

Mayor Gutierrez called the Study Session of the Loveland City Council to order at 6:30 p.m. on the above date. Councilors present: Gutierrez, Farley, Fogle, Taylor, Trenary, Klassen, Shaffer and McKean. City Manager Bill Cahill was also present.

1. Water & Power

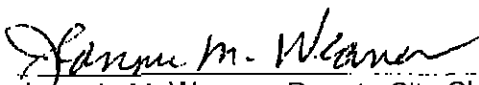
infrastructure investments Needs-Water and Wastewater Utilities  
Utility Accounting Manager, Jim Lees presented this item to Council providing background information on increasing infrastructure investment needs in the water utilities and final results from a cost-of-service rate study, including rate implications associated with several financing approaches. Preliminary results of the rate study were presented at the May 22, 2012 Study Session and direction was given to staff to prepare the rate study's final results for the 2013 budget process. Water Utilities Manager, Chris Matkins reviewed the needs of the Water Utility, possible Capital Program approaches, rate increase alternatives ranging from 18% to 53%; and recent changes in infrastructure budgeting needs. StepWise Utility Advisors consultant, Jason Mumm gave an overview of the water and wastewater rate studies, reviewing the three scenarios used and financing overview results for capital needs projected for the next 10 years. Council concerns were expressed and recommendations were made for spending revenue reserves to minimize the impact on citizens. City Manager Bill Cahill spoke regarding Tabor limits on revenue reserves. Executive Fiscal Advisor, Alan Krcmarik discussed the financing options. Council discussion ensued. Council direction supported the staff's recommendation at this time of Financing Scenario C for the Water Utility, creating the need for a 13% water rate increase in 2013, and re-evaluation of the needs going forward. Council direction supported the staff's recommendation of Financing Scenario B for the Wastewater Utility, creating the need for a 9.9% rate increase per year for the ten years from 2013 through 2022. Council thanked staff for the presentation

2. City Manager

Capital Expansion Fee Progress Report #2  
Executive Fiscal Advisor, Alan Krcmarik introduced this item to Council, for information and discussion only. City staff members began the process to conduct a major review of the Capital Expansion Fees early this year. A study session in March covered the introduction of the process and a history of how the City has used Capital Expansion Fees since 1984. At the July 10<sup>th</sup> Study session, staff provided a progress report on the update. This presentation covered three topics: Options to Adjust Multi-Family Capital Expansion Fees; Annual Adjustment for Inflation; and Growth Related Revenue Sources for Operations and Maintenance. Council discussion ensued. Council thanked staff for the presentation.

Having no further business to come before Council, the August 28, 2012 Study Session was adjourned at 10:56 p.m.

Respectfully Submitted,

  
Jeannie M. Weaver, Deputy City Clerk



  
Cecil A. Gutierrez, Mayor