MINUTES
LOVELAND CITY COUNCIL STUDY SESSION
TUESDAY, JULY 28, 2015
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

STUDY SESSION 6:30 P.M.

Councilors present: Shaffer, Clark, Taylor, Trenary, Farley, Fogle, Krenning, and Mayor Gutierrez. City Manager, Bill Cahill was also present. Councilor McKean was absent.

1.   **WATER & POWER**
       2015 WATER/WASTEWATER COST OF SERVICE RATE STUDY RESULTS
       Jim Lees, Utility Accounting Manager, presented this information only item.   Jason Mumm and Jon Albertsen from Hawksley Consulting (a division of MWH Global) also attended to present and answer council questions. Steve Adams, Water and Power Director and Chris Matkins, Water Utilities Manager, were also in attendance to answer council questions. The Water and Power Department has been working on a cost-of-service rate study for the Water and Wastewater Utilities since January. As part of this process, there have been three meetings with Loveland Utilities Commission (LUC) liaisons Gene Packer, Larry Roos, Dave Schneider and Gary Hausman. In addition, information has been presented to the whole LUC at their June and July meetings. Our last cost-of-service rate study for Water and Wastewater was completed in 2012, so this year's study is in keeping with the new approach of updating our cost of service for each utility every three years instead of every five.
       Staff looked to City Council for direction on two items: 1) rates for Water and Wastewater for 2016; and 2) 10-year rate tracks and borrowing alternatives for Water and Wastewater. For the 10-year rate track and borrowing alternatives, there are four scenarios that were developed for both Water and Wastewater. Then, at the July 14, 2015 City Council Study Session on upcoming capital projects at the Wastewater Treatment Plant, there was interest expressed in seeing another scenario for Wastewater, with a higher level of borrowing in 2016 and this created the ability to move some capital projects forward in the 10-Year CIP. That scenario was included in the presentation. A brief update on the work that has been done so far for an evaluation of our Water and Wastewater System Impact Fees (SIF) was presented. Councilors expressed support of the LUC's recommendation.

2.   **PUBLIC WORKS**
       CAPITAL TRANSPORTATION PROJECTS—PROCESS, PRIORITIZATION, CHALLENGES AND FUNDING
       Leah Browder, Public Works Director and Dave Klockeman, City Engineer presented this information only item. They presented the City's long-range 2035 Transportation Plan and the process used to determine project priorities and current funding approaches. During discussions regarding the North Boise Avenue Extension Project; the proposed 2016 Capital Program; and the Public Works Strategic Plan, the City Council expressed an interest in having a study session to review the 2035 Transportation Plan and associated capital projects. Particular focus areas raised by Councilors included current priority projects with the potential to revise priorities and a desire to reconsider funding options. An additional area of interest is east-west connectivity. The City's Transportation Plan

provides the baseline and guidance for 20 years of transportation system capital project planning and funding. While structured to provide as much flexibility as possible, the Transportation Plan seeks to ensure annual appropriations of appropriate monies into each priority project so that all make progress toward phased project construction and completion. Modifying project priorities or schedules requires review of the full program to ensure that existing related projects are revised as necessary and to identify other needs that may need to be addressed as a result of changes. Staff will get information on comparable cities and work on a total picture of transportation and street funding to give council a more accurate picture. Council thanked the staff for the presentation.

ADJOURNMENT

Mayor Gutierrez adjourned the Study Session at 9:53 p.m.

Respectfully Submitted,

Teresa G. Andrews, City Clerk

Cecil A. Gutierrez, Mayor