

**City of Loveland Construction Advisory Board**  
**Meeting Minutes**  
August 25, 2010

**Roll Call:**

**Board Members:** Jason Baker, David Eads, Greg Meisinger, Chris Rosenberger, David Stamps, Bill Stenberg, and Teri Volk

**Board Members Absent:** Bruce Meyer, Jon Rudolph, and Harold Smith

**City Staff Members Present:** Tom Hawkinson, Sunita Sharma

**City Staff Council Members Present:** Donna Rice

**I. Call to Order:** Chairwoman Teri Volk called the meeting to order at 6:02 PM

**II. Approval of Minutes:** The motion to approve the meeting minutes was made by David Stamps, and was seconded by Greg Meisinger. The motion passed unanimously.

**III. Reports:**

**a. Citizen:**

Ed Klen asked to be placed on the agenda regarding a discussion on CEFs. He showed up to tonight's CAB meeting to answer any questions the board may have. Teri Volk opened the conversation to the floor. She believed it is inappropriate to open the floor to discussion on this issue due to the outstanding lawsuit. After the lawsuit is resolved it would be acceptable to have the discussion. David Stamps is in agreement with Teri Volk. David noted that Mr. Klen was previously a member of the City of Loveland Construction Advisory Board (CAB). He questioned what the CAB could do for Mr. Klen. Teri Volk asked Mr. Klen to not go into his presentation as the CAB is not ready to discuss it any further with him. Mr. Klen asked for a discussion on the application of the Code and the collection of CEFs. David Stamps noted again the he doesn't believe the CAB can do anything for Mr. Klen at this time. Mr. Klen then stated he is looking for a recommendation on changes to be brought to City Council. David Stamps asked to postpone this discussion. Sunita Sharma said the litigation has not ended between the City of Loveland and Mr. Klen, as an Appeal was made by Mr. Klen to a previous ruling in the City's favor. How the Code is written versus how it is applied regarding CEFs is part of that litigation. Greg Meisinger wants to hear about it only after the lawsuit is resolved. Mr. Klen said the Planning Commission has his presentation on their agenda for 13 SEP 2010. Teri Volk and Jason Baker agree on waiting to see the presentation. Motion not to place Mr. Klen on an upcoming agenda until the lawsuit is resolved, was made by David Stamps and was seconded by Jason Baker. The motion was unanimously approved.

**b. Board and Commission Members:**

Councilwoman Donna Rice said that a decision has not yet been reached on a new City Manager. Resolution is hoping happen in two (2) weeks. Budget issues are the top priority with City Council currently.

**c. Staff:**

Tom Hawkinson had no new updates.

**d. Contractor Licensing:**

None

**e. FRAC:**

Tim Hitchcock with FRAC is their new representative to the CAB. A decision was previously made that the FRAC agenda would be sent to the CAB, and the CAB would decide if they want a member to attend that coming meeting. FRAC meetings are on the 2<sup>nd</sup> Wednesday of the month at 5:30 PM in Fire Station #1 – Upstairs. Greg Meisinger would like to see the agenda every month for the upcoming FRAC meeting. Tom Hawkinson is to receive the FRAC agenda and email it to the CAB members.

**IV. Old Business:**

None

**V. New Business:**

City of Loveland Power and Water Presentation – Greg D & Lindsey B (see slideshow handout)

Lindsey presented slides #1 through #21. 61% of survey respondents were interested in getting an energy and water audit. 60% of the audit costs are covered for the homeowner. Loveland Power and Water will cover half of the project costs, and the other half of the costs will come from a 1% rate increase. David Stamps noted this program is already approved, along with the next presentation. Power and Water are not looking for recommendations at this time. Greg presented slides #22 through #45. Bill asked for more information on LCYCC. The program is for Larimer County youths (18-24 years old) to go in to residential homes and demonstrate to home owners how to save energy. Lindsey said they've already received hundreds of applications, and about 20 youths will be selected for the program. Interviews are given to all youths who submit an application to give them experience in job interviewing. The program targets low income youths. Chris Rosenberger asked what the target return on investment is for this project. The whole programs savings target is 1,200,000 gallons per year at a cost of ~\$20,000. Steve Adams with the City of Loveland said the wholesale cost of 100,000 gallons of water is ~\$1.04. These savings programs are not revenue generators. At this point we are paying more than wholesale costs to get these programs running.

The Water Treatment Plant program will delay an \$8,000,000 plant upgrade for four years. Greg Meisinger asked if four to six years is the correct timeframe. Greg believes that at that time the project will cost \$1,000,000 to \$2,000,000 more to build. Steve with the City of Loveland thinks we may be able to get a contract for 4,000,000 gallons per day waster water interconnect with a neighboring municipality. A large aggressive outreach program will be rolled out in the coming months. This entire program has never

been done before. A Colorado Water article (CSU Newsletter) highlighted this program in a recent publication

Bob Miller (Electrical Utilities Manager) noted that power is \$0.042 wholesale, and the current rebate costs are ~\$0.07. Pilot programs are going to have a return on investment in the future, but they do not yet. Bob distributed a fact card to show the CAB. These were given to some of the city employees. Bob presented his electrical slideshow. The city is looking to grow its electrical capacity by adding transformers to existing substations. Peak electrical use correlates directly with average temperature. Air Conditioning electrical demand is the reason for this peak use in summer months. Loveland has 10 transformers, but no spares. Lead time for a replacement transformer is approximately one year. There are five substations with two transformers in each substation. Loveland bought two transformers from Estes Park. One of these will be installed at the east substation. David Stamps asked if we know how much the City of Loveland saves on the Air Conditioning cycling program. Lindsey B believes it's a savings of \$52,000 per year. Chris Rosenberger asked if any local communities are having higher use rates for more usage. Bob stated that the Time of Use Rate is being looked at. There are many communities that use Block Rates or Time of Use Rates. David Stamps asked if we would need a new metering system to do some rate changes. Bob said Smart Grid and Smart Metering often require new meters. The City of Loveland is currently in a wait and see approach, and is letting other municipalities do the testing. Jason Baker asked if peak time is shown on the info packet. Bob said the city will have to find a way to get this info (real time peak vs. projected peak) to the public. Bob believes electrical storage from wind and solar is the key to those renewable system taking off.

Steve Adams (Water Utility Manager) said the Power Department has had great success with the A/C cycling program. Cities from across the country are questioning how Loveland did so well implementing the program. Growth fees are what they need a recommendation on from the CAB. Rate money versus growth money are part of the timing of projects. These are mostly driven by regularity changes. Utilities are having a tough time getting ARRA funds.

Jim Lees (Water and Power Utilities Manager) presented his slideshow on Utility Impact Fees Proposals for 2011. Greg Meisinger noted that in four years we need a new Water Treatment Plant, but fees are decreasing for water. Loveland purchased two transformers that are ¾ through their useful life but fees are increasing for electricity. Jim Lees said the method for determining fees is by a calculation that uses current replacement value of assets. There is an industry standard index used to calculate these fees. We paid \$320,000 for two used transformers from Estes Park. The index will adjust the value of these transformers upward over time. David Stamps noted that fees will increase during no growth time. Jim said David Stamps is correct, rates will typically decrease in growth periods. Residential will see a net reduction of \$130 in fees. Residential fees are collected up-front, and commercial and industrial projects fees are collected over time. Bill Stenberg would like to see the residential fee spread out over time like the commercial projects. A Motion to Recommend Changes to the Utility Impact Fees for 2011 as Presented with the CAB's Concern on Residential Electrical Fee Increase was made by

Greg Meisinger, and was seconded by Chris Rosenberger. The motion passed unanimously.

Steve Adams (Water Utility Manager) presented Water and Wastewater Capital Projects using System Impact Fees (SIFs). The project to do a full build-out of Wastewater Plants to 72,000,000 gallons per day would cost approximately \$50,000,000 to build today. We will not need this capacity for a long time from now. In 2050 we would like to have our raw water build-out.

Brian B (Current Planning Division) presented building permit application process changes. Currently only commercial and multi-family will be going through this new process. A clear, consistent, predictable, and transparent process is the goal of the new process. New code will be written in to Section 18-46. The process will split in to incremental review, approval, and start. The first submittal will be for outdoor items only. The second submittal will be the building permit (just the building itself). To do this they are modifying the code. If any substantial revisions to the building design are required after two reviews a meeting must take place among all parties to clear all remaining items with the City and Building Team. This was brought to the Planning Commission and Title 18 Committee. Jason Baker recommended removing the approval of foundation digging before approval of the Building Permit. This will keep the soils from losing their properties after being dug up and sitting for weeks without building permit approval. The next step for this new process is one more formal study session that is scheduled. Then it will go to the Planning Commission in October, and then to City Council in November or December. Most issues are in commercial and multi-family, not residential. Tom Hawkinson said a two week test is scheduled for September on this new format. Greg Meisinger asked if we want Brian B to get on the agenda in the coming months to get more information and answers questions from the CAB. The next Planning Commission meeting is 30 SEP 2010, and Tom Hawkinson will get an invitation out to the CAB. Jason Baker said he likes the new proposed flow. It should drive costs down for the end-users.

## **VI. Adjournment:**

A motion for adjournment was made by David Stamps, and was seconded by Jason Baker. The motion passed unanimously. The meeting adjourned at 8:15 PM

Sincerely,  
David Eads