration. The other will be an interactive booth inviting families to learn about water conservation through planting wildflower seeds in compostable cups.

Loveland Youth Gardeners Sponsorship: LWP is proud to be sponsoring the Loveland Youth Gardeners Loveland Garden Tour and Art Show. This event, held on Saturday, June 15th, will feature the established gardens of northwest downtown Loveland. The tour also showcases the sale of "art for the garden" and a silent auction with items to enhance outdoor living spaces, created by local and regional artists.

Garden In a Box: The 2019 season for Garden in a Box is in full motion. In partnership with resource Central, LWP is offering residential customers a \$25 discount on the purchase of a xeric garden kit. These ready-made kits allow customers to conserve water in their home gardens through a pre-selection of water-conscious plants.



Larimer County Conservation Corps (LCCC)

2019 Season: The LCCC 2019 season has started. Corpsmembers had an orientation with LWP and other partnering agencies early in January. To round out their LWP education, next the LCCC teams will be given tours of the water treatment plant, wastewater treatment plant, and Foothills Solar Facility.

Efficiency Works Store: Starting this year, water-efficient products such as irrigation controllers, showerheads, and faucet aerators will be included as discounted products to the Efficiency Works Store.

Efficiency Works – Multifamily Program: LWP is excited to announce that the team will now be able to address water upgrades for multi-family units that do not qualify for XCel assistance through the Efficiency Works – Multifamily program. More info available on the Efficiency Works website: <https://efficiencyworks.org/business/multi-family/>

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

Film screening: Senior center - The Great Divide – February 28, 2019

Children's Day – Public Works – March 1, 2019

Facebook Insights (January 2019):

- Reach (unique users) – 16,673 people
- Engagement (unique users) – 3067 people
- Impressions (total count) – 54,828 people

Media:

- PV Magazine– January 9, 2019: [Leaders from DHS, Utilities, Regulators, Industry and Dept of Defense convene for Strategies and Innovations to Improve DERS Integration and Microgrid Projects.](#)
- GreenBiz– January 10, 2019: [10 clean energy developments of 2018](#)
- Reporter Herald– January 11, 2019: [Repairs begin for failing Loveland waterline; traffic affected](#)
- Reporter Herald– January 12, 2019: [Northern Colorado cities eye regional collaboration on water](#)
- Reporter Herald– January 14, 2019: [Loveland businesses without water during waterline repair](#)
- North Forty News– January 15, 2019: [Fiber optic internet coming to Loveland](#)

- Reporter Herald– January 15, 2019: [Loveland will officially bond about \\$97 million for broadband](#)
- Cityworks– January 15, 2019: [Building an Asset Data Model from the Ground Up](#)
- Colorado Sun – January 15, 2019: [Centennial just became Colorado’s largest city to launch an alternative broadband service. What about the other 100+ that voted to control their internet destiny?](#)
- Construction Equipment Guide– January 16, 2019: [Loveland, Colo., Expands Treatment Plant](#)
- BizWest – January 16, 2019: [Loveland approves broadband bonding](#)
- Noco Style – January 16, 2019: [Loveland City Council Approves Broadband Bonding Package](#)
- Reporter Herald– January 18, 2019: [Thompson School District's internet problems may see improvement with city of Loveland-owned broadband](#)
- The Complete Colorado - Page Two – January 18, 2019: [Loveland City Council takes on nearly \\$100 million debt for broadband without taxpayer vote](#)
- Reporter Herald– January 18, 2019: [Utility billing scam reported by Loveland customers](#)
- Reporter Herald– January 19, 2019: [Editorial: Loveland could do more to conserve water](#)
- Collegian– January 24, 2019: [Platte River Power Authority plans for zero carbon emissions by 2030](#)
- Reporter Herald– January 28, 2019: [Loveland residents may see water outages with Wilson pipeline repair](#)
- Longmont Observer– January 30, 2019: [Capitol Letters: The Sea-Change in Renewable Energy](#)
- Reporter Herald– January 30, 2019: [Loveland's Namaqua Park closed 'until further notice'](#)
- Coloradoan– February 2, 2019: [Loveland's major development projects bring more than 2,200 new jobs](#)

Attachment A

Please Join Us

Loveland is known for its art and the artists that stretch their creative wings against the backdrop of the Rocky Mountains. Our history has a rich tapestry of creatives, artists of all media and entrepreneurs that make Loveland unique. It's time to tell **OUR STORY**. And it's time to officially **CALL OURSELVES CREATIVE**.

In fall 2019, the City of Loveland will apply for the State of Colorado's official designation as a creative district. But there is work to be done and we need your help!

We invite you to join us to help shape the direction of our future downtown creative district by participating in the upcoming discussions:

CREATIVE DISTRICT MEETINGS

Light refreshments will be served

Monday, February 25, 2019 6pm Social / 6:30pm Start
Rialto Theater Center – Devereaux Room

Tuesday, February 26, 2019 9-10am
Downtown Development Offices, 350 N Cleveland Avenue

Wednesday, February 27, 2019 2-3pm
Downtown Development Offices, 350 N Cleveland Avenue

Wednesday, March 6, 2019 12:30-1:30pm: Brown Bag: Bring Your Lunch!
Downtown Development Offices, 350 N Cleveland Avenue

Saturday, March 9, 2019 10:30am-Noon
Loveland Museum, Foote Gallery

Everyone is welcome to be part of the conversation. Your voice matters and we want it to be heard. In fact, community voices are critical to the long-term success of a district that will support and promote Loveland's creative enterprises. Stop in. Learn what a downtown creative district would mean for Loveland and YOU!

We look forward to seeing you!

Questions?: Please call Suzanne Janssen, 970-962-2495

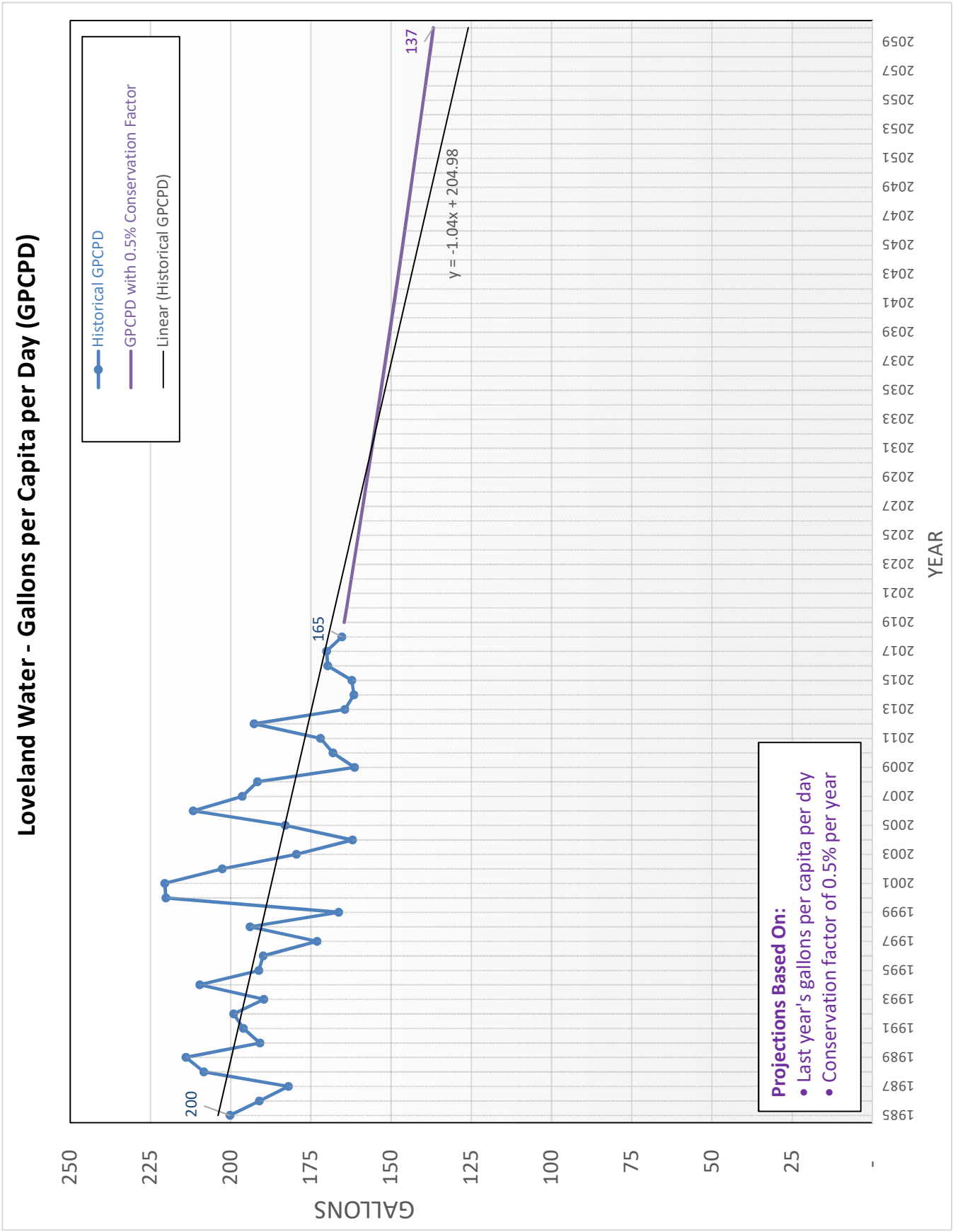
About Colorado Creative Industries:

<https://www.colorado.com/articles/colorado-creative-districts>

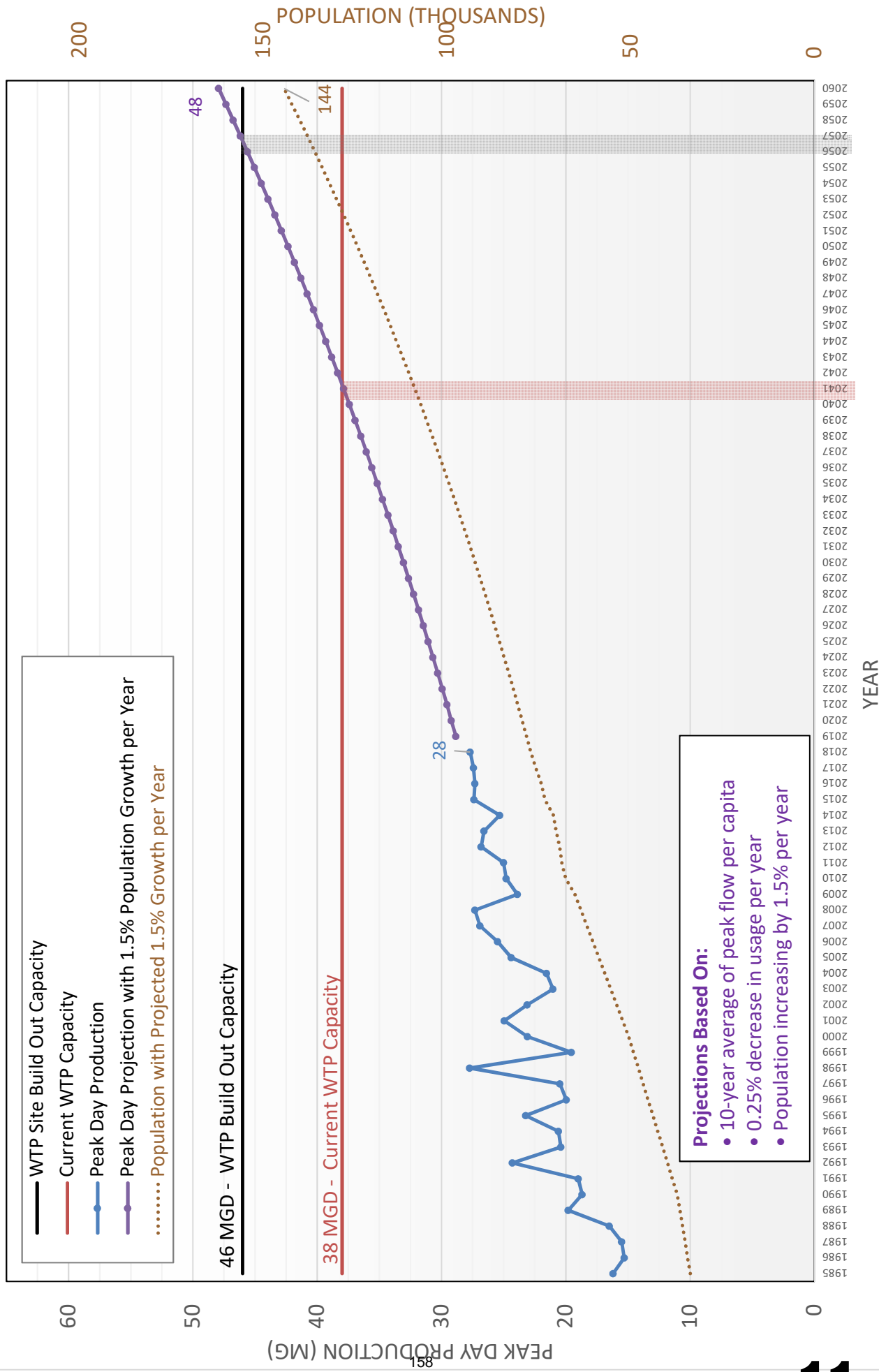
Colorado Creative Industries (CCI) is a division of the Office of Economic Development and International Trade. At CCI, we believe in the power of creativity to inspire human connections, create social change and support economic vibrancy throughout Colorado.



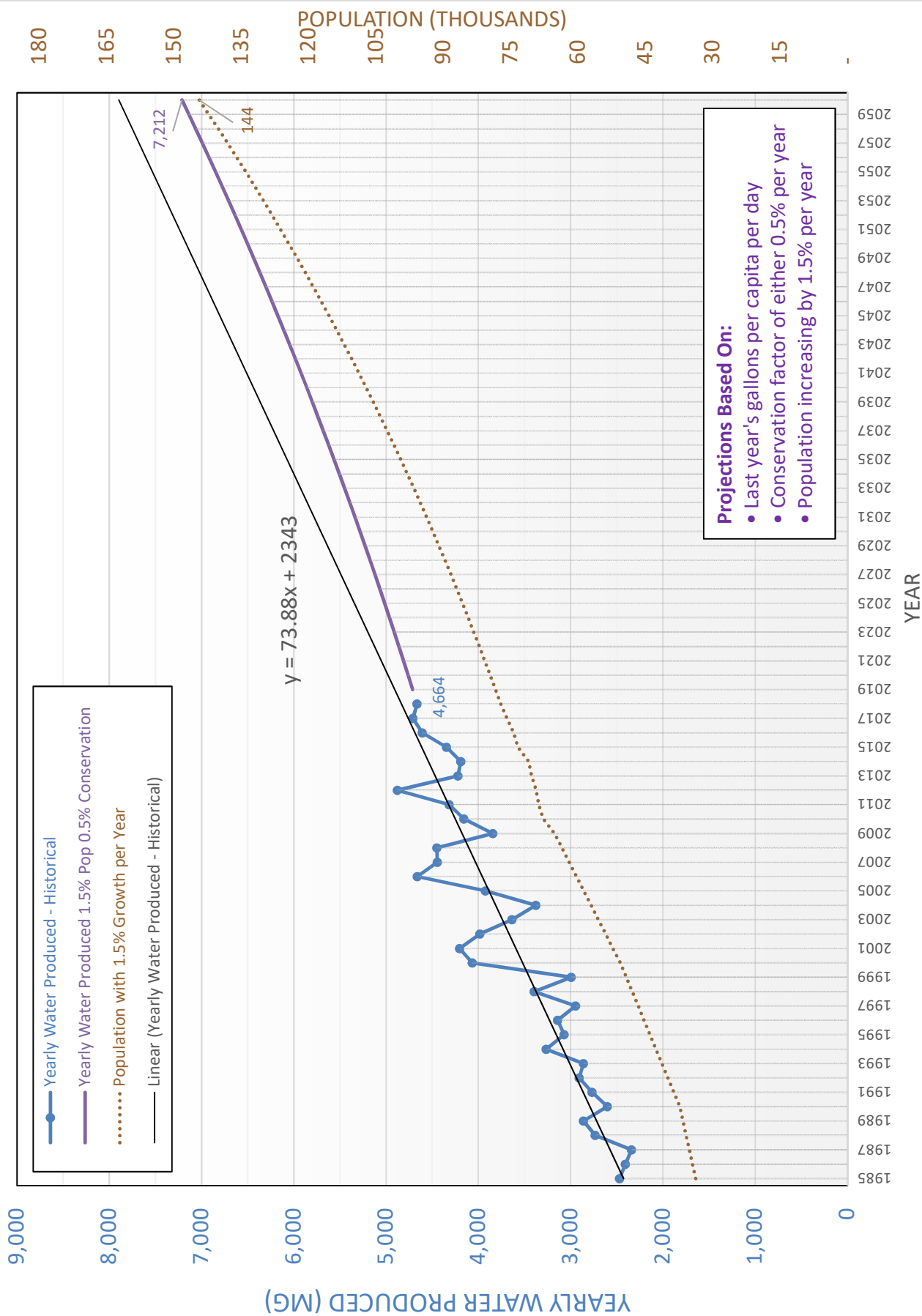
Attachment B



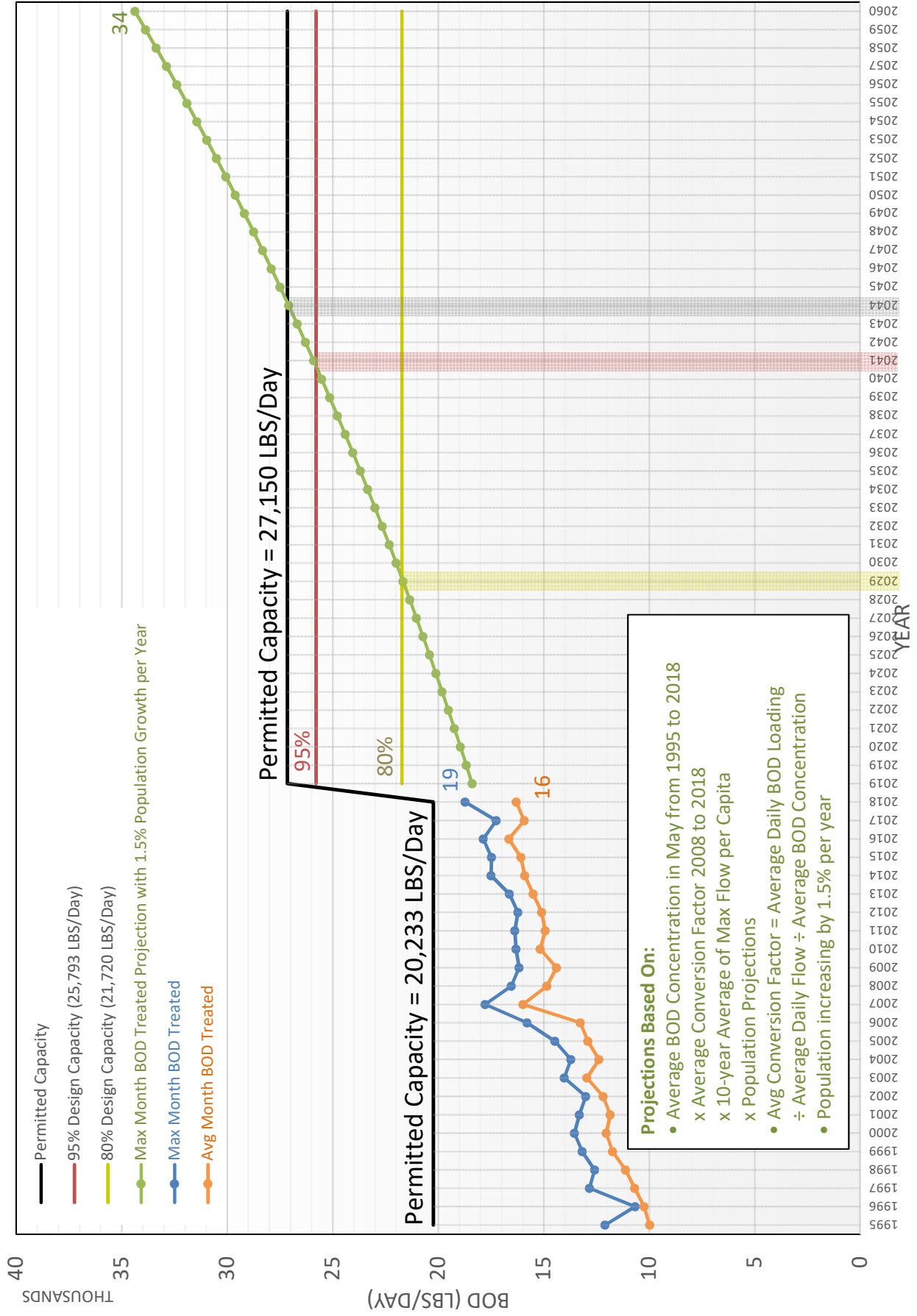
Loveland WTP Peak Day Production



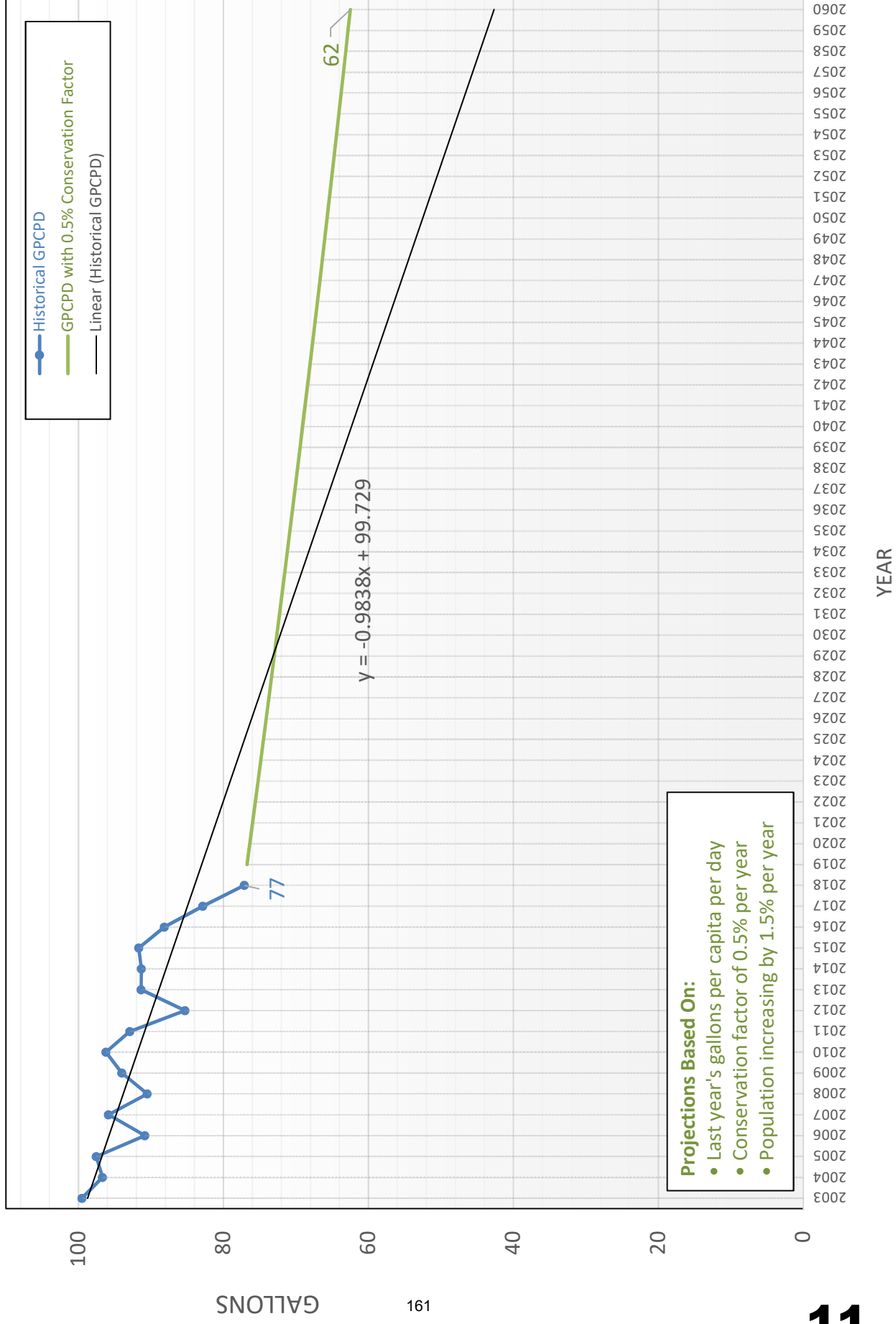
Loveland WTP Yearly Water Produced



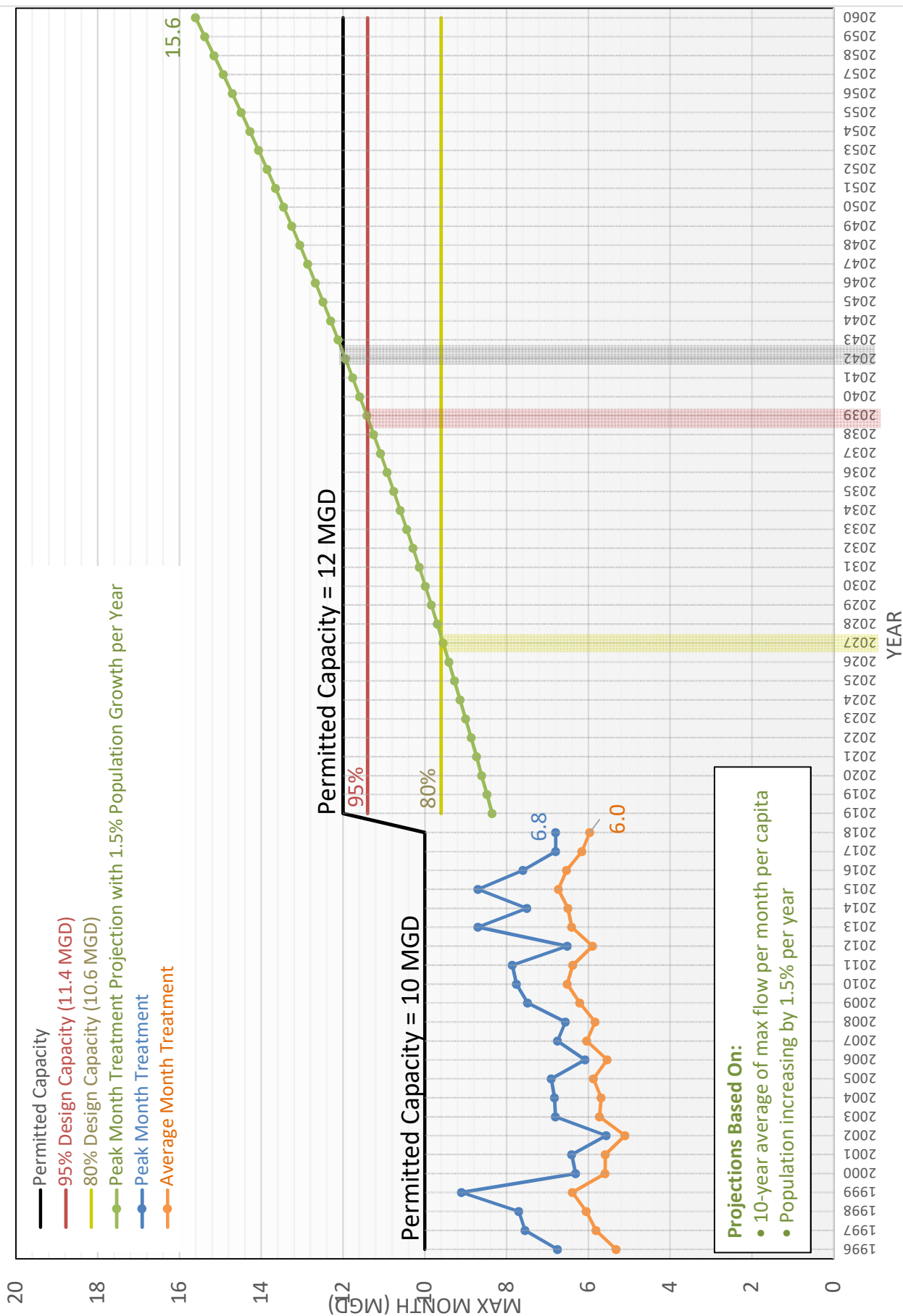
Loveland WWTP • BOD Pounds per Day



Loveland Wastewater - Gallons per Capita per Day (GPCPD)



Loveland WWTP • Max Month Flow (MGD)



Loveland WWTP Yearly Wastewater Treated

