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**ITEM NO:**

**1- Regular Agenda**

**PLANNING COMMISSION MEETING:**

November 14, 2011

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**TITLE:** Resolution recommending amendment of the 2005 Comprehensive Master Plan by addition of a functional (component) plan element known as the 2011 Raw Water Master Plan

**LOCATION:** City-wide

**APPLICANT:** City of Loveland, Community and Strategic Planning and Water Resources

**STAFF CONTACT:** Karl Barton and Larry Howard

**APPLICATION TYPE:** Amendments to 2005 Comprehensive Master Plan

**ACTION:** Conduct a public hearing and recommend adoption by City Council

**STAFF RECOMMENDATION:** *Move to adopt Resolution #11-2 recommending that City Council amend the 2005 Comprehensive Master Plan by addition of a functional (component) plan element known as the 2011 Raw Water Master Plan, as described in the November 14, 2011 Planning Commission staff report and as amended on the record.*

**I. Attachments**

- A. Resolution.
- B. Comprehensive Master Plan, Section 6.0 – Process and Procedures for Amending the 2005 Comprehensive Plan.
- C. Raw Water Master Plan – Executive Summary.

**II. Background/Overview**

In 2005, the City Council adopted the City’s first Raw Water Master Plan (“2005 Raw Water Plan”). The 2005 Raw Water Plan is a planning tool designed to help the City Council determine what steps are necessary to ensure that the City’s estimated future demands for raw water are adequately met. The City Council intended that the 2005 Raw Water Plan be reviewed and updated as needed. Water & Power Department staff has reviewed the 2005 Raw Water Plan

and prepared an update referred to as the 2011 Raw Water Master Plan (“2011 Raw Water Plan”). While drafting the 2011 Raw Water Plan, staff worked very closely with the Loveland Utilities Commission (“LUC”), which adopted a motion at its October 19, 2011 meeting approving the 2011 Raw Water Plan and recommending that the City Council adopt the 2011 Raw Water Plan.

Development Services Department staff believes that the 2011 Raw Water Plan relates to and should be incorporated into the City’s 2005 Comprehensive Master Plan (“2005 Comprehensive Plan”) by reference as a functional (component) plan element. In order to incorporate the 2011 Raw Water Plan into the 2005 Comprehensive Plan, Section 6.0 of the 2005 Comprehensive Plan requires that the Planning Commission conduct a public hearing to review the 2011 Raw Water Plan, make certain findings regarding the proposed amendment, and adopt a resolution recommending that the 2005 Comprehensive Plan be amended by addition of the 2011 Raw Water Plan as a functional (component) plan element.

The 2011 Raw Water Plan is scheduled to go before the City Council for approval and adoption in January, 2012. Therefore, Development Services and Water & Power staff request that the Planning Commission review the 2011 Raw Water Plan and adopt a resolution in the form attached as **Attachment A** making the findings required by Section 6.0 of the 2005 Comprehensive Plan and recommending that the 2005 Comprehensive Plan be amended by addition of the 2011 Raw Water Plan as a functional (component) plan element.

### **III. Policy Framework**

The 2005 Comprehensive Plan at Section 6.0 details the process for amending the 2005 Comprehensive Plan by adopting functional (component) plan elements. Please see **Attachment B** for a copy of Section 6.0. This item was properly noticed on October 29, 2011 in accordance with Section 6.0.

### **IV. Description of Proposed Amendment**

Please see **Attachment C** for an executive summary of the 2011 Raw Water Plan. Of particular importance are the draft recommendations listed on pages 3 – 5. The entire 2011 Raw Water Plan is on file with the Loveland City Clerk’s Office and is also available for viewing at <http://www.cityofloveland.org/index.aspx?page=1039>.

## **RESOLUTION #11-02**

### **A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LOVELAND RECOMMENDING THAT THE 2005 COMPREHENSIVE MASTER PLAN BE AMENDED BY ADOPTION OF A FUNCTIONAL (COMPONENT) PLAN ELEMENT KNOWN AS THE 2011 RAW WATER MASTER PLAN**

**WHEREAS**, on March 6, 2007 by Resolution #R-21-2007, the City Council adopted the “2005 Comprehensive Master Plan” (“2005 Comprehensive Plan”); and

**WHEREAS**, pursuant to Section 6 of the 2005 Comprehensive Plan, the City Council may amend the 2005 Comprehensive Plan by adoption of a functional (component) plan element after a duly-noticed public hearing is held, and recommendations are made to the City Council, by the Planning Commission; and

**WHEREAS**, on November 15, 2005 by Resolution #R-95-2005, the City Council adopted the City’s first “Raw Water Master Plan” (“2005 Raw Water Plan”), which serves as a planning tool designed to help the City Council determine what steps are necessary to ensure that the City’s estimated future demands for raw water are adequately met; and

**WHEREAS**, Water & Power Department staff has prepared an update to the 2005 Raw Water Master Plan known as the 2011 Raw Water Master Plan (“2011 Raw Water Plan”); and

**WHEREAS**, on October 19, 2011, the Loveland Utilities Commission adopted a motion recommending that the City Council adopt the 2011 Raw Water Plan; and

**WHEREAS**, the Planning Commission has reviewed the scope of the 2011 Raw Water Plan to determine whether it is an appropriate addition to the 2005 Comprehensive Plan as a functional (component) plan element; and

**WHEREAS**, the Planning Commission finds that amendment of the 2005 Comprehensive Plan by adoption of the 2011 Raw Water Plan implements, furthers, or is otherwise consistent with one or more of the philosophies, goals, policies, and strategies of the 2005 Comprehensive Plan, namely by planning for community water facilities necessary to support new development that meet or exceed the level-of-service standards adopted by the City of Loveland;

**WHEREAS**, the Planning Commission further finds that amendment of the 2005 Comprehensive Plan by adoption of the 2011 Raw Water Plan does not interfere with existing, emerging, proposed or future land use patterns, densities, or intensities within the City of Loveland as depicted on the Land Use Plan Map contained within the 2005 Comprehensive Plan; and

**WHEREAS**, the Planning Commission further finds that amendment of the 2005 Comprehensive Plan by adoption of the 2011 Raw Water Plan does not interfere with, prevent, or implement the provision of the City of Loveland's existing, planned, or previously-committed services or proposals for community facilities, or other specific public or private actions contemplated within the 2005 Comprehensive Plan; and

**WHEREAS**, the Planning Commission further finds that amendment of the 2005 Comprehensive Plan by adoption of the 2011 Raw Water Plan does not interfere with, prevent, or implement the provision of any of the City of Loveland's existing or planned transportation system services as contemplated by 2030 Transportation Plan; and

**WHEREAS**, on November 14, 2011, a duly-noticed public hearing was held by the Planning Commission on the proposed amendment to the 2005 Comprehensive Plan; and

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

**Section 1.** That the Loveland Planning Commission hereby recommends that the Loveland City Council amend the 2005 Comprehensive Master Plan by addition of the 2011 Raw Water Master Plan, a copy of which is on file with the Loveland City Clerk, as a functional (component) plan element.

**Section 2.** That this Resolution shall take effect as of the date of its adoption.

ADOPTED this 14<sup>th</sup> day of November, 2011.

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Robert Molloy, Planning Commission Chair

ATTEST:

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Planning Commission Secretary

APPROVED AS TO FORM:

  
Assistant City Attorney

**SECTION 6.0      *PROCESS AND PROCEDURES FOR  
AMENDING THE 2005 COMPREHENSIVE PLAN***

***TABLE OF CONTENTS***

INTRODUCTION AND PURPOSE.....	1
GENERAL AMENDMENT PROCEDURES.....	1
TYPES OF AMENDMENTS.....	2
ROLE OF STAFF, THE PLANNING COMMISSION, AND COUNCIL IN THE AMENDMENT PROCESS.....	3
PUBLIC HEARING NOTIFICATION PROCEDURES .....	3
ADMINISTRATIVE REVISIONS TO THE PLAN.....	4
PUBLIC HEARING PROCEDURES .....	5
CRITERIA FOR DETERMINING AMENDMENT CONSISTENCY WITH THE ADOPTED PLAN .....	6

**INTRODUCTION AND  
PURPOSE**

The *Loveland, Colorado 2005 Comprehensive Plan* (the Plan) was originally adopted by the City Council in October 2005. Numerous amendments to the Plan have been approved since then, including the adoption of major functional and area plan elements that serve to supplement the Plan.

The 2005 Comprehensive Plan is intended to serve as a **guide** for development-related and service provision decision-making within Loveland and its surrounding community. As noted in state statute, the Plan is intended to be advisory in nature. The Plan shall be reviewed in accordance with the following procedures so that current issues continue to be addressed and to ensure that the Plan provides a realistic guide for the community's future growth. With the exception of Administrative Plan Amendments, all approved changes to the Plan are adopted by Resolution of the City Council following a public hearing and recommendation by the Planning Commission.

**GENERAL  
AMENDMENT  
PROCEDURES**

- A) The City Council shall provide for a general reexamination of the Comprehensive Plan based on the evaluative criteria outlined in Subsection VIII at least once every five (5) years, in accordance with the approved amendment process. The Council shall adopt certain amendments to the Plan only after a duly noticed public hearing is held and recommendations are received from the Planning Commission.
- B) The City Council shall cause a new Comprehensive Plan to be prepared at least once every ten (10) years. The Council shall adopt certain amendments to the Plan only after a duly noticed public hearing is held and recommendations are received from the Planning Commission.
- C) After the City Council has reviewed and adopted by resolution the changes resulting from such a reexamination, or portions thereof, a copy of said resolution shall be filed with the City Clerk and sent to the appropriate official of any adjoining jurisdiction receiving notice.
- D) The reexamination process shall include an evaluation of:
  - 1) the major opportunities and constraints affecting the City and its area of influence at the time of the adoption of the last significant Comprehensive Plan update;

- 2) the extent to which such opportunities and constraints have been reduced or have increased subsequent to that update;
- 3) the extent to which the vision articulated in the Comprehensive Plan has been achieved;
- 4) the extent to which actual development has departed from the development patterns envisioned in the current Comprehensive Plan;
- 5) the extent to which there have been, or need to be, significant changes in the assumptions, forecasts, projections, goals, policies, and guidelines that are the basis of the Comprehensive Plan (including assumptions about population and economic forecasts and the local land market; changes in land-use projections and in area designations in the land-use element for projected land uses; and changes in any regional plans or in the plans of adjoining jurisdictions); and what amendments, if any, the Comprehensive Plan should contain;
- 6) the extent to which proposed actions contained in the Program of Implementation have been carried out; and
- 7) whether a new Comprehensive Plan should be prepared based on the magnitude of changes currently facing the City and its area of influence.

#### **TYPES OF AMENDMENTS**

In terms of possible amendments to the Plan, there are five (5) basic forms:

- Comprehensive Plan Text Amendments are changes to the text of the 2005 Comprehensive Plan that could include revisions to the Plan's guiding principles, goals, and policies.
- Land Use Plan Amendments are changes to the land use designations and text contained within the Land Use Plan or revisions to the transportation system recommendations contained within the *City of Loveland 2030 Transportation Plan*.
- Loveland Growth Management Area Amendments are additions to or deletions of properties from the Loveland Growth Management Area, Cooperative Planning Areas, and Community Influence Area.
- Functional and Area Plan Amendments are amendments to

those functional (component) plan elements and area (section) plans previously adopted as a part of the Loveland's 2005 *Comprehensive Plan* and the adoption of new functional (component) plan elements and area (section or corridor) plans.

- Administrative Plan Amendments are amendments processed by City staff (not subject to the public hearing process) involving "technical corrections" or minor changes to the Plan's text and/or maps.

**ROLE OF STAFF,  
THE PLANNING  
COMMISSION, AND  
COUNCIL IN THE  
AMENDMENT  
PROCESS**

The Manager of Community and Strategic Planning, or an appropriate designee, is responsible for reviewing and bringing Comprehensive Plan amendments to the Planning Commission for consideration. In making staff's recommendation on a Plan amendment to the Planning Commission, the Manager of Community and Strategic Planning, or an appropriate designee, may also seek the advice of applicable boards and commissions.

Comprehensive Plan amendments may be proposed by City Council, City staff, City boards and commissions, or by any member of the public. Plan amendments can be processed at any time of the year, per scheduling responsibility of the Manager of Community and Strategic Planning, or an appropriate designee.

The recommendations of the Planning Commission shall only be made after proper notification in the newspaper and a public hearing, during which any member of the public may comment on a proposed Plan amendment.

**PUBLIC HEARING  
NOTIFICATION  
PROCEDURES**

- A) Written notice of a public hearing on a Plan amendment shall include:
- 1) the date, time, and place of hearing;
  - 2) a description of the substance of the proposed Comprehensive Plan amendment. If the proposed regulation or amendment affects discrete and identifiable lots or parcels of land, the description shall include a legal and/or general description of the affected lots or parcels;
  - 3) the contact person(s) from whom additional information may be obtained;
  - 4) the time and place where such amendment may be inspected by any interested person prior to the hearing; and



- 5) the location where copies of the proposed amendment may be obtained or purchased.
- B) The Manager of Community and Strategic Planning, or an appropriate designee, shall give notice in writing of all public hearings on all proposed amendments via publication in the newspaper of record at least fifteen (15) days prior to a public hearing being conducted by the Planning Commission or City Council. Staff may also give notice via publication on a computer-accessible information network or by other appropriate means.
- C) When a proposed amendment to be considered at a public hearing does not apply to all land in the City's planning area and instead applies to discrete and identifiable lots or parcels of land, the Applicant shall also give notice in writing of that hearing by first class mail, mailed at least fifteen (15) days prior to a public hearing being conducted by the Planning Commission or City Council to the owners of record of all parcels or lots that would be affected by the proposed amendment.
- D) Pursuant to state statute, the Manager of Community and Strategic Planning, or an appropriate designee, shall provide written notice to any neighboring jurisdictions partially or wholly located within three (3) miles of Loveland's city limits of a public hearing at which a Comprehensive Plan amendment is to be considered. A copy of the proposed Comprehensive Plan amendment shall be provided to the neighboring jurisdiction.
- E) Prior to the public hearing, the Applicant shall provide the Manager of Community and Strategic Planning, or an appropriate designee, with an affidavit certifying that the notice requirements set forth above as being the responsibility of the Applicant have been met. Failure to provide the required affidavit, or evidence of a defective mailing list, may result in termination of review or action on an amendment request until proper notice is provided.

**ADMINISTRATIVE  
REVISIONS TO THE  
PLAN**

Administrative revisions are those Plan changes made by City staff that are not subject to the public hearing process. Administrative revisions are limited to the following "technical corrections":

- Correction of an error, either text or mapping. This could include outdated information, grammatical errors, incorrect symbols and graphics, or revisions of a similar nature.

- Minor changes regarding base mapping information such as streets, subdivisions, etc.
- A revised map legend or notation.

**PUBLIC HEARING  
PROCEDURES**

The following procedures apply to public hearings held by the Planning Commission and City Council regarding Comprehensive Plan amendments:

- A) At the public hearing, the Planning Commission and City Council shall permit all interested persons, specifically those persons notified by first class mail pursuant to this Section, to present their views orally or in writing on the proposed Comprehensive Plan amendment.
- B) The hearing may be continued from time to time.
- C) After having given due consideration to all written and oral comments received at the public hearing, the Planning Commission and/or City Council may revise the proposed Comprehensive Plan amendment recommended by staff.
- D) A request for an amendment to the City's Growth Management Area, the Land Use Plan, or the 2030 Transportation Plan that is based upon a proposed or future development project shall be processed in accordance with one of the following two (2) options.

**Option A:** If a Plan amendment is deemed necessary by staff and is requested to be processed concurrently with the corresponding proposed development project, then the Planning Commission and City Council shall consider four (4) separate actions and motions in the following order:

- 1) The proposed amendment to the 2005 Comprehensive Plan.
- 2) The proposed annexation request.
- 3) The proposed zoning or rezoning requests.
- 4) The proposed development project.

**Option B:** If a proposed or future development project is deemed to be require a Plan amendment by staff, then the proponent has the option of making said amendment request separate from, but prior to, any request being made for an annexation, rezoning, or other action on the proposed or future development project.

Compliance with the Comprehensive Plan does not guarantee approval of an annexation, rezoning, or other development-related action. The final determination of the merits of an annexation, rezoning, or other development-related action will be made during that part of the approval process.

**CRITERIA FOR  
DETERMINING  
AMENDMENT  
CONSISTENCY WITH  
THE ADOPTED  
PLAN**

The appropriateness of a Plan amendment request shall be determined in accordance with the following specific criteria:

- A) Does the amendment request implement or further, or is it otherwise consistent with one or more of the philosophies, goals, policies and strategies of the *2005 Comprehensive Plan*? Explain.
- B) Will the amendment request interfere with the existing, emerging, proposed or future land use patterns and/or densities/intensities of the surrounding neighborhood as depicted on the Land Use Plan Map and as contained within the *2005 Comprehensive Plan*? Explain.
- C) Will the amendment request interfere with, prevent, or implement the provision of any of the area's existing, planned, or previously committed services or proposals for community facilities, or other specific public or private actions contemplated within the *2005 Comprehensive Plan*? Explain.
- D) Will the amendment request interfere with, prevent, or implement the provision of any of the area's existing or planned transportation system services as contemplated by the *2030 Transportation Plan*? Explain.

Staff, the Planning Commission, and City Council shall make findings in support of their action or recommended action on a proposed Plan amendment utilizing the above-stated criteria.

# Raw Water Master Plan Update City of Loveland



**DRAFT FINAL**

Prepared by:  
Department of Water and Power  
City of Loveland  
October 13, 2011

# Executive Summary

## Background

For many years the Loveland Utilities Commission and City staff have conducted planning activities directed toward meeting the City's future raw water needs and to identify means to effectively manage the City's existing and future sources of raw water. This report builds on that work.

Concerns regarding the adequacy of the City's water supply were heightened as a result of the multi-year drought that began in 2000 and intensified in 2002. At approximately the same time, City staff formally addressed the Loveland Utilities Commission and the City Council on two occasions regarding the City's acquisitions of raw water for development, which were not keeping pace with actual demands. To determine how the City could best prepare to meet its future raw water demands, a Raw Water Master Plan was created in 2005.

In 2011 the City contracted with Spronk Water Engineers to perform an updated analysis of the City's raw water portfolio and system to estimate the firm yield the City can expect to meet demand. The resulting report, the *Raw Water Supply Yield Analysis Update*, was completed in draft and accepted as a tool in developing the City's Raw Water Master Plan update on August 17, 2011.

## Need for a Raw Water Master Plan

The original Raw Water Master Plan (RWMP) was designed as a tool to help the City Council determine what steps are necessary to assure that the City's estimated future demands for raw water are adequately met. The RWMP presented and analyzed alternative projects, and provided guidelines for ongoing evaluation of those alternatives to determine which best meet those demands. It was expected that the RWMP would be revisited and updated based on the City's future water supplies and demands, and on the future availability of the various sources of water or feasibility of the various options. This report reflects the first update to the RWMP.

This update includes the impact of a number of significant events which were not part of the 2005 RWMP.

- An economic downturn started in 2008 and as a result, development slowed dramatically. The City did not experience the type of water dedications common during the preceding 15 years. For example, only two significant water dedications have occurred since 2006, and these have not yet been applied for development.
- The City's decree in Case No. 2002CW392 was finalized in 2010. This represented a significant addition to the City's available water rights portfolio and solidified the terms and conditions in which the City may divert the water for municipal use.
- The City purchased 933 Colorado-Big Thompson Project (CBT) acre-foot units (units) at favorable market prices. There still continues to be CBT available for

- purchase under the rules and regulations of the Northern Colorado Water Conservancy District (Northern Water). At the time of the 2005 RWMP, the thought was that CBT units would be available for only another 15 years, although that projection may now be longer because of the economic slowdown.
- A multi-year drought that began in 2000 and intensified in 2002. At the time of the original RWMP, the City was still dealing with drought impacts.
  - The Windy Gap FIRMing Project is not yet online. The required environmental permits are still pending, and design and construction have not yet begun. At the time of the 2005 RWMP it was projected that the project would be online by 2010.

### **Recommendations**

Based on results from the Raw Water Supply Model and review of the City's current policies related to fees, requirements, acquisition and development of a reliable, high quality supply of raw water for the City, the recommendations from the LUC and staff are as follows:

1. 1-in-100 Year Drought Planning
  - A. Continue to plan for the City's long-term policy of preparing for a 1-in-100 year drought event with no curtailment.
  - B. Use the City's water resources wisely, and use conservation as a tool for more meeting demands during severe droughts, but not as a source for meeting future supply demands up to the 1-in-100 year event.
2. 2011 *Raw Water Supply Yield Analysis Update* (SWE Report)—Raw Water Supply Model (RWSM)
  - A. Continue to use the 2011 *Raw Water Supply Yield Analysis Update* and the Raw Water Supply Model as tools to evaluate proposed policy changes related to acquisition and planning for raw water supplies.
3. Continue to use a raw water demand target of 30,000 acre-feet.
4. Modify the City's current policy for accepting raw water. The basic components of any policy revisions may consider, without limitation, the following:
  - A. CBT
    - i. Require that at least 40 percent of every raw water payment be made using CBT, existing cash credits in the Water Bank, or cash-in-lieu.
      - a. Accept CBT, cash credits in the Water Bank, or cash-in-lieu for the full payment of any raw water requirement.
      - b. Keep the credit value of CBT, currently 1.0 acre-foot per unit.
    - ii. Continue purchasing CBT acre-foot units, on an ongoing basis under favorable market conditions.

**B. Ditch Shares**

- i. Adjust the credits for ditch shares to the actual values as determined by the current 2011 SWE report using either of the following methods, at the developer's option:
  - a. For average yields as determined in the RWSM for ditch credits, require the storage fee to make up the difference between the firm yield and the average yield.
  - b. For firm yields as determined in the RWSM for ditch credits, do not require a storage fee.
  - c. Any ditch credits currently in the water bank originally deposited prior to July, 1995, may be granted average yields without requiring the storage fee.
- ii. Accept any native water shares in the City's Growth Management Area that in the City's opinion may successfully be transferred in Water Court.

**C. Storage**

Do not adjust the Native Raw Water Storage Fee (NRWSF) from the current fees.

**D. Cash-In-Lieu**

- i. Remove the current limit on cash-in-lieu transactions. Allow use of cash-in-lieu on any transaction.
- ii. Continue to keep the City's cash-in-lieu fee 3 percent higher than the market price of CBT water, to allow for administrative expenses in acquiring water.

Below is a summary of the recommended factors for the ditch shares:

**Table 9-1: Summary of Recommended factors for Ditch Shares**

<b>Irrigation Company</b>	<b>Current &amp; Proposed NRWSF (\$/acre-foot)</b>	<b>Proposed Average Credit With storage (acre-foot/share)</b>	<b>Proposed Firm Credit w/o storage (acre-foot/share)</b>
South Side	\$6,770	4.55	1.46
Louden	\$6,850	12.17	2.43
Buckingham	\$7,400	6.36	0.38
Barnes	\$5,750	3.32	0.86
Chubbuck	\$7,400	2.94	0.41
Big TD&M	\$3,530	186.57	70.90

**5. Continue to consider the benefits of different types of storage:**

**A. Upstream Storage**

- i. Provides "annual storage"
- ii. Provides "firming storage"

- B. Downstream Storage
  - i. Provides staging for later upstream exchange.
  - ii. Provides staging for releases downstream.
- 6. Consider implementing elements of the maximum run conditions identified in Table 6 of the SWE Report.
- 7. Evaluate the most effective ways to make use of reusable supplies:
  - A. Exchange upstream for municipal use.
  - B. Sell or lease to downstream users.
    - i. Determine a reasonable policy for providing augmentation water to others, including value, storage, and administration.
  - C. Continue to monitor the applicability of a purple-pipe raw water irrigation system.

The intent of these policy changes is to ensure the reliability of water the city accepts, thereby adhering to the charge by City Council to be able to meet future demands for water without curtailment in up to a 1-in-100 year drought. These steps are designed to enhance the City's economic prosperity and potential for continued future growth.

An ongoing reevaluation of the alternatives considered in this RWMP at regular intervals a few years apart is recommended for the future. As water or cash-in-lieu of water is acquired, the City's overall water supply portfolio may change. Unforeseen factors may cause the ultimate demand to be different from current projections. It will be important to reevaluate the RWMP using the Raw Water Supply Model and the *Raw Water Supply Yield Analysis* in the future as growth occurs, and to adjust the conclusions and recommendations as appropriate to match future conditions.