LOVELAND UTILITIES COMMISSION

September 20, 2017 – 4:00pm
Service Center Willow Room – 200 N. Wilson Ave.

REGULAR MEETING AGENDA

CALL TO ORDER

NEW EMPLOYEE INTRODUCTIONS

APPROVAL OF MINUTES – 8/16/2017

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

INFORMATIONAL ITEMS

1. Financial Report Update – Jim Lees

STAFF REPORTS

2. Colorado Water Law and Water Court Process – Derek Turner
3. Executive Session on Windy Gap Firming Project – Derek Turner

REGULAR AGENDA

4. 2018 Water and Power Schedule of Rates, Charges and Fees – Jim Lees

5. COMMISSION & COUNCIL REPORTS

6. DIRECTOR'S REPORT

ADJOURN

The password to the public access wireless network (colguest) is accesswifi

City of Loveland

* 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".

The password to the public access wireless network (colguest) is accesswifi

Commission Members Present: Dan Herlihey, Dave Kavanagh, David Schneider, Gary Hausman (Chairman), Gene Packer, Larry Roos, John Butler, Randy Williams, Sean Cronin

Commission Members Absent: Alternate Stephanie Fancher-English

Council Liaison Absent: Troy Krenning

City Staff Members Present: Brieana Reed-Harmel, Carlos Medina, Christine Schraeder, Courtney Whittet, Daniel Daneshka, Greg Dewey, Gretchen Stanford, Jim Lees, Joe Bernosky, John Beckstrom, Kim Edwards, Lindsey Bashline, Larry Howard, Roger Berg, Steve Adams, Tanner Randall, Tom Greene, Alicia Calderón, Luke Plumb

Guest Attendance: Dick Mallot, Jane Clevenger, Randy Starr

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 July 19, 2017 meeting.
Motion: Dave Schneider made the motion.
Second: Dan Herlihey seconded the motion. The minutes were approved unanimously.

INFORMATIONAL ITEMS

Item 2: Financial Report Update – Jim Lees

This item summarizes the monthly and year-to date Preliminary Financials for July 2017.

Informational Item only. No action required.

STAFF REPORTS

Item 1: Energy Programs Update – Lindsey Bashline

This item will provide an update on residential and commercial energy efficiency programs.

Staff report only. No action required.

Comments: Regarding the Shift Pilot Program, Larry Roos would like to know what the policy in Las Vegas is concerning front load washers.

CONSENT AGENDA

Item 3: Acceptance of 2.375 shares of the Louden Ditch into the City Water Bank – Kim Edwards

This is a request to deposit 2.375 shares of Louden Irrigating Canal and Reservoir (Louden Ditch) into the City's Water Bank.

Recommendation: Adopt a motion finding that the requirements set forth in Municipal Code Section 19.04.080 have been met, that acceptance of the Louden Ditch shares (Stock Cert. 3898) into the City of Loveland Water Bank is in the city's best interest, and approving the City's acceptance of the shares into the Water Bank.

Motion: Dave Schneider made the motion to accept consent agenda items as written.
Second: John Butler seconded the motion. The motion was approved unanimously.

REGULAR AGENDA

Item 4: Shubert Drive and South Wilson Avenue Waterline Replacement
The purpose of this item is to award a construction contract to the lowest qualified bidder for the Shubert Drive and South Wilson Avenue Waterline Replacement Project.

Recommendation: Adopt a motion to award the contract for Shubert Drive and South Wilson Avenue Waterline Replacement Project to Connell Resources in an amount not to exceed $759,884.25 and authorize the City Manager to execute the contract on behalf of the City.

Motion: Dan Herlihey made the motion.
Second: John Butler seconded the motion. The motion was approved unanimously.

Comments: Sean Cronin suggested placing signs stating "Your water rates at work making repairs." or something similar, to inform customers as to one of the needs for rate increases.

Item 5: Ordinance Concerning Municipal Electric Utility Exclusive Service
This item contains a draft ordinance which seeks to amend Chapter 13.12 of the Loveland Municipal Code to update a section and create a new section for the requirements when the city provides exclusive service electric utility service to an area previously served by a cooperative electric association. The purpose of this change is to modify and clarify within the Municipal Code the current requirements for the City of Loveland to pay compensation to cooperative electric associations. Any such compensation is required when a cooperative electric association is excluded from their service territory through a process of annexation and takeover by the City.

Recommendation: Adopt a motion recommending that the City Council approve the attached draft ordinance to amend Chapter 13.12 of the Loveland Municipal Code concerning the municipal electric utility exclusive service provision.

Motion: Dave Schneider made the motion to table the discussion to allow the Director of Water and Power and the City Manager to review some of the existing language.
Second: Randy Williams seconded the motion. The motion was approved unanimously.

Comments: Dave Schneider objected to existing language in the code that limits the electric cooperative to improve their facilities while in direct competition with the City. Thereby limiting their ability to service customers as technology changes and customer needs grow. Randy Starr, legal representation for Poudre Valley Rural Electric Association, suggested that the discussion be tabled to allow Mr. Bernoskey and Mr. Adams a chance to discuss the existing language concerning the consent of the City for the electric cooperative to expand their facilities.

COMMISSION/COUNCIL REPORTS

Item 6: 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.

- City Council Report

Dan Herlihey:
Dave Kavanagh:
Dave Schneider: To John Butler, what kind of batteries do submarines use to store nuclear energy. Butler advised Lead/Acid batteries are being phased out for lithium or possibly even silicone.

Gene Packer:
Gary Hausman:
John Butler: Yucca Mountain back on track again.
Larry Roos:
Randy Williams: Congratulations to Mr. Greg Dewey and we will miss him tremendously as he moves on to an exciting opportunity with Northern Water.
Sean Cronin:
Stephanie Fancher-English:

Council Report: Joe Bernosky gave on behalf of Troy Krenning

DIRECTOR'S REPORT

Item 9: Director's Report – Joe Bernosky
Comments: Larry Howard clarified the use of augmentation releases for other entities. Cronin would like to see a policy in the Water Master Plan regarding augmentation releases for other entities in need. Cronin also discussed the need of water storage for Wastewater effluent water.

Gary Hausman inquired about the current market price and availability of C-BT shares. Howard shared the price has been stable and remains at $28,000. Cronin asked about our current policy on C-BT water. Howard explained that our current policy is that we have $500,000 set aside to purchase C-BT water every year. We use dollar/cost averaging to find units to purchase. Hausman requested Howard present the current C-BT market price and possible options to purchase at a future meeting.

ADJOURN The meeting was adjourned at 6:29 pm. The next LUC Meeting will be September 20, 2017 at 4:00 pm.

Respectfully submitted,

Courtney Whittet
Recording Secretary
Loveland Utilities Commission

LOVELAND UTILITIES COMMISSION

AGENDA ITEM: 1
MEETING DATE: 9/20/2017
SUBMITTED BY: Jim Lees
STAFF TITLE: Utility Accounting Manager

ITEM TITLE:

Agenda Item Title – Should be the same as what is on the agenda

DESCRIPTION:

This item summarizes the monthly and year-to date Preliminary financials for August 2017.

SUMMARY:

The August 2017 financial reports are submitted for Commission review. The following table summarizes the sales and expense results for the month of August, and the August Year-To-Date results in comparison to the same period from 2016. The summarized and detailed monthly financial statements that compare August Year-To-Date actuals to the 2017 budgeted figures are attached.

	August				August Year-To-Date			
	2017	2016	$ Ovr/(Und) vs. 2017	% Ovr/(Und) vs. 2017	2017	2016	$ Ovr/(Und) vs. 2017	% Ovr/(Und) vs. 2017
WATER								
Sales	$2,108,956	$2,018,311	$90,645	4.5%	$9,942,324	$8,970,725	$971,598	10.8%
Operating Expenses	$1,178,504	$1,018,420	$160,084	15.7%	$12,776,034	$7,677,904	$5,098,130	66.4%
Capital (Unrestricted)	$8,533	$411,768	($403,235)	-97.9%	$881,281	$3,408,943	($2,527,662)	-74.1%
WASTEWATER								
Sales	$1,040,001	$919,339	$120,663	13.1%	$7,471,758	$6,629,048	$842,710	12.7%
Operating Expenses	$749,357	$721,588	$27,769	3.8%	$4,671,168	$4,152,477	$518,690	12.5%
Capital (Unrestricted)	$872,933	$305,597	$567,336	185.6%	$2,129,798	$1,811,080	$318,718	17.6%
POWER								
Sales	$6,804,946	$6,277,768	$527,178	8.4%	$41,292,711	$39,474,945	$1,817,766	4.6%
Operating Expenses	$5,697,505	$5,620,241	$77,264	1.4%	$38,120,149	$36,585,551	$1,534,597	4.2%
Capital (Unrestricted)	$1,296,575	$704,058	$592,517	84.2%	$9,623,821	$5,337,125	$4,286,696	80.3%

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 A

City of Loveland
Financial Statement-Raw Water
For Period Ending 08/31/2017

		TOTAL BUDGET FYE 12/31/2017	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1	**REVENUES & SOURCES**					
2	High Use Surcharge	52,500	77,702	35,040	42,662	121.8%
3	Raw Water Development Fees/Cap Rec Surcharge	411,446	249,010	277,156	(28,146)	-10.2%
4	Cash-In-Lieu of Water Rights	250,000	79,152	166,640	(87,488)	-52.5%
5	Native Raw Water Storage Fees	5,000	182,195	3,340	178,855	5354.9%
6	Loan Payback from Water	4,050,375	4,161,687	4,050,375	111,312	2.7%
7	Raw Water 1% Transfer In	434,340	298,270	273,120	25,150	9.2%
8	Interest on Investments	374,120	156,186	249,440	(93,254)	-37.4%
9	**TOTAL REVENUES & SOURCES**	**5,577,781**	**5,204,201**	**5,055,111**	**149,090**	**2.9%**
10	**OPERATING EXPENSES**					
11	Loan to Water	0	0	0	0	0.0%
12	Windy Gap Payments	7,100	7,044	4,736	2,308	48.7%
13	**TOTAL OPERATING EXPENSES**	**7,100**	**7,044**	**4,736**	**2,308**	**48.7%**
14	NET OPERATING REVENUE/(LOSS) (excl depr)	5,570,681	5,197,157	5,050,375	146,782	2.9%
15	RAW WATER CAPITAL EXPENDITURES	2,051,794	1,275,788	1,506,414	(230,626)	-15.3%
16	**ENDING CASH BALANCES**					
17	Total Available Funds		17,369,452			
18	Reserve - Windy Gap Cash		0			
19	Reserve - 1% Transfer From Rates		5,866,827			
20	Reserve - Native Raw Water Storage Interest		1,615,176			
21	**TOTAL RAW WATER CASH**		**24,851,455**			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 4500

Attachment B

City of Loveland
Financial Statement-Water
For Period Ending 08/31/2017

		TOTAL BUDGET FYE 12/31/2017	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1	****UNRESTRICTED FUNDS****					
2	**REVENUES & SOURCES**					
3	Water Sales	14,477,980	9,942,324	9,485,975	456,349	4.8%
4	Raw Water Transfer Out	(434,340)	(298,270)	(273,120)	(25,150)	9.2%
5	Wholesale Sales	138,790	92,962	90,340	2,622	2.9%
6	Meter Sales	54,710	56,131	34,300	21,831	63.6%
7	Interest on Investments	152,410	57,807	101,600	(43,793)	-43.1%
8	Other Revenue	950,250	324,402	865,840	(541,438)	-62.5%
9	Federal and State Grants	0	75,804	0	75,804	0.0%
10	Internal Loan Monies Received	751,356	751,017	751,356	(339)	0.0%
11	External Loan Monies Received	0	0	0	0	0.0%
12	**TOTAL REVENUES & SOURCES**	**16,091,156**	**11,002,176**	**11,056,291**	**(54,115)**	**-0.5%**
13	**OPERATING EXPENSES**					
14	Source of Supply	2,547,390	1,055,651	1,596,548	(540,897)	-33.9%
15	Treatment	3,466,452	1,928,779	2,362,678	(433,899)	-18.4%
16	Distribution Operation & Maintenance	3,674,830	2,113,368	2,543,679	(430,311)	-16.9%
17	Administration	686,857	247,720	407,778	(160,058)	-39.3%
18	Customer Relations	398,899	202,718	235,841	(33,123)	-14.0%
19	PILT	983,050	675,084	609,491	65,593	10.8%
20	1% for Arts Transfer	101,551	6,228	76,311	(70,083)	-91.8%
21	Services Rendered-Other Departments	1,309,058	874,312	874,312	0	0.0%
22	Internal Loan Debt Expense	4,856,625	4,908,116	4,856,625	51,491	1.1%
23	External Loan Debt Expense	1,013,988	764,059	675,992	88,067	13.0%
24	**TOTAL OPERATING EXPENSES**	**19,038,700**	**12,776,034**	**14,239,255**	**(1,463,221)**	**-10.3%**
25	NET OPERATING REVENUE/(LOSS)(excl depr)	(2,947,544)	(1,773,857)	(3,182,964)	1,409,107	-44.3%
26	CAPITAL EXPENDITURES	3,823,038	881,281	2,892,539	(2,011,258)	-69.5%
27	ENDING CASH BALANCE		**5,761,940**			100
28	WATER DEBT FUNDS ENDING CASH BALANCE		**114,047**			100
29	MINIMUM BALANCE (15% OF OPER EXP)		2,855,805			
30	**OVER/(UNDER) MINIMUM BALANCE**		**2,906,135**			
31	****RESTRICTED FUNDS****					
32	**REVENUES & SOURCES**					
33	SIF Collections	2,755,460	1,523,582	1,378,920	144,662	10.5%
34	SIF Interest Income	33,180	16,922	22,310	(5,388)	-24.2%
35	SIF Federal and State Grants	0	75,804	0	75,804	0.0%
36	Internal Loan Monies Received	0	0	0	0	0.0%
37	**TOTAL SIF REVENUES & SOURCES**	**2,788,640**	**1,616,308**	**1,401,230**	**215,078**	**15.3%**
38	SIF Capital Expenditures	828,787	84,630	576,746	(492,116)	-85.3%
39	1% for Arts Transfer	1,049	518	520	(2)	-0.3%
40	Legal Agreements & Settlements	53,700	17,885	53,700	(35,815)	-66.7%
41	**SIF ENDING CASH BALANCE**		**2,861,446**			**100**
42	**TOTAL ENDING CASH BALANCE**		**8,623,386**			
	NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING:		2,054,892			
43	Water Treated at WTP (in million gallons)		3,211			
44	Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales)	3,561	2,479	2,319	161	6.9%

Attachment C

City of Loveland-LIVE
Financial Statement-Wastewater
For Period Ending 08/31/2017

			TOTAL BUDGET FYE 12/31/2017		YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1	****UNRESTRICTED FUNDS****	*		*				
		*		*				
2	**REVENUES & SOURCES**	*		*				
		*		*				
3	Sanitary Sewer Charges	*	11,325,240	*	7,471,758	7,481,175	(9,417)	-0.1%
4	High Strength Surcharge	*	360,690	*	294,708	232,601	62,107	26.7%
5	Interest on Investments	*	164,020	*	86,439	109,360	(22,921)	-21.0%
6	Other Revenue	*	12,920	*	353,500	9,090	344,410	3788.9%
7	Bond Proceeds	*	16,000,000	*	0	16,000,000	(16,000,000)	-100.0%
8	Federal Grants	*	0	*	0	0	0	0.0%
9	State Grants	*	0	*	0	0	0	0.0%
10	**TOTAL REVENUES & SOURCES**	*	**27,862,870**	*	**8,206,405**	**23,832,226**	**(15,625,821)**	**-65.6%**
		*		*				
11	**OPERATING EXPENSES**	*		*				
		*		*			0	0.0%
12	Treatment	*	3,998,641	*	2,263,532	2,712,982	(449,450)	-16.6%
13	Collection System Maintenance	*	2,879,659	*	1,194,104	1,952,726	(758,622)	-38.8%
14	Administration	*	422,986	*	161,758	299,789	(138,031)	-46.0%
15	Customer Relations	*	45,509	*	26,279	31,392	(5,113)	-16.3%
16	PILT	*	818,020	*	543,653	545,344	(1,691)	-0.3%
17	1% for Arts Transfer	*	234,793	*	15,479	196,323	(180,844)	-92.1%
18	Services Rendered-Other Departments	*	633,529	*	423,546	423,546	0	0.0%
19	Debt Service	*	1,051,432	*	42,817	700,960	(658,143)	-93.9%
20	**TOTAL OPERATING EXPENSES**	*	**10,084,569**	*	**4,671,168**	**6,863,062**	**(2,191,894)**	**-31.9%**
		*		*				
21	NET OPERATING REVENUE/(LOSS)(excl depr)	*	17,778,301	*	3,535,237	16,969,164	(13,433,927)	-79.2%
		*		*				
22	CAPITAL EXPENDITURES	*	26,049,469	*	2,129,798	22,134,062	(20,004,264)	-90.4%
		*		*				
23	ENDING CASH BALANCE (130% OF OPER EXP)	*		*	**13,107,400**			100
24	WASTEWATER DEBT FUNDS ENDING CASH BALANCE	*		*	1,713			100
25	MINIMUM BALANCE (15% OF OPER EXP)	*		*	1,512,685			
		*		*				
26	**OVER/(UNDER) MINIMUM BALANCE**	*		*	**11,594,715**			
		*		*				
		*		*				
27	****RESTRICTED FUNDS****	*		*				
		*		*				
28	**REVENUES & SOURCES**	*		*				
		*		*				
29	SIF Collections	*	2,039,750	*	942,178	1,365,840	(423,662)	-31.0%
30	SIF Interest Income	*	134,730	*	60,966	89,840	(28,874)	-32.1%
30	SIF Bond Proceeds	*	8,900,000	*	0.00	8,900,000.00	(8,900,000)	-100.0%
31	**TOTAL SIF REVENUES & SOURCES**	*	**11,074,480**	*	**1,003,144**	**10,355,680**	**(9,352,536)**	**-90.3%**
		*		*				
32	SIF Capital Expenditures	*	14,052,210	*	813,104	11,488,897	(10,675,793)	-92.9%
33	1% for Arts Transfer	*	125,668	*	4,751	108,728	(103,977)	-95.6%
34	Debt Service	*	584,859	*	26,243	389,904	363,661	-93.3%
	SIF ENDING CASH BALANCE				**8,953,424**			100
	TOTAL ENDING CASH BALANCE				**22,060,824**			
	NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING				6,229,189			
35	Wastewater Treated at WWTP (in million gallons)	*	N/A	*	1,510	N/A		
36	Wastewater Billed To Customers (in million gallons)	*	1,767	*	1,162	1,162	0	0.0%

1

Attachment D

City of Loveland
Financial Statement-Power
For Period Ending 8/31/2017

		TOTAL BUDGET		YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
	****UNRESTRICTED FUNDS****						
1	REVENUES & SOURCES:						
2	Electric revenues	$62,342,360		$41,292,711	$41,844,970	($552,259)	-1.3%
3	Wheeling charges	$244,650		$187,500	$163,100	$24,400	15.0%
4	Interest on investments	$229,810		$117,705	$153,207	($35,502)	-23.2%
5	Aid-to-construction deposits	$1,830,000		$1,277,580	$1,220,000	$57,580	4.7%
6	Customer deposit-services	$310,000		$147,747	$206,667	($58,920)	-28.5%
7	Late Payment Penalty Fees	$415,000		$321,282	$276,667	$44,615	16.1%
8	Connect Fees	$160,000		$113,823	$106,667	$7,156	6.7%
9	Services rendered to other depts.	$0		$1,800	$0	$1,800	0.0%
10	Other revenues	$333,100		$345,381	$222,067	$123,314	55.5%
11	Federal Grants	$0		$2,458,415	$0	$2,458,415	0.0%
12	State Grants	$0		$408,441	$0	$408,441	0.0%
13	Year-end cash adjustments	$0		$0	$0	$0	0.0%
14	**TOTAL REVENUES & SOURCES**	**$65,864,920**		**$46,672,385**	**$44,193,343**	**$2,479,042**	**5.6%**
15	OPERATING EXPENSES:						
16	Hydro oper. & maint.	$6,407,916		$578,574	$4,436,250	($3,857,676)	-87.0%
17	Solar oper.& maint.	$90,000		$37,232	$62,308	($25,076)	-40.2%
18	Purchased power	$43,470,597		$29,266,179	$30,006,352	($740,173)	-2.5%
19	Distribution oper. & maint.	$5,184,771		$2,963,854	$3,589,457	($625,603)	-17.4%
21	Customer Relations	$1,470,771		$386,613	$1,018,226	($631,613)	-62.0%
22	Administration	$840,662		$396,834	$581,997	($185,162)	-31.8%
23	Payment in-lieu-of taxes	$4,328,980		$2,859,555	$2,896,088	($36,532)	-1.3%
24	1% for Arts Transfer	$147,470		$43,253	$98,657	($55,404)	-56.2%
25	Services rendered-other depts.	$2,376,665		$1,588,054	$1,584,443	$3,611	0.2%
26	**TOTAL OPERATING EXPENSES (excl depn)**	**$64,317,832**		**$38,120,149**	**$44,273,777**	**($6,153,628)**	**-13.9%**
27	NET OPERATING REVENUE/(LOSS) (excl depn)	$1,547,088		$8,552,236	($80,434)	$8,632,670	$0
28	CAPITAL EXPENDITURES:						
29	General Plant/Other Generation & Distribution	$15,091,333		$8,229,721	$10,409,145	($2,179,424)	-20.9%
30	Aid-to-construction	$1,880,000		$1,183,352	$1,301,538	($118,186)	-9.1%
31	Service installations	$310,000		$210,748	$214,615	($3,867)	-1.8%
32	**TOTAL CAPITAL EXPENDITURES**	**$17,281,333**		**$9,623,821**	**$11,925,298**	**($2,301,477)**	**-19.3%**
33	**ENDING CASH BALANCE (26% of Oper Exp)**			**$16,481,839**			
34	MINIMUM BAL. (23% of OPER EXP excl depn/chg 201			$14,793,101			
35	OVER/(UNDER) MINIMUM BALANCE			$1,688,738			
36	****RESTRICTED FUNDS****						
37	PIF Collections	$2,747,630		$1,667,676	$1,831,753	($164,077)	-9.0%
38	PIF Interest Income	$25,030		$22,251	$16,687	$5,565	33.3%
39	Water Loan Payback	$806,250		$791,700	$806,250	($14,550)	-1.8%
40	Federal Grants	$0		$143,438	$0	$143,438	0.0%
41	State Grants	$0		$23,906	$0	$23,906	0.0%
42	**TOTAL REVENUES**	**$3,578,910**		**$2,648,971**	**$2,654,690**	**($5,719)**	**-0.2%**
43	PIF Feeders	$2,441,998		$919,907	$1,690,614	($770,707)	-45.6%
44	PIF Substations & Solar	$2,743,002		$124,731	$1,828,668	($1,703,937)	-93.2%
45	**TOTAL EXPENDITURES**	**$5,185,000**		**$1,044,638**	**$3,519,282**	**($2,474,644)**	**-70.3%**
46	**ENDING PIF CASH BALANCE**			**$2,911,723**			
47	**TOTAL ENDING CASH BALANCE**			**$19,393,563**			

NOTE: YTD ACTUAL does NOT include encumbrances totalling $5,063,991

48	Energy Purchased (in million kWh) from PRPA	737	489	498	(8)	1.5%
49	Energy Sold to Customers (in million kWh)	715	472	482	(10)	-2.1%

1

LOVELAND UTILITIES COMMISSION

AGENDA ITEM: 2
MEETING DATE: 9/20/2017
SUBMITTED BY: Derek Turner
STAFF TITLE: Assistant City Attorney

ITEM TITLE:

Colorado Water Law and Water Court Process

DESCRIPTION:

This presentation will provide a brief, high-level overview of Colorado Water Law and Colorado's Water Court process.

SUMMARY:

Colorado is the only state in the United States with dedicated Water Courts to adjudicate water rights and decide any legal questions pertaining to the use and administration of water rights. Unlike most other western states with administrative systems (state government signs permits, disputes can be appealed), a water user applies in water court to an independent judge who must sign off on any water right or alteration of an existing right. That means that the water user generally must get an attorney, and the other water users in the case get attorneys – and things get very expensive, and very confusing! This presentation will start from the beginning and go through some key attributes of Colorado's water law system, its water court process, and will conclude with a brief overview of active water court cases involving the City of Loveland as a party.

RECOMMENDATION:

Information item only. No action required.

ATTACHMENTS:

- Attachment A: Colorado Water Law and Water Court Process
- Attachment B: PowerPoint Presentation Active Water Court case summaries

Attachment A

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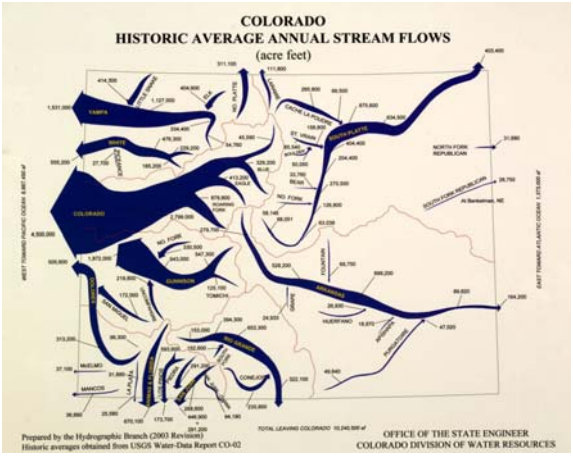
Colorado Water Law & Water Court Process

Derek Turner, Assistant City Attorney

September 20, 2017

Colorado: The HeadwaterS State



Seven watersheds originate in the Colorado Rockies

Nineteen states receive water from Colorado

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Prior Appropriation

Western U.S.

The right to use water is derived from its application to a **BENEFICIAL USE**

In times of shortage, junior uses are curtailed so that senior uses are fully satisfied

- First in time, first in right

Can be lost through abandonment (or non-use)

Constantly evolving and adapting to modern challenges: judicial decisions (especially in Colorado), regulations, and statutes

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Colorado Water Law:

Combination of state and federal laws:

Colorado State Law

- Constitution
- Statutes
- Colorado Supreme Court Case law
- Rules and regulations

Federal Law

- Interstate compacts
- Supreme Court cases
- Clean Water Act
- Endangered Species Act
- FLPMA
- NEPA
- McCarran Amendment

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Colorado Water Rights: Usufructuary Property Right

Article XVI of 1876 Colorado Constitution adopted prior appropriation and public ownership of water:

- *The water of every natural stream, not heretofore appropriated, within the State of Colorado, is hereby declared to be the property of the public, and the same is dedicated to the use of the people of the state, subject to appropriation as herein provided.*
- *The right to divert the unappropriated waters of any natural stream to beneficial uses shall never be denied. Priority of appropriation shall give the better right as between those using water . . . .*

Once diverted, the water becomes private property (but limited to the original time, place, and amount of beneficial use)

If water is not used for its decreed purpose under its decreed priority, it reverts to the public (abandonment)

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Creating a Water Right

Demonstrate intent to:

- *divert* or control
- waters of a *natural* stream
- and *apply* it
- to a *beneficial use*
- without speculation

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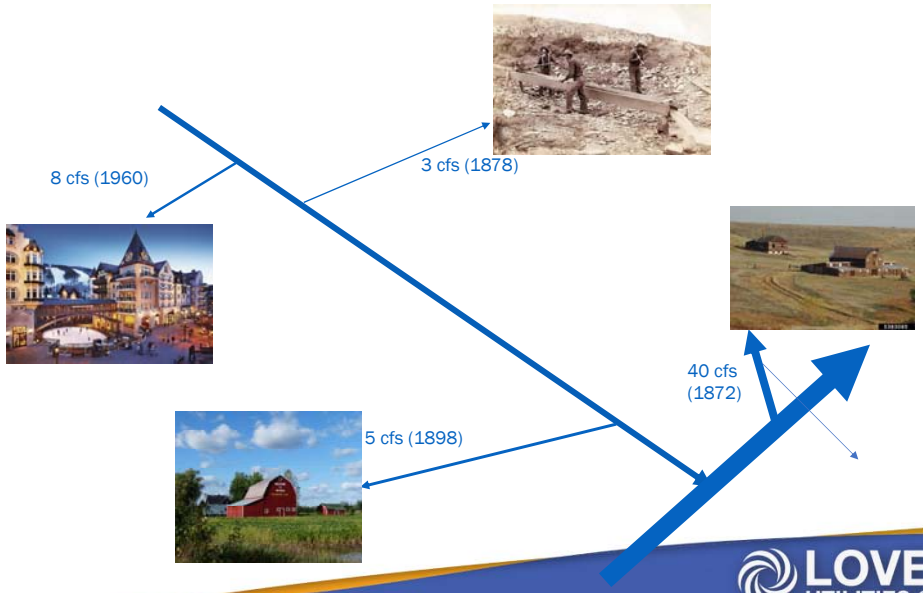
Priority Dates IN OPERATION



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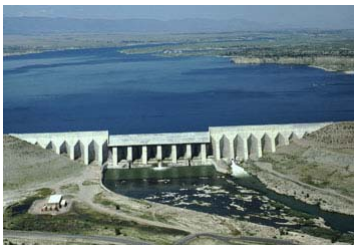
Storage Rights



Right to store water in priority for subsequent use

Storage is typically measured volumetrically, in acre-feet

One-fill rule – can fill once per year (unless decree allows refills)

On stream or off-stream

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Instream Flow Water Rights

A water right for a minimum flow between specific points on a stream (or specific levels in a lake) as is required to preserve the natural environment to a reasonable degree

"Appropriation" despite no diversion

Administered within the priority system

May only be appropriated by the CWCB on behalf of the people of the State of Colorado

- May not be unilaterally modified by the CWCB without court approval
- May not be appropriated by private parties

May be original appropriations by the CWCB, or water rights purchased, leased or borrowed by the CWCB

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Recreational In-Channel Diversion Rights (RICDs)

"The minimum amount of stream flow as it is diverted, captured, controlled, and placed to beneficial use between specific points defined by control structures…for a reasonable recreational experience…"

- a/k/a kayak parks
- Not instream flow rights
- Held by government entities
- April 1 to Labor Day
- CWCB review
- Controversial

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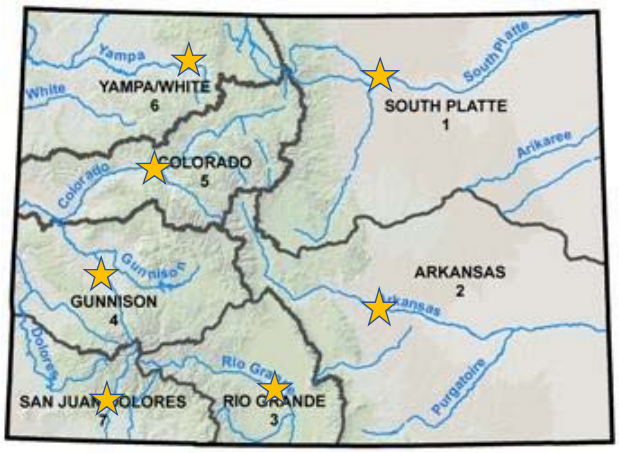
Colorado's Water Courts



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COLORADO Water Rights Decrees

Colorado Water Courts don't grant water rights, they <u>confirm</u> them

- Water rights are perfected by beneficial use, but are <u>*not enforceable against other users until you get a court decree*</u>
- Courts adjudicate a water right by confirming the priority date, the amount, the source, the point of diversion, and the uses

So, why go to Water Court to get a decree?

- Avoid postponement (Sylvan Dale example)
- Allows for enforcement—a water court decree protects the owner of the right against the claims of others with more junior priorities
- The priority confirmed by the water court is the primary benefit of adjudication

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WATER COURT PROCESS – CREATED BY STATUTE

- File an Application by last day of month
- Notice of Application published in Water Court Resume for that month
- Parties have 60 days to file a Statement of Opposition (last day of month, two months application was published)
- Most applications are then referred by the water court to the Water Referee
  - Referee requires Applicants to submit proposed decree and engineering report
  - Water Referee and the parties receive a Summary of Consultation from Division Engineer
  - If parties settle the case, stipulated decree presented to referee and Division Engineer, ruling issued, and published with 30 days period for parties to file protest
  - Typically, referee pushes the parties to work together to resolve the case within a year (or two, max), then may re-refer to water judge
- Water Judge proceeds with the case under CRCP and Water Court Rules. Trials set 1-3 years from filing the case (sometimes, with amendments to application, case can take more than ten years)
- Experts and Attorneys are essential (and each cost $150-450 per hour) on both sides!

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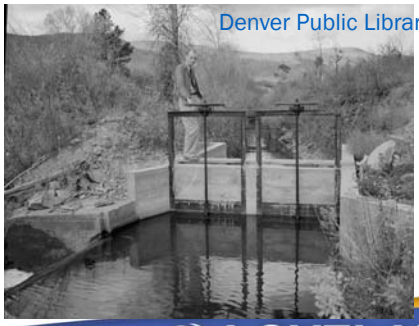
Administration

The State Engineer (by his or her Division Engineers) administers water rights based on their respective decreed priority.

A water right "call" means to administer (i.e., shut-off or curtail) other water rights when rights with senior priorities are short of supply.

- Division Engineers assist the State Engineer
  - The local water commissioner shuts down ditch headgates.
- 7 divisions; 80 districts



Denver Public Library Archive

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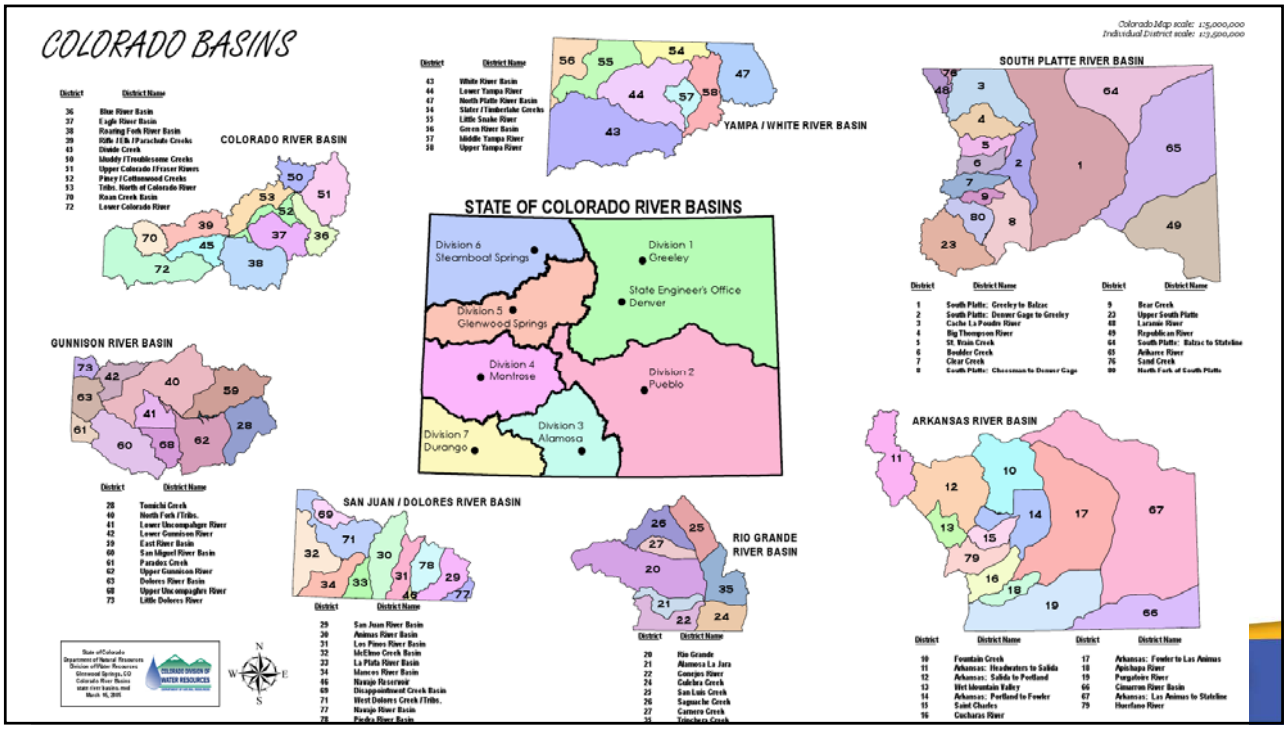

Changing Water Rights

For example, a change in:

- type of use
- place of use
- point of diversion

Why? Preserve the priority

Must be adjudicated in water court

- Diverting water at a new location or for a new use without water court approval is not a change; it's a new right.

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LEGAL Standards for Changes OF WATER RIGHTS

No injury to other water rights

New use limited to historic quantity of water **consumed** by the old use

A junior water right holder is entitled to the maintenance of the stream conditions existing at the time of the junior's appropriation

- Amount, location, and timing of return flows must be maintained
  - One user's return flow is another user's supply

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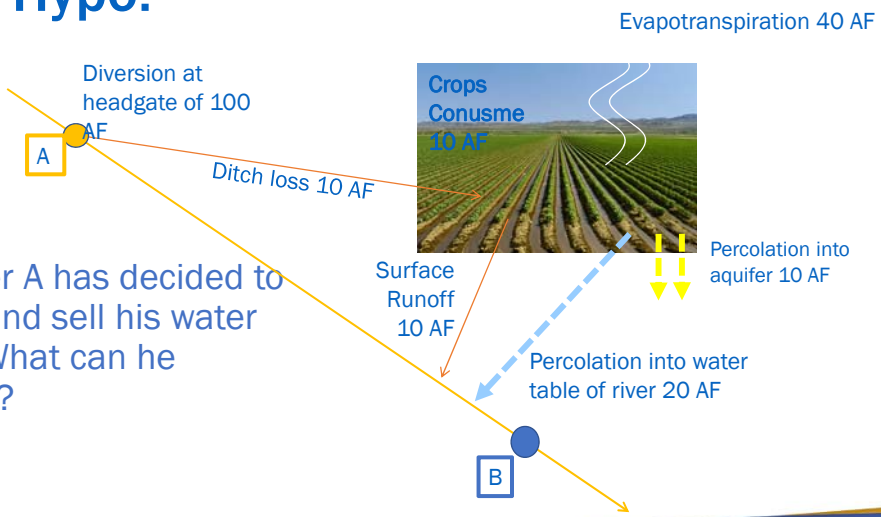
Hypo:

Diverter A has decided to retire and sell his water right. What can he convey?



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CITY OF LOVELAND WATER COURT CASES CURRENTLY ACTIVE

-No active applications by City of Loveland.

Opposition cases:

-Estes Park, Case No. 16CW3156 (stipulated, ruling issued, decree pending)

-Sylvan Dale Ranch, Case No. 14CW3016 (trial in early 2018)

-Town of Milliken, Case No. 16CW3150

-City of Evans, Case No. 08CW175

-United States of America, Case No. 16CW3193

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QUESTIONS?

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Attachment B

Active Water Court cases involving the City of Loveland as a party:

- *Application for Water Right, Change of Water Rights, and Plan for Augmentation of the Town of Estes Park*
  - Case No. 2016CW3156, Water Division 1.
  - **Case Summary**: Estes Park filed for a change of two storage water rights, new water rights, and a plan for augmentation to maintain full recreational ponds on a small tributary to Fish Creek. The City of Loveland filed a statement of opposition to ensure that the decree will not cause injury to Loveland's water rights. Loveland stipulated to Estes Park's proposed decree in July, 2017.
- *Application for Water Rights of Sylvan Dale Ranch, LLLP*
  - Case No. 14CW3016, Water Division 1
  - **Case Summary**: Sylvan Dale Ranch filed for a change of shares of Handy Ditch, new groundwater rights, new surface water rights, and a plan for augmentation. The purpose of the application is to adjudicate water rights for a series of ponds and their connecting waterway that were destroyed in the September 2013 flooding. The City of Loveland filed a statement of opposition to ensure that the change and augmentation plan will not cause injury to Loveland's water rights.
- *Application for Water Rights and to Add Wells to Augmentation Plan of the Town of Milliken*
  - Case No. 16CW3150, Water Division 1
  - **Case Summary**: Milliken filed for new groundwater rights for four wells, and to add those wells to a previously decree augmentation plan. The City of Loveland filed a statement of opposition to ensure the decree and augmentation plan will be operated in a manner that does not alter the downstream call regime or cause injury to Loveland's water rights.
- *Application for Change of Water Rights and Approval of Plan for Augmentation of the City of Evans*
  - Case No. 08CW175, Water Division 1
  - **Case Summary**: Evans filed for a change of ditch shares and contract rights in the Godfrey Ditch Company, Greeley and Loveland Irrigation Company, and Seven Lakes Reservoir Company and to use the rights for augmentation of groundwater wells. The City of Loveland filed a statement of opposition to ensure the change of water rights and augmentation plan will not cause injury to Loveland's water rights.
- *Application for Water Rights of the United States of America*
  - Case No. 16CW3193, Water Division 1
  - **Case Summary**: The United States Bureau of Reclamation filed to adjudicate new hydropower water rights for several existing power generating structures that are part of the Colorado-Big Thompson Project facilities. The City of Loveland filed a statement of opposition to ensure the decree will not cause injury to Loveland's water rights.

LOVELAND UTILITIES COMMISSION

AGENDA ITEM: 3
MEETING DATE: 9/20/2017
SUBMITTED BY: Derek Turner
STAFF TITLE: Assistance City Attorney

ITEM TITLE:

Windy Gap Firming Project (WGFP) Executive Session

DESCRIPTION:

This item is intended to give a brief update and discuss the status of the Windy Gap Firming Project (WGFP), including the water rights component of the project.

SUMMARY:

Federal permitting has been completed for the new Chimney Hollow Reservoir west of Carter Lake—the key component in the Windy Gap Firming Project. At a recent meeting, Commission members expressed interest in discussing and hearing about the status of the project, including the potential water rights components. Staff are prepared to provide updates to the Commission and to answer questions

Due to the ongoing nature of negotiations with other entities, and a pending water court case, Staff requests that the Commission approve a motion to recess into executive session, under Section 4-4(c) of the City of Loveland Charter and section 24-6-402(4)(b) and (c), C.R.S. for the following purposes:

(1) To receive reports on negotiation progress and status,
(2) To discuss matters that are the subject of negotiation and pending litigation and are required to be confidential
(3) To discuss matters that are attorney-client privileged

RECOMMENDATION:

Information item only. No action required.

LOVELAND UTILITIES COMMISSION

AGENDA ITEM: 4
MEETING DATE: 9/20/2017
SUBMITTED BY: Jim Lees
STAFF TITLE: Utility Accounting Manager

ITEM TITLE:

2018 Water & Power Schedule of Rates, Charges and Fees

DESCRIPTION:

The purpose of this item is to ask the Loveland Utilities Commission to adopt a motion recommending that City Council approve the proposed changes in the Water and Power Schedule of Rates, Charges and Fees for 2018.

SUMMARY:

An overall average rate increase of 5.0% is proposed for the Power Utility for 2018. This increase is made up of two components: 1) a wholesale power rate increase of 2.0% from Platte River Power Authority (PRPA) is planned for 2018, which, when passed through to customers, generates a 1.62% retail rate increase; and 2) a 3.38% rate increase that is proposed to address Power's portion of a new Customer Information Service (CIS) software, a large increase in health insurance costs, a large increase in Cost Allocations for services provided by other City departments and additional rehabilitative capital needs.

An across-the-board rate increase of 9.0% is proposed for the Water Utility for 2018. This increase is to help fund debt service for capital projects completed at the Water Treatment Plant and for the distribution system in order to address aging infrastructure and improve reliability and redundancy. It is also to address Water's portion of the new CIS software, a large increase in health insurance costs and a large increase in Cost Allocations.

An across-the-board rate increase of 11.0% is proposed for the Wastewater Utility for 2018. This increase is to fund capital projects both at the Wastewater Treatment Plant and for the collection system in order to address aging infrastructure, improve reliability and redundancy, and for regulatory compliance. It is also to address Wastewater's portion of the new CIS software, a large increase in health insurance costs and a large increase in Cost Allocations.

Every other year, normally, a comprehensive update of the fees, charges and deposits contained in the Water and Power Schedule of Rates, Charges and Fees is undertaken. Due to being short-staffed last year, the scheduled update was not completed, but proposed updates for 2018 are included with this item. The System Impact Fees (SIF) for Water and Wastewater, and the Plant Investment Fees (PIF) for Power are re-calculated annually, so the new SIFs and PIFs are included with this item.

Power

The proposed overall average rate increase for 2018 is 5.0%, which is a combination of a pass-through of PRPA's estimated 2.0% wholesale power rate increase (which translates to a 1.62% retail rate increase) and an additional 3.38% increase to address increased in-house cost increases. **NOTE:** The 5.0% rate increase came from the 2016 cost-of-service rate study, and was based on the assumption that PRPA was going to have a 2.5% wholesale rate increase in 2018. On the day prior to publishing the proposed 2018 rates, Staff learned that PRPA is instead planning on a 2.0% wholesale rate increase in 2018. There was not enough time for our rate consultant to develop new 2018 rates for Power, so the rates presented today were developed with an assumed 2.5% wholesale rate increase built in. Rates in 2019 will be correspondingly adjusted to account for the 2018 wholesale rate increase being lower than anticipated. Reasons cited by PRPA for the wholesale rate increase are as follows:

- Reduced surplus sales revenue
- Continued expansion of demand side management programs
- Expiration of water leases

The primary drivers behind the 3.38% rate increase for in-house needs are:

- Power's portion of the purchase and implementation of the new CIS software ($2.1 million)
- Increased health insurance expense (up $310,000 from 2017)
- Increased Cost Allocation expense for services provided to the Power Utility by other City departments (up $340,000 from 2017)
- Increased needs for non-growth related capital projects

The 2.0% increase is PRPA's best projection currently, and the hope is that it will be very close to or exactly what the actual wholesale rate increase will be for 2018.

The overall average rate increase for 2018 is 5.0%. The 2018 rate design implemented an approach that has been used in previous years, which is to limit the magnitude of the rate increase for each class to be + or – 2% of the overall average rate increase. So, for 2018, each rate class will increase by at least 3%, but no more than 7%. Below are the proposed average rate increases by major customer class:

RATE CLASS	% Increase
Residential	4.26%
Small General Service (Small Commercial)	7.00%
Large General Service (Large Commercial)	5.00%
Primary Service with Customer-owned Transformer	5.25%

Here is a summary of the changes in the base, consumption and demand charges for the major rate classes for 2018:

POWER SUMMER MONTHS SUMMARY OF KEY CHANGES	July-Sept 2017	July-Sept Proposed 2018
Residential		
Base Charge (per month)	$14.37	$14.80
Consumption Charge (per kWh including PILT)	$0.09244	$0.09667
Small General Service		
Base Charge (per month)	$25.38	$27.00
Consumption Charge (per kWh including PILT)	$0.09668	$0.10354
Large General Service		
Base Charge (per month)	$134.60	$138.60
Consumption Charge (per kWh including PILT)	$0.05035	$0.05312
Demand Charge (per kW)	$14.50	$15.00
Primary Service (with Customer-owned Transformer)		
Base Charge (per month)	$151.83	$156.40
Consumption Charge (per kWh including PILT)	$0.04921	$0.05092
Demand Charge (per kW)	$14.25	$15.25

POWER: NON-SUMMER MONTHS SUMMARY OF KEY CHANGES	Jan-June, Oct-Dec 2017	Jan-June, Oct-Dec Proposed 2018
Residential		
Base Charge (per month)	$14.37	$14.80
Consumption Charge (per kWh including PILT)	$0.07639	$0.07990
Small General Service		
Base Charge (per month)	$25.38	$27.00
Consumption Charge (per kWh including PILT)	$0.08623	$0.09234
Large General Service		
Base Charge (per month)	$134.60	$138.60
Consumption Charge (per kWh including PILT)	$0.04717	$0.04981
Demand Charge (per kW)	$10.50	$11.00
Primary Service (with Customer-owned Transformer)		
Base Charge (per month)	$151.83	$156.40
Consumption Charge (per kWh including PILT)	$0.04638	$0.04802
Demand Charge (per kW)	$10.00	$11.00

If approved, the 5.0% rate increase would result in the following average monthly changes by rate class:

AVERAGE CHANGE IN MONTHLY POWER BILL	Overall Average Change	Summer Average Change	Non-Summer Average Change
Residential	$2.93	$3.93	$2.59
Small General Service	$15.21	$18.35	$14.16
Large General Service	$194.74	$217.65	$187.11

There are only three Primary Service customers with very diverse energy usage profiles, so an average change for that class is not meaningful.

<u>Update on Rate Design for Residential Self-Generating Customers</u>

At last year's August LUC meeting, Mark Beauchamp of Utility Financial Solutions (UFS), our Power rate consultant, introduced a new methodology for billing Residential Self-Generating customers that addresses a subsidy that the previous rate design had generated of approximately $4,800 per year in favor of the Residential Self-Generating class. To review, the new design implemented in 2017 features true net metering, where a customer is charged the retail rate for the energy they consume and is given credit at the retail rate for the energy they generate back to the grid. The customer is charged an additional amount on top of the normal Residential Monthly Base Charge. The additional amount is $1.45 times the capacity of their solar generating unit, rounded to the nearest kW. Our current Residential Self-Generating customers have solar generating units that range from 1.4 kW to 9.7 kW in capacity. The additional charge that is necessary to fully address the $4,800 per year subsidy is $2.47 per kW of unit capacity, so the remaining $1.02 per kW will be added to the unit capacity charge in 2018. At the time of the rate study last year, it was estimated that the amount necessary to fully address the subsidy was $2.89 per kW of installed capacity, but in taking into account new information this year, UFS has determined that $2.47 per kW will adequately address the subsidy. So, the increase per kW of installed capacity for 2018 will be $1.02 instead of $1.44.

The LUC voted unanimously at the August 17, 2016 meeting to recommend that City Council adopt this new methodology, and City Council indicated support for this new methodology at their August 30, 2016 Study Session.

Water

In accordance with a resolution regarding a rate track that was adopted by City Council in September of 2015, there is a 9% across-the-board rate increase proposed for Water in 2018. This increase will be to help fund the debt service for the capital projects at the Water Treatment Plant and for the distribution system in order to address aging infrastructure and improve reliability and redundancy. Water also shares the same significant challenges that Power does as far as expense increases in 2018:

- Water's portion of the purchase and implementation of the new CIS software ($1.1 million)
- Increased health insurance expense (up $289,000 from 2017)
- Increased Cost Allocation expense for services provided to the Water Utility by other City departments (up $202,000 from 2017)

The Capital Improvement Program was scaled back to accommodate these increases and still stay within the Council-approved rate track. The following table highlights some of the key proposed changes:

WATER SUMMARY OF KEY CHANGES		
(all based on 3/4" meter size)		
	2017	Proposed 2018
Single Family Residential		
Base Charge (per month)	$13.52	$14.74
Consumption Charge (per 1,000 gallons)	$2.76	$3.01
Multi-Family Residential		
Base Charge (per month)	$19.91	$21.70
Consumption Charge (per 1,000 gallons)	$2.53	$2.76
Commercial:		
Base Charge (per month)	$13.52	$14.74
Consumption Charge (per 1,000 gallons)	$2.64	$2.88
Irrigation:		
Base Charge (per month)	$13.52	$14.74
Consumption Charge (per 1,000 gallons)	$3.29	$3.59

If approved, these rate increases would result in the following average monthly changes per rate class:

AVERAGE CHANGE IN MONTHLY WATER BILL	Overall Average Change
Single-Family Residential	$3.15
Multi-Family Residential	$2.99
Commercial (3/4" tap)	$4.46
Irrigation (3/4" tap, avg. monthly change during irrigation season)	$15.62

Wastewater

In accordance with a resolution regarding a rate track that was adopted by City Council in September of 2015, there is an 11% across-the-board rate increase proposed for Wastewater in 2018. This increase is to fund capital projects both at the Wastewater Treatment Plant and for the collection system in order to address aging infrastructure, improve reliability and redundancy, and for regulatory compliance. Wastewater also shares the same significant challenges that Power and Water do as far as expense increases in 2018:

- Wastewater's portion of the purchase and implementation of the new CIS software ($1.1 million)
- Increased health insurance expense (up $187,000 from 2017)
- Increased Cost Allocation expense for services provided to the Wastewater Utility by other City departments (up $93,000 from 2017)

The Capital Improvement Program was scaled back to accommodate these increases and still stay within the Council-approved rate track. The following table highlights some of the key proposed changes:

WASTEWATER SUMMARY OF KEY CHANGES		
(all based on 3/4" meter size)		
	2017	Proposed 2018
Single Family Residential		
Base Charge (per month)	$11.57	$12.84
Consumption Charge (per 1,000 gallons)	$3.82	$4.24
Multi-Family Residential		
Base Charge Per Dwelling Unit (per month)	$3.16	$3.51
Consumption Charge (per 1,000 gallons)	$3.94	$4.37
Commercial		
Base Charge (per month)	$11.57	$12.84
Consumption Charge (per 1,000 gallons)	$4.00	$4.44
Extra Strength Surcharge		
Biochemical Oxygen Demand (BOD)	$0.60	$0.67
Charge per pound (in Excess of Domestic Load)		
Total Suspended Solids (TSS)	$0.39	$0.43
Charge per pound (in Excess of Domestic Load)		

If approved, these rate increases would result in the following average monthly changes by rate class:

AVERAGE CHANGE IN MONTHLY WASTEWATER BILL	Overall Average Change
Single-Family Residential	$2.95
Multi-Family Residential (per dwelling unit)	$1.90
Commercial (3/4" tap)	$6.68

UTILITY IMPACT FEES

Each year Water, Wastewater and Power impact fees are recalculated based on changes in asset value, customer growth and customer usage. The following paragraphs cover the proposed impact fees for all three utilities for 2018.

Power

The Power Plant Investment Fee (PIF) is proposed to increase on average by 4.6%. The PIF is collected in two ways: for residential, it is an up-front fee when a house is constructed, and for non-residential, it is collected monthly on a charge per kWh basis. The PIF for residential 150-amp service installations would increase from $1,510 to $1,580, and the PIF for residential service installations above 150-amps would increase from $1,940 to $2,030. A Small General Service (small commercial) customer with average consumption would see a monthly increase of $0.56, while a Large General Service (large commercial) customer with average consumption would see a monthly increase of $12.60 in the PIF component of their monthly utility bills.

The calculation for the PIF is based largely on current replacement costs for 600 amp feeders and substation equipment. The methodology for updating the PIF involves using a utility cost index called the Handy-Whitman Index to bring original installed asset costs up to current replacement value. The most recent update of the Handy-Whitman Index was released in May of this year. It reflects costs as of the end of 2016, and shows changes ranging from a decrease of 1.0% to an increase of 2.9% in the key cost component areas impacting the PIF calculation. In addition, in 2016, there was an increase in the asset value for the new Foothills Solar Generating Station. Net of reimbursements from FEMA and the State, Foothills accounted for a $2.2 million increase in total asset value. There also was a $6.6 million increase in Work In Progress and an average increase in the customer count. The combination of these factors yielded the proposed PIF increase of 4.6% for 2018.

Wastewater

The residential wastewater system impact fee (SIF) is proposed to increase 3.8%, from $2,640 to $2.740 for a single-family detached residential unit. The Engineering News Record (ENR) Construction Cost Index was utilized to bring original installed asset costs up to current replacement value. The Index for the end of 2016 showed a 3.7% increase in the cost component areas impacting the SIF calculation. There was an average increase in the customer count. The combination of these factors yielded the proposed residential SIF increase of 3.8% for 2018. The Wastewater commercial SIFs are proposed to increase between 3.7% and 7.9%, depending on the tap size. A key component of the commercial SIF calculation is called the usage ratio. The usage ratio establishes the usage of a ¾" residential tap as the standard usage (a usage ratio of 1.0), then compares the usage of all other tap sizes relative to the residential ¾" usage. For example, on average, a 1" commercial tap will have a lot more usage than a ¾" residential tap, so the usage ratio for a 1" commercial tap will be some multiple (e.g. 8.8) of the average residential usage. We are seeing an upward trend in these usage ratios that we need to recognize in our calculation.

Water

The residential water system impact fee (SIF) is proposed to increase 2.3%, from $4,880 to $4,990 for a single-family detached residential unit. The primary factors contributing to this increase in the fee is an increase in assets due to the $17.1 million addition of the Water Treatment Plant Expansion, but offset by a $14.1 reduction in Work In Progress and the SIF Cash Balance. This is an example of why we include the WIP balance and SIF Cash Balance in the calculation – it allows for more gradual increases in the SIF over time instead of having a big spike when a project is completed and the asset is added to the calculation. In addition, there were increases in the indices for water construction costs ranging from 3.0% to 3.7% in 2016 in the key cost component areas impacting the SIF calculation. These increases were offset by a 2.8% increase in the Single Family Equivalent (SFE) customer count. The Water commercial and irrigation SIFs are proposed to increase between a range of 0.4% to 7.8%, depending on the tap size. The upward trend in usage ratios discussed in the Wastewater paragraph applies to Water, as well.

At the August 23, 2017 Construction Advisory Board (CAB) meeting, near the end of the presentation of the proposed impact fees for 2018, there was a PowerPoint slide shown (referenced in the paragraph below) that indicated that for tap sizes of 1" and 1 ½ ", Loveland's System Impact Fees were the highest of the four cities, compared to Fort Collins, Longmont and Greeley. City Councilor John Fogle, the CAB Liaison from City Council, expressed concern about this from a competitive standpoint. Much to my surprise, 5 of the CAB members came to the defense of the proposed fees. One member of CAB, who is a developer, said, "I don't care about how much an individual component is on a building permit…I only care about the bottom line, and Loveland and Fort Collins are almost the same on the bottom line". Other CAB members offered their insights in support of the proposed fees. Councilor Fogle finally said, "Jim, this is the last you'll hear from me on this". After this extensive discussion, the Construction Advisory Board unanimously recommended to City Council approval of all of the proposed changes to the impact fees.

Included in the PowerPoint slides are some comparisons between Loveland's rates and fees and those of surrounding communities. For rates, Power is 10th lowest in Residential and 16th lowest in Commercial of the utilities included in the CAMU survey, Water is in the middle-to-lower tier in a comparison of 18 Northern Colorado water providers, and Wastewater is in the middle tier of the 17 Northern Colorado wastewater providers. For impact fees, in looking at the three utilities combined for Residential, Loveland is the lowest of the four cities. For Commercial impact fees, in looking at combined fees for Water and Wastewater for the most common tap sizes, Loveland is second lowest of the four cities for the ¾" commercial tap (which makes up 56% of all of our commercial taps) and is the highest for the larger tap sizes. It is also important to note that these comparisons are looking at Loveland's 2017 proposed rates and fees compared to the 2016 rates and fees for the neighboring communities, so the comparisons will likely become more favorable once the 2016 figures for the neighboring communities are known.

RECOMMENDATION:
Adopt a motion recommending that City Council approve the proposed changes in the Water and Power Schedule of Rates, Charges and Fees for 2018.

ATTACHMENTS

- Attachment A: PowerPoint Slides – 2018 Proposed W&P Rates, Charges & Fees
- Attachment B: PowerPoint Slides – 2018 Water & Power Impact Fees
- Attachment C: Proposed 2018 Water and Power Department Schedule of Rates, Charges and Fees

LOVELAND UTILITIES COMMISSION

2018 Proposed W&P Rates, Charges & Fees

Jim Lees, Utility Accounting Manager

September 20, 2017

Presentation Overview

- Present proposed Power rate increase for 2018
  - Justifications for proposed increase
  - Impacts on typical customers' monthly bills
  - Compare typical customers' monthly bills with surrounding cities
- Present proposed Water rate increase for 2018
  - Justifications for proposed increase
  - Impacts on typical customers' monthly bills
  - Compare typical customers' monthly bills with surrounding cities
- Present proposed Wastewater rate increase for 2018
  - Justifications for proposed increase
  - Impacts on typical customers' monthly bills
  - Compare typical customers' monthly bills with surrounding cities
- Utility Impact Fees and Other Schedule Changes
- Questions/Discussions

LOVELAND UTILITIES COMMISSION

Proposed Power Rate Increase

- 5.0% Power Rate Increase
  - Consistent with cost-of-service results, recommended by LUC and supported by City Council
  - Combination of PRPA pass-through and In-house needs
  - Rate increases vary by class depending on cost-of-service results

LOVELAND UTILITIES COMMISSION

Reasons for Power Rate Increase

- PRPA Wholesale Power Rate Increase
  - 2.0%, translates to a 1.62% retail rate increase
  - Reduced surplus sales revenue
  - Continued expansion of demand side management programs
  - Expiration of water leases
- In-house Needs (3.38% rate increase)
  - Power's portion of new Customer Information System software ($2.1 million)
  - Increase in health insurance expense (up $310K from 2017)
  - Increase in Cost Allocations (up $340K from 2017)
  - Increased needs for non-growth related capital projects

LOVELAND UTILITIES COMMISSION

% Power Rate Increase By Customer Class

Customer Class	% Increase
Residential	4.26%
Small General Service (Small Commercial)	7.00%
Large General Service (Large Commercial)	5.00%
Primary Service with Customer-owned Transformer	5.25%

LOVELAND UTILITIES COMMISSION

Typical Electric Bill Impacts – Based on Summer Rates

Customer	Monthly Consumption	Existing Bill	Proposed Bill	Total Change
Residential	700 kWh	$79.08	$82.47	$3.39
Commercial	2,000 kWh	$218.74	$234.08	$15.34

LOVELAND UTILITIES COMMISSION

Electric Rate Comparisons- Residential

	Loveland 2018 Proposed	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Residential: 700 kWh/mo.; based on Summer rates				
Monthly Base Charge	$14.80	$6.14	$5.50	$12.40
Consumption Charge per kWh	$0.09667	$0.09434+	$0.09473+	$0.07550+
Total Monthly Bill	$82.47	$75.84	$83.32	$65.25
Rank (1=lowest)	3	2	4	1

LOVELAND UTILITIES COMMISSION

Electric Rate Comparisons- Commercial

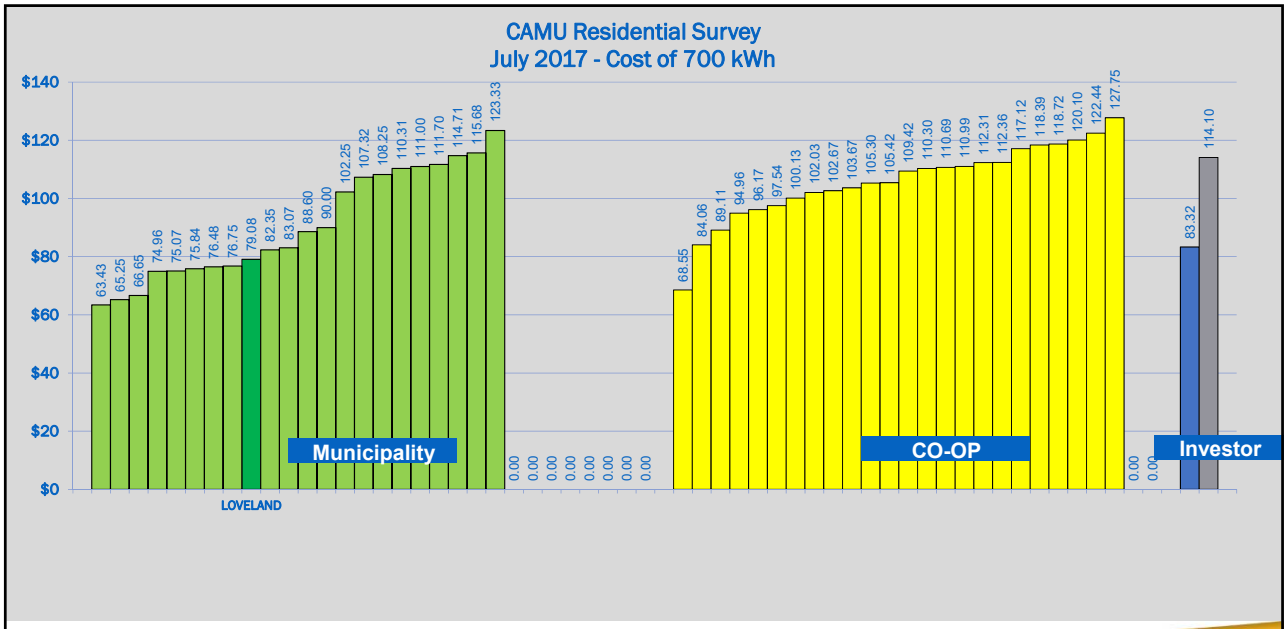
	Loveland 2018 Proposed	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Commercial: 2,000 kWh/mo.; based on Summer rates				
Monthly Base Charge	$27.00	$3.82	$10.65	$20.20
Consumption Charge per kWh	$0.10354	$0.10123	$0.12853	$0.07920
Total Monthly Bill	$234.08	$206.28	$267.71	$178.60
Rank (1=lowest)	3	2	4	1

LOVELAND UTILITIES COMMISSION

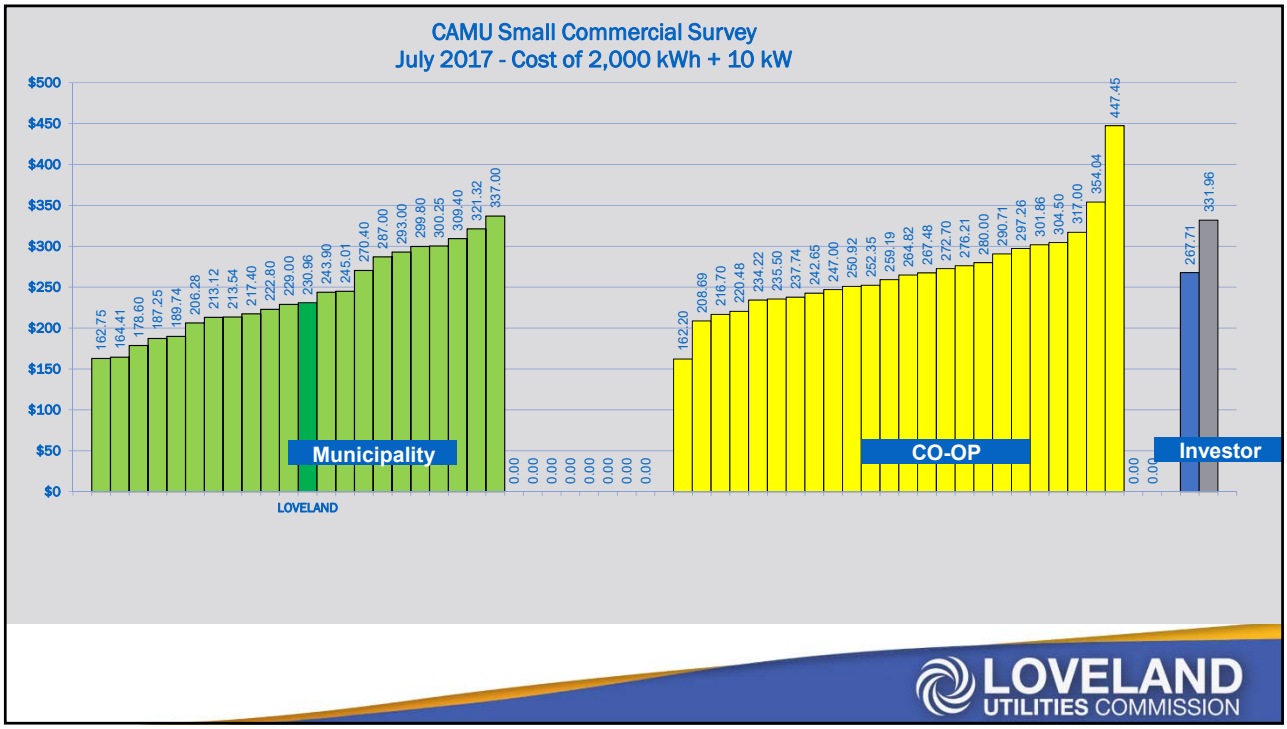
Update on Rate Design for Residential Self-Generating Customers

- New rate design implemented in 2017 to address subsidy to class
  - All energy consumed and energy generated back onto grid is billed and credited at retail rate
  - $1.45 per kW of capacity of solar unit is added to Monthly Base Charge in 2017to step toward addressing subsidy
  - Another $1.02 per kW of capacity will be added to Monthly Base Charge in 2018 to address remaining portion of subsidy
  - Easier administratively for Utility Billing
- This rate design supported by City Council at 8/30/16 Study Session

LOVELAND UTILITIES COMMISSION



LOVELAND UTILITIES COMMISSION



Proposed Water Rate Increase

- 9.0% Rate Increase
  - Consistent with Council-approved Water Enterprise rate track
  - To address aging infrastructure, reliability and redundancy
  - CIP scaled back to accommodate new CIS expense ($1.1 million), increase in health insurance expense (up $289K from 2017) and Cost Allocations (up $202K from 2017) to stay within rate track
  - Rate increase across-the-board for all rate classes

LOVELAND UTILITIES COMMISSION

Typical Water Bill Impacts

Customer	Monthly Water Use	Existing Bill	Proposed Bill	Total Change
Residential Inside City- ¾" tap size	7,700 gal	$34.77	$37.92	$3.15
Commercial Inside City- ¾" tap size	13,500 gal	$49.16	$53.62	$4.46

LOVELAND UTILITIES COMMISSION

Water Rate Comparisons-Residential

	Loveland 2018 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Residential: 7,700 gallons/mo.; ¾" tap size; based on Summer rates				
Monthly Base Charge	$14.74	$17.15	$12.85	$7.04
Usage Charge per 1,000 Gallons	$3.01	$2.66+	$3.97+	$2.58+
Total Bill	$37.92	$37.91	$43.42	$29.90
Rank (1=lowest)	3	2	4	1

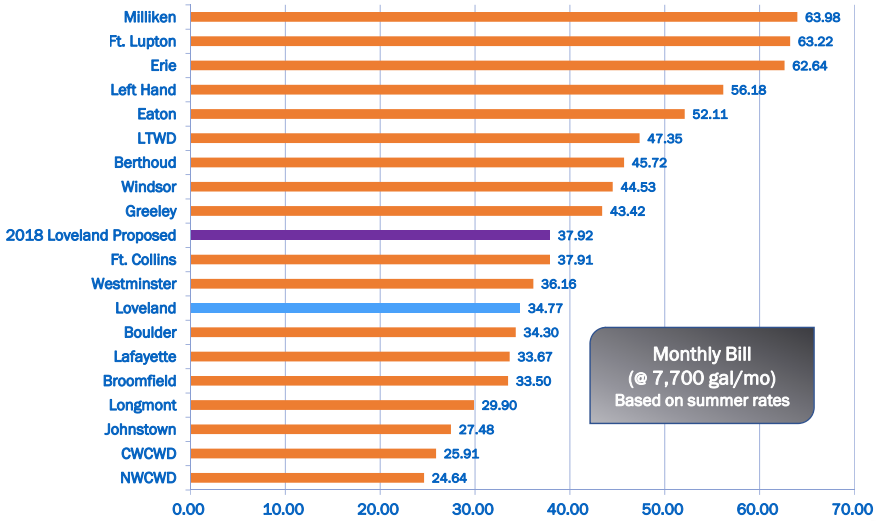
LOVELAND UTILITIES COMMISSION

Water Rate Comparisons-Commercial

	Loveland 2018 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Commercial: 13,500 gallons/mo.; ¾" tap size; Summer rates				
Monthly Base Charge	$14.74	$15.17	$12.85	$7.04
Usage Charge per 1,000 Gallons	$2.88	$2.64	$4.04	$3.20
Total Bill	$53.62	$50.78	$67.39	$50.24
Rank (1=lowest)	3	2	4	1

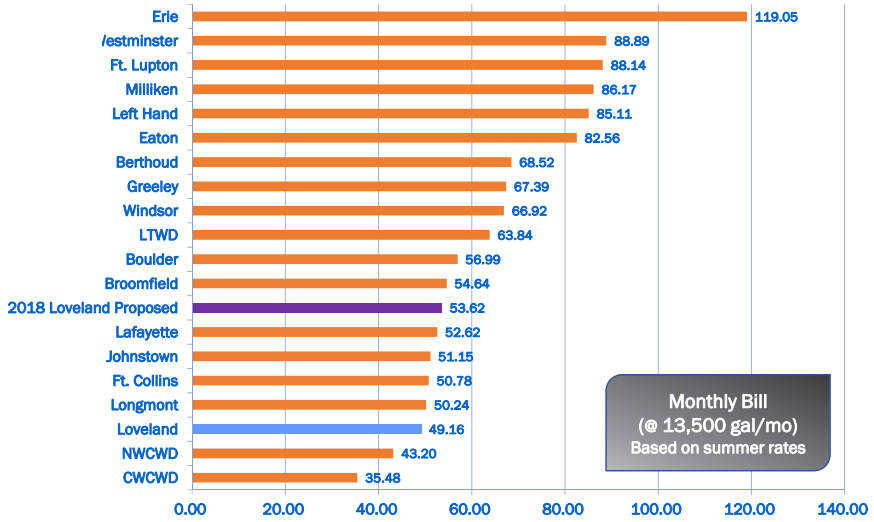
LOVELAND UTILITIES COMMISSION

2017 Water Average Residential Bill Comparison



LOVELAND UTILITIES COMMISSION

2017 Water Average ¾" Commercial Bill Comparison



LOVELAND UTILITIES COMMISSION

Proposed Wastewater Rate Increase

- 11.0% Rate Increase
  - Consistent with Council-approved Wastewater Enterprise rate track
  - To address aging infrastructure, reliability and redundancy and regulatory compliance
  - CIP scaled back to accommodate new CIS expense ($1.1 million), increase in health insurance expense (up $187K from 2017) and Cost Allocations (up $93K from 2017) to stay within rate track
  - Rate increase across-the-board for all rate classes

LOVELAND UTILITIES COMMISSION

Typical Wastewater Bill Impacts

Customer	Monthly Water Use	Existing Bill	Proposed Bill	Total Change
Residential Inside City- ¾" tap size	4,000 gal	$26.85	$29.80	$2.95
Commercial Inside City- ¾" tap size	12,300 gal	$60.77	$67.45	$6.68

LOVELAND UTILITIES COMMISSION

Wastewater Rate Comparisons-Residential

	Loveland 2018 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Residential: 4,000 gallons/mo.				
Monthly Base Charge	$12.84	$18.69	$11.55	$10.70
Usage Charge per 1,000 Gallons	$4.24	$3.63	$1.89	$5.02
Total Bill	$29.80	$33.21	$19.11	$30.78
Rank (1=lowest)	2	4	1	3

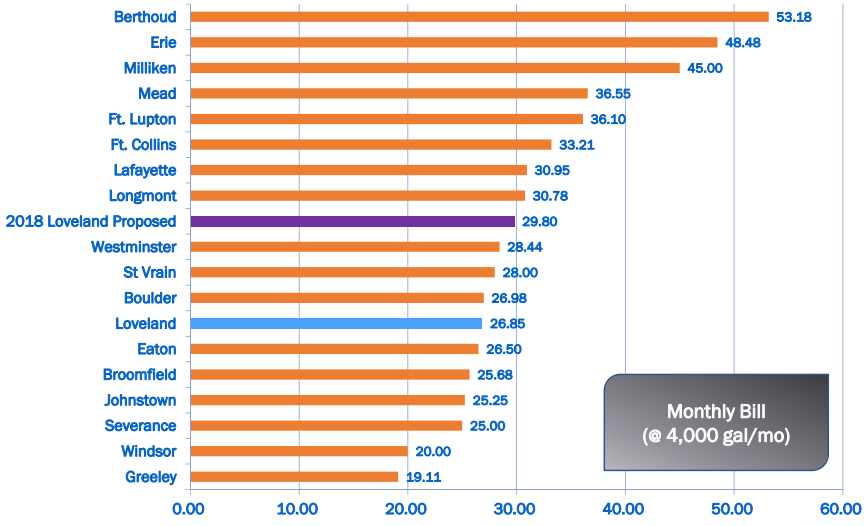
LOVELAND UTILITIES COMMISSION

Wastewater Rate Comparisons-Commercial

	Loveland 2018 (Proposed)	Ft. Collins (Current)	Greeley (Current)	Longmont (Current)
Commercial: 12,300 gallons/mo.				
Monthly Base Charge	$12.84	$9.57	$11.55	$10.70
Usage Charge per 1,000 Gallons	$4.44	$3.32	$3.87	$5.02
Total Bill	$67.45	$50.38	$59.15	$72.45
Rank (1=lowest)	3	1	2	4

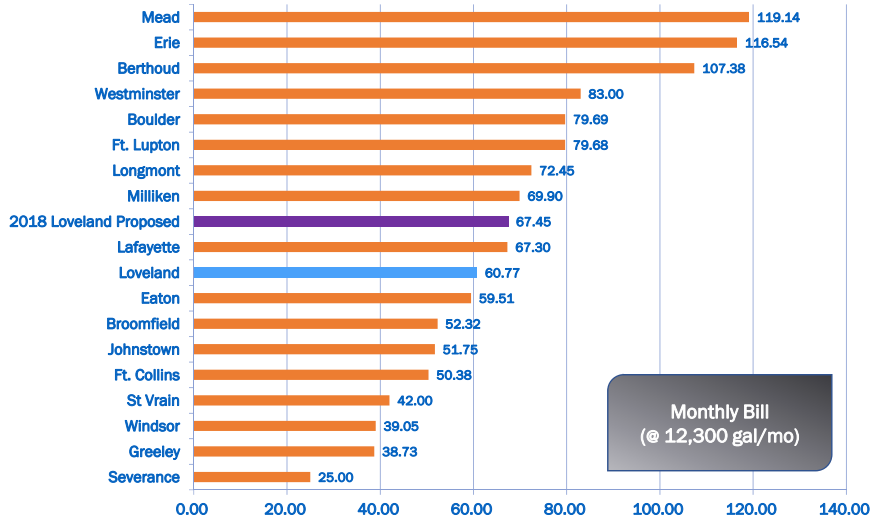
LOVELAND UTILITIES COMMISSION

2017 Wastewater Average Residential Bill Comparison



LOVELAND UTILITIES COMMISSION

2017 Wastewater Average ¾" Commercial Bill Comparison



LOVELAND UTILITIES COMMISSION

QUESTIONS?

LOVELAND UTILITIES COMMISSION

LOVELAND UTILITIES COMMISSION

City of Loveland 2018 Water & Power Impact Fees

Jim Lees, Utility Accounting Manager

September 20, 2017

Utility Impact Fees

Each year, the utility impact fees are recalculated based on:

- Asset value 
-  Customer growth
- Usage patterns 

LOVELAND UTILITIES COMMISSION

Water Impact Fees (SIF)

$110

- Single-family homes would increase 2.3%
- Reasons for Increase: Increases in asset value for the Water Treatment Plant Expansion Project offset by a decrease in Work In Progress and SIF fund balance.

LOVELAND UTILITIES COMMISSION

Wastewater Impact Fees (SIF)

$100

- Single-family homes would increase 3.8%
- Reasons for Increase: An increase in the construction cost index coupled with an increase in Work In Progress and SIF fund balance, offset by a normal increase in customer count.

LOVELAND UTILITIES COMMISSION

Electric Impact Fees (SIF)

- Single-family homes would increase 4.6%
- Reasons for Increase: Increase in asset value due to Foothills Solar Generating Station and an increase in Work In Progress offset by a normal increase in customer count.

LOVELAND UTILITIES COMMISSION

Let's Compare...Residential

	Loveland Proposal	Ft Collins Current	Greeley Current	Longmont Current
Water				
Single Family	$4,990	$3,756	$10,800	$10,772
Wastewater				
Single Family	$2,740	$3,500	$5,300	$6,460
Electric				
Single Family	$1,580	$2,749	N/A	$619
Total Water, Wastewater, Electric				
Single Family	$9,310	$10,005	$16,100	$17,851
Combined Rank (1=lowest)				
Single Family	1	2	3	4

Note: Greeley does not have its own electric utility

LOVELAND UTILITIES COMMISSION

Let's Compare...Commercial

	Loveland Proposal	Ft Collins Current	Greeley Current	Longmont Current
Water				
¾ inch	$8,040	$7,180	$10,800	$15,530
1 inch	$25,110	$19,710	$17,350	$25,890
1.5 inch	$45,920	$42,220	$34,600	$51,770
Wastewater				
¾ inch	$7,770	$7,130	$5,300	$8,770
1 inch	$24,000	$17,200	$8,800	$14,630
1.5 inch	$41,580	$33,410	$17,600	$29,280
Total Water & Wastewater				
¾ inch	$15,810	$14,310	$16,100	$24,300
1 inch	$49,110	$36,910	$26,150	$40,520
1.5 inch	$87,500	$75,630	$52,200	$81,050
Combined Rank (1=lowest)				
¾ inch	2	1	3	4
1 inch	4	2	1	3
1.5 inch	4	2	1	3

Through the Years...SIF/PIF

Single Family Residential	2010	2011	2012	2013	2014	2015	2016	2017	Proposed 2018	9 Yr Avg. Change
Water										
Amount	$4,600	$4,480	$4,560	$4,670	$4,670	$4,580	$4,860	$4,880	$4,990	
$ Change	$260	($120)	$80	$190	$0	($90)	$280	$20	$110	
Wastewater										
Amount	$2,590	$2,550	$2,560	$2,510	$2,410	$2,490	$2,550	$2,640	$2,740	
$ Change	$230	($40)	$10	($40)	($100)	$80	$60	$90	$100	
Power (150 amp or less)										
Amount	$1,160	$1,190	$1,250	$1,270	$1,270	$1,330	$1,450	$1,510	$1,580	
$ Change	$310	$30	$60	$80	$0	$60	$120	$60	$70	
Combined Total										
Amount	$8,350	$8,220	$8,370	$8,450	$8,350	$8,400	$8,860	$9,030	$9,310	
$ Change	$800	($130)	$150	$230	($100)	$50	$460	$170	$280	$212
% Change	10.6%	(1.6%)	1.8%	2.8%	(1.2%)	0.6%	5.5%	1.9%	3.1%	2.6%


LOVELAND
UTILITIES COMMISSION
QUESTIONS?

Attachment C

CITY OF LOVELAND,

COLORADO

Water and Power Department

Schedule of Rates, Charges and Fees

Effective 1/1/~~17~~18

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SUMMARY

Electric Rates

Annexation Surcharge	5%	
Renewable Energy Premium per 100 kilowatt-hour (kWh)	$2.80	
	Jan.-June, Oct.-Dec.	July-Sept.
Residential (Schedule R)		
Base Charge per Month	$14.~~37~~80	$14.~~37~~80
Energy Charge per kWh	$0.0~~6964~~7286	$0.0~~8436~~8825
PILT per kWh	$0.00~~675~~704	$0.00~~808~~842
Residential Demand (Schedule RD) No new Schedule RD Customers accepted after Dec. 31, 2014		
Base Charge per Month	$2~~2~~3.~~83~~50	$2~~2~~3.~~83~~50
Energy Charge per kWh	$0.0~~3963~~4191	$0.0~~4161~~4568
PILT per kWh	$0.00~~596~~615	$0.006~~52~~86
Demand Charge per kW	$7.35	$9.~~7~~80
Small General Service (Schedule SG)		
Base Charge per Month	$2~~5~~7.~~38~~00	$2~~5~~7.~~38~~00
Energy Charge per kWh	$0.0~~7938~~8501	$0.0~~8890~~9521
PILT per kWh	$0.00~~685~~733	$0.00~~778~~833
Plant Investment Fee per kWh	$0.00~~611~~639	$0.00~~611~~639
Large General Service (Schedule LG)		
Base Charge per Month	$13~~4~~8.60	$13~~4~~8.60
Energy Charge per kWh	$0.04~~170~~405	$0.04~~378~~625
PILT per kWh	$0.005~~47~~76	$0.006~~57~~87
Plant Investment Fee per kWh	$0.006~~11~~39	$0.006~~11~~39
Demand Charge per kW	$1~~0~~1.~~50~~00	$1~~4~~5.~~50~~0
Primary Service with Customer Owned Transformer (Schedule PT)		
Base Charge per Month	$15~~1~~6.~~83~~40	$15~~1~~6.~~83~~40
Energy Charge per kWh	$0.04~~169~~307	$0.04~~377~~522
PILT per kWh	$0.004~~69~~95	$0.005~~44~~70
Plant Investment Fee per kWh	$0.00~~593~~620	$0.00~~593~~620
Demand Charge per kW	$1~~0~~1.00	$1~~4~~5.25

Electric Rates Cont'd

Coincident Peak Demand Service (see page 27)
Transmission Voltage by Contract (Schedule TS – see pg 25)

	Jan.-Dec.
Area Lighting (Schedule AL)	
Rate per watt of bulb	$0.0~~5882~~6161
PILT per watt of bulb	$0.00~~447~~468
Flat Rates (Schedule FR)	Jan.-Dec.
Signal Amplifiers	$3~~4~~6.~~67~~59
PILT	$2.~~64~~78
Automatic Sprinkler Controls	$5.~~15~~44
PILT	$0.~~38~~40
Bus Shelters	$2~~1~~2.~~31~~49
PILT	$1.~~61~~70

Wastewater Rates

Monthly Flat Rate	Inside City	Outside City
Single-family residential	$2~~5~~8.~~7~~963	$~~3~~842.~~6~~995
Multi-family residential per unit	$1~~5~~6.~~1~~884	$2~~2~~5.~~7~~726
Non-residential property (Commercial or Industrial)	$1~~43~~59.~~78~~59	$2~~15~~39.~~67~~39
Metered Water Service		
Monthly base charge – single-family residential	$1~~1~~2.~~5~~784	$1~~7~~9.~~3~~26
Monthly base charge – multi-family residential per dwelling unit	$3.~~16~~51	$~~4~~5.~~7~~427
Monthly base charge – commercial	$1~~1~~2.~~5~~784	$1~~7~~9.~~3~~626
Volume charge per 1,000 gallons – single-family residential	$~~3~~4.~~8~~224	$~~5~~6.~~7~~336
Volume charge per 1,000 gallons – multi-family residential	$~~3~~4.~~9~~437	$~~5~~6.~~9~~156
Volume charge per 1,000 gallons – commercial	$4.~~00~~44	$6.~~00~~66
High Strength Surcharge		
BOD charge per pound when discharge is greater than 276 mg/l	$0.6~~0~~7	$~~0~~1.~~9~~001
TSS charge per pound when discharge is greater than 207 mg/l	$0.~~39~~43	$0.~~59~~65

Water Rates

Metered Rates

The monthly service charge shall be the sum of the base charge and the use fee per 1,000 gallons as set forth below:

Single-Family Residential Base Charge

Tap Size (in inches)	Inside City	Outside City
0.75	$1~~3~~4.~~52~~74	$2~~0~~2.~~28~~11
1.00	$1~~7~~8.~~42~~99	$2~~6~~8.~~13~~49
1.50	$2~~1~~3.2~~9~~1	$3~~1~~4.~~94~~82
2.00	$3~~2~~4.~~00~~88	$~~48~~52.~~00~~32
3.00	$1~~1~~20.~~80~~77	$16~~6~~81.~~20~~16
4.00	$13~~9~~52.~~9~~59	$20~~9~~28.~~9~~89
6.00	$2~~08~~26.~~09~~82	$3~~12~~40.~~14~~23

Multi-Family Residential Base Charge

Tap size (in inches)	Inside City	Outside City
0.75	$~~19~~21.~~91~~70	$~~29~~32.~~87~~55
1.00	$2~~3~~5.~~79~~93	$3~~5~~8.~~6~~90
1.25	$2~~5~~8.~~74~~06	N/A
1.50	$~~27~~30.~~69~~18	$4~~1~~5.~~54~~27
2.00	$~~38~~41.~~39~~85	$~~57~~62.~~59~~78
3.00	$1~~1~~27.~~12~~66	$1~~7~~591.~~68~~49
4.00	$14~~6~~59.~~28~~45	$2~~1~~39.~~42~~18
6.00	$2~~14~~33.~~33~~62	$3~~21~~50.~~50~~43

Commercial Base Charge

Tap size (in inches)	Inside City	Outside City
0.75	$1~~3~~4.~~52~~74	$2~~0~~2.~~28~~11
1.00	$1~~7~~8.~~42~~99	$2~~6~~8.~~13~~49
1.50	$2~~1~~3.2~~9~~1	$3~~1~~4.~~94~~82
2.00	$3~~2~~4.~~00~~88	$~~48~~52.~~00~~32
3.00	$1~~1~~20.~~80~~77	$16~~6~~81.~~20~~16
4.00	$13~~9~~52.~~99~~59	$20~~9~~28.~~9~~89
6.00	$2~~08~~26.~~09~~82	$3~~12~~40.~~14~~23

Water Rates Cont'd

Irrigation Base Charge

Tap size (in inches)	Inside City	Outside City
0.75	$1~~3~~34.~~5~~274	$2~~0~~02.~~2~~811
1.00	$1~~7~~78.~~4~~299	$2~~6~~68.~~1~~349
1.50	$2~~1~~3.2~~9~~91	$3~~1~~4.~~9~~482
2.00	$3~~2~~4.~~0~~088	$~~48~~52.~~00~~32
3.00	$1~~1~~20.~~80~~77	$16~~6~~81.~~20~~16
4.00	$13~~9~~52.~~9~~59	$20~~9~~28.~~9~~89
6.00	$20~~8~~26.~~09~~82	$31~~2~~40.~~14~~23

Charges for larger taps will be set by City Council.

Use Fee per 1,000 gallons	Inside City	Outside City
Single-Family Residential	$~~2~~3.~~7~~601	$4.~~1~~452
Multi-Family Residential	$2.~~5~~376	$~~3~~4.~~8~~014
Commercial	$2.~~6~~488	$~~3~~4.~~9~~632
Irrigation	$3.~~2~~59	$~~4~~5.~~9~~439

Excess Water Use – Surcharge per 1,000 gallons	$1.~~1~~20
Fire Hydrant Charge per month	
Residential	$~~2~~3.~~7~~00
Commercial	$~~6~~7.~~6~~30
Fire Protection Tap Service Fee per month	$~~1~~2.~~9~~10
Tank and Hydrant Rate per 300 gallons	$1.~~4~~356
Hidden Valley Monthly Base Charge for 0.75 inch tap	$15~~9~~74.~~94~~33

Hidden Valley Water Availability of Service Fee:
This fee applies to all water taps applied for on or after January 1, 2010 to serve lots authorized pursuant to Resolutions #R-35-2004 and #R-83-2005. Payment of this fee shall be due upon application for the water tap. The fee shall be calculated as follows: A x B x C = fee.

A = Number of months from Jan 1, 2007 to the Availability of Service Fee due date
B = $67.00 per month
C = *Engineering News Record* 20 Cities Construction Cost Index (used to inflate the construction costs to current dollars)

Plant Investment Fees ~~-~~ – Electric

Residential Service	
Residential over 150 amp service	$~~1,940.00~~ 2,030
Residential 150 amp service or less	$~~1,510.00~~ 1,580
Non-Residential per kWh	
Small General Service	$~~0.00611~~ 0.00639
Large General Service	$~~0.00611~~ 0.00639
Primary Service w/customer equipment	$~~0.0.00593~~ 0.00620

Coincident Peak Customers see page 27

System Impact Fees – Wastewater

	Inside City	Outside City
Detached one-family dwelling	$~~2,640.00~~ 2,740	$~~3,960.00~~ 4,110
Attached one-family dwelling, per unit	$~~2,340.00~~ 2,420	$~~3,510.00~~ 3,630
~~Two-family dwelling, per unit~~	~~$2,340.00 2,420~~	~~$3,510.00 3,630~~
Multi-family dwelling containing ~~3~~2-8 dwelling units, per unit	$~~2,340.00~~ 2,420	$~~3,510.00~~ 3,630
Multi-family dwelling containing 9 or more dwelling units, per unit	$~~1,830.00~~ 1,860	$~~2,750.00~~ 2,790

Nonresidential

Tap size (in inches)	Inside City	Outside City
0.75	$~~7,200.00~~ 7,770	$~~10,800.00~~ 11,660
1.00	$~~23,100.00~~ 24,000	$~~34,650.00~~ 36,000
1.50	$~~40,100.00~~ 41,580	$~~60,150.00~~,62,370

Nonresidential taps above 1.5-inch pays the capital recovery surcharge

Capital Recovery Surcharge – Wastewater

Inside City per 1,000 gallons of sewer billed	$~~0.784~~ 0.814
Outside City per 1,000 gallons of sewer billed	$~~1.176~~ 1.221

System Impact Fees – Water

	Inside City	Outside City
Detached one-family dwelling	$~~4,880.00~~ 4,990	$~~7,320.00~~ 7,490
Attached one-family dwelling, per unit	$~~2,940.00~~ 3,020	$~~4,410.00~~ 4,530

~~Two-family dwelling, per unit~~	~~$2,940.00~~ 3,020	~~$4,410.00~~ 4,530
Multifamily dwelling containing ~~3~~2-8 dwelling units, per unit	$~~2,940.00~~ 3,020	$~~4,410.00~~ 4,530
Multifamily dwelling containing 9 or more dwelling units, per unit	$~~2,430.00~~ 2,440	$~~3,650.00~~ 3,660

Nonresidential

Tap size (in inches)	Inside City	Outside City
0.75	$~~7,520.00~~ 8,040	$~~11,280.00~~ 12,060
1.00	$~~23,420.00~~ 25,110	$~~35,130.00~~ 37,670
1.50	$~~43,360.00~~ 45,920	$~~65,040.00~~ 68,880

Irrigation

Tap size (in inches)	Inside City	Outside City
0.75	$~~15,070.00~~ 15,840	$~~22,610.00~~ 23,760
1.00	$~~44,570.00~~ 47,980	$~~66,860.00~~ 71,970
1.50	$~~115,350.00~~ 123,560	$~~173,030.00~~ 185,340
2.00	$~~117,440.00~~ 126,630	$~~176,160.00~~ 189,950
3.00	$~~355,550.00~~ 357,110	$~~533,330.00~~ 535,670

Tap sizes larger than 3-inch shall be established by City Council. The impact fee for taps larger than 1.5 inch applies only to irrigation meters. Nonresidential taps above 1.5 inch pay the capital recovery surcharge.

Capital Recovery Surcharge - Water

Inside City per 1,000 gallons of water	$~~0.753~~ 0.770
Outside City per 1,000 gallons of water	$~~1.130~~ 1.155

Fire Tap Plant Investment Fee

Fire Tap Plant Investment Fee (outside City only)	$553.00

Raw Water Development Fee

Detached One-Family Dwelling	$1,0~~26~~87.00
Attached One-Family Dwelling, per unit	$1,0~~26~~87.00
Multi-family dwelling containing 2-24 dwelling units, per unit	$6~~42~~80.00

Multifamily dwelling containing 25 or more dwelling units, per unit	$1~~26~~34.00

Nonresidential

Tap size (in inches)	
0.75	$1,0~~26~~87.00
1.00	$1,~~744~~848.00
1.50	$3,~~386~~588.00
2.00	$5,~~438~~763.00
3.00	$10,~~260~~873.00

Tap sizes larger than 3-inch shall be established by City Council. The impact fee for taps larger than 1.5 inch applies only to irrigation meters. Commercial taps above 1.5 inch pay the capital recovery surcharge.

Raw Water Capital Recovery Surcharge Per 1,000 Gallons

Raw Water Capital Recovery Surcharge Per 1,000 Gallons	$0.1~~54~~6

Electric Fees

Service Turn-On at the meter	$~~35~~40.00
Service Turn-On at the meter – After Hours	$100.00
Service Turn-Off at the meter resulting from an unauthorized Service Turn-On	$~~3~~40.00
Disconnect/Reconnect Services	$2~~0~~60.00
Disconnect/Reconnect Services with Engineering	$~~32~~400.00
Permanent Service Connect (No Disconnect Needed)	$2~~0~~60.00
Permanent Disconnect of Service	$2~~0~~60.00
Charges When Access Denied	
Appointment or Special Trip to Read the Meter	$2~~0~~4.00
Appointment or Special Trip to Read the Meter After Hours	$~~4~~50.00
Appointment or Special Trip to Change the Meter	$~~75~~90.00
Appointment or Special Trip to Change Meter After Hours or Weekends	$1~~0~~20.00
Service is disconnected at the junction box or the overhead pole	$2~~0~~60.00
When access to the pole is denied, actual costs will be billed	
Residential Service Installations	
Typical Underground with 1/0 CIC	$~~60~~280.00
Typical Underground with 4/0 CIC	$~~81~~390.00
Typical Overhead	$~~29~~335.00
Multiplex 3-6 Units	$~~7~~935.00
Multiplex 7 or More Units (deposit, to be billed on actuals)	$~~810~~1,015.00

Electric Fees Cont'd

Field Engineering Deposits	
Residential and duplex single phase installations, 1-2 lots	$~~83~~3980.00
Single commercial buildings, transformer upgrades, raising, lowering, or removing existing power	$1,~~35~~3870.00
Residential subdivision of 3-25 lots, commercial subdivision of 2-10 lots, raising, lowering, or removing existing power	$1,755.00
Residential subdivision of more than 25 lots, commercial subdivision of more than 10 lots, malls, shopping centers, hospitals	$3,310.00
Other Deposits – See Section Fees – Electric "Other Deposits"	
Temporary Residential Connections	$2~~00~~35.00
Termination and energizing electric services to small devices	$~~270~~315.00
Installation of Area Light	$320.00
Electric Vehicle Charging Station	$1.00/hour
Pole Attachment Fee per attachment	$1~~1~~6.~~93~~60

Wastewater Fees

Pretreatment Inspection Fee	$~~75~~85.00
Pretreatment Significant Industrial User (SIU) Laboratory Analysis	Actual Cost Plus $7~~0~~5.00
Pretreatment SIU Public Notification of Violation	~~$88.00~~Actual Cost
Tapping Fees 4 inch or 6 inch Tap	$~~265~~315.00
4 inch Saddle and Stainless Strap	$~~6~~75.00
6 inch Saddle and Stainless Strap	$~~85~~90.00

Water Fees

Construction Water Fee

Tap size (in inches)	
0.75	$~~39~~50.00
1.00	$~~64~~81.00
1.50	$1~~29~~64.00
2.00	$2~~05~~60.00
3.00	$~~34~~8~~3~~7.00
4.00	$~~638~~811.00

Above 4.00 inch tap will be negotiated with the Water and Power Department

Water Turn-on Fee – Regular Hours	$~~35~~40.00
Water Turn-on Fee – After Regular Hours	$100.00
Water Turn-off Fee for Unauthorized Service Turn-on	$~~3~~40.00
Water Meter Return Appointment Fee – Regular Hours	$20.00
Water Meter Return Appointment Fee – After Regular Hours	$30.00
Raw Water Cash-in-lieu Fee per Acre-Foot (City Code Sec.19.04.040)	Set by Loveland Utilities Commission
Native Raw Water Storage Fee per Acre-Foot	
Barnes Ditch	$5,~~900~~750.00
Big Thompson Ditch & Manufacturing Co.	$3,~~62~~530.00
Buckingham Irrigation Co. (Geo. Rist Ditch)	$7,~~590~~400.00
Chubbuck Ditch	$7,~~590~~400.00
Louden Irrigating Canal and Reservoir Co.	$~~76~~,~~030~~850.00
South Side Ditch Company	$6,~~950~~770.00

Water Fees Cont'd

Construction Hydrant Meter Deposit	$1,~~0~~500.00
Hydrant Meter Rental	
Daily Rental	$5.00
Install Fee	$~~4~~55.00
Remove Fee	$~~4~~55.00
Moving Meter Fee	$~~4~~55.00
Water Use	$1.~~43~~56/300 gallons
Meter Fees	
0.75 inch Meter and Readout	$18~~9~~5.00
1.00 inch Meter and Readout	$255.00
Install Meter and Inspection	
Meter inspect	$~~45~~60.00
Meter install	$~~70~~85.00
Water Tapping Fee	
0.75 inch	$~~29~~355.00
1.00 inch	$3~~1~~70.00
1.50 inch	$3~~1~~75.00
2.00 inch	$32~~8~~5.00
Above 2.00 inch	$~~40~~510.00

Miscellaneous Fees

Late Payment Penalty	$15.00
~~Field Collection Fee~~	~~$18.00~~
New Account Fee	$11.00
Reactivation Fee	$10.00
New Account Meter Reading Fee	$10.00
Interfering or Tampering with a Meter – electric or water	$10~~0~~10.00
Return Check (Insufficient Funds) Charge	$2~~5~~0.00
Filing Fee for Unpaid Bills	$~~8~~90.00

I. Rates - Electric

Resale of Electric Current Prohibited

It is unlawful for any consumer who purchases electric service from the City to sell such service to others.

Surcharge

There is imposed a surcharge in the amount of five percent of base charges plus charges for energy, demand, payment-in-lieu-of-taxes (PILT) for the sale of electric power to services that come into existence in all areas annexed to the City after January 31, 1987, which areas were formerly a part of an exclusive service territory granted to a cooperative electric association by the Public Utilities Commission. Such surcharge shall expire ten years after the effective date of annexation of each such area.

Renewable Energy Premium

Availability
The renewable energy premium is available as an option to all residential, commercial, and industrial customers served under Schedules R, RD, SG, LG, PS, PT, and Coincident Peak Demand Service. The renewable energy premium is not available to Transmission Voltage Service, Area Light or Flat Rate customers served under Schedules TS, AL or FE.

Monthly Rate
Premium per each 100 kWh increment of energy $2.80
This charge is in addition to all other regular charges the customer incurs for electric service.

Monthly Minimum
The minimum bill shall be $2.80 for each 100 kWh increment requested by the customer in the service agreement, plus the minimum bill as identified in the principal rate schedule for the customer.

Conditions
Service Restrictions – The supply of renewable energy is limited to the resources made available to the department by its power supplier, Platte River Power Authority (PRPA), and is therefore subject to all terms and conditions identified in PRPA's tariff for Renewable Energy Service.

Service Agreement
The renewable energy premium is an optional charge and requires the customer to sign a service agreement with Loveland Water and Power.

Service Agreement Period
The renewable energy premium for all eligible rate schedules shall be available for a minimum initial period of 12 consecutive months and then continuing month to month thereafter until terminated. After the minimum period, the obligation to purchase or provide renewable energy may be terminated upon 30 day notice by either party. Termination of the principal service shall also terminate the agreement unless the customer chooses to advance the agreement to the new service address.

Service Agreement Amount
Customer may request renewable energy in 100 kWh increments. The billable monthly renewable energy premium will be the number of 100 kWh increments requested by the customer in the service agreement. The actual kilowatt-hours used by the customer in any given month may be more or less than the average.

Self-Generation Rate

Availability
The Self-Generation Rate is available as an option to all electric service customers who own, operate and maintain their own generation equipment.

Residential – Monthly Rate

Residential Base Charge

Capacity of Self-Generating Unit (in kilowatts (kW))	Jan. – Dec.
Up to 1.49	$157.8227
1.50 – 2.49	$179.2774
2.50 – 3.49	$1822.7221
3.50 – 4.49	$204.1768
4.50 – 5.49	$217.6215
5.50 – 6.49	$239.0762
6.50 – 7.49	$2432.5209
7.50 – 8.49	$2534.9756
8.50 – 9.49	$237.4203
9.50 – 10.49	$2839.8750

	Jan. – June, Oct. – Dec.	July – Sept.
Residential		
Energy charge per kWh	$0.0696947286	$0.08436825
PILT charge per kWh	$0.00675704	$0.008042
Buyback credit per kWh	$0.0696947286	$0.08436825
Buyback PILT credit per kWh	$0.00675704	$0.008042
~~Monthly minimum bill~~	~~See Residential Base Charge Table Above~~	~~See Residential Base Charge Table Above~~

Non-Residential – Monthly Rate

Conditions
The city will net meter all energy consumed by the customer and produced by the customer's generation system. Net metering shall be, for billing purposes, the net consumption as measured at the service meter on a monthly basis. Consumption will be measured monthly and in the event net metering is negative in a given month, such that the customer's generation system production is greater than the customer's consumption, there will not be a monthly cash credit for such production. All such excess energy, expressed in kilowatt-hours, shall be carried forward from month to month and credited against the customer's energy consumption, expressed in kilowatt-hours, in subsequent months. In the event

Self-Generation Rate Cont'd

that a negative net consumption balance remains after twelve consecutive months following the effective date of customer's commencing on the Self Generation Rate, or any annual anniversary thereafter, the City will pay the customer for such negative balances at the Self Generation Buyback Credit Rate.

Monthly Rate – System Size 1-50 kW

	Jan. – June, Oct. – Dec.	**July – Sept.**
Small General Service		
Base charge	$257.3800	$257.3800
Energy charge per kWh	$0.079388501	$0.088909521
PILT charge per kWh	$0.00685733	$0.00778833
Buyback credit per kWh	$0.04282389	$0.04282389
Monthly minimum bill	$257.3800	$257.3800
System size range limitation	1–50 kW	1-50 kW
Plant Investment Fee per kWh	$0.006111139	$0.006111139
Large General Service		
Base charge	$1348.60	$1348.60
Energy charge per kWh	$0.04170405	$0.04378625
PILT charge per kWh	$0.00547776	$0.00657587
Demand charge per kWh	$101.500	$145.500
Buyback credit per kWh	$0.04282389	$0.04282389
Monthly minimum bill	$1348.60	$1348.60
System size range limitation	1-50 kW	1-50 kW
Plant Investment Fee per kWh	$0.006111139	$0.006111139

Self-Generation Rate Cont'd

Monthly Rate – System Size 51-400 kW

	Jan. – June, Oct. – Dec.	**July – Sept.**
Small General Service		
Base charge	$257.3800	$257.3800
Energy charge per kWh	$0.07938501	$0.08890521
PILT charge per kWh	$0.00685733	$0.00778833
Buyback credit per kWh	$0.05486623	$0.05486623
Monthly minimum bill	$257.3800	$257.3800
System size range limitation	51–400 kW	51-400 kW
Plant Investment Fee per kWh	$0.006111139	$0.006111139
Large General Service		
Base charge	$1348.60	$1348.60
Energy charge per kWh	$0.04170405	$0.04378625
PILT charge per kWh	$0.005476	$0.00658 7
Demand charge per kWh	$101.500	$145.500
Buyback credit per kWh	$0.05468623	$0.05486623
Monthly minimum bill	$1348.60	$1348.60
System size range limitation	51-400 kW	51-400 kW
Plant Investment Fee per kWh	$0.006111139	$0.006111139

The Self-Generating customer must be in compliance with the technical specifications and requirements contained in the Standard for Interconnecting Distributed Resources with the City of Loveland Electric Power System as found in the City's Municipal Code, Section 13.12.240 and must enter into a contract with the City.

Residential Service
Schedule R

Availability
Residential Service is available for single-family dwelling units and individually metered multi-family dwelling units at any location within the area served by Loveland Water and Power. Single-family dwelling units and individually metered multi-family dwelling units shall mean those buildings or units used solely as residences and not used in part for any other purpose. This rate is applicable to existing and new residential customers. Service will be delivered through a single meter per dwelling unit, at one point of delivery.

Monthly Rate
The rate for Residential Service shall consist of the sum of the base charge, energy charge, and PILT in accordance with the following table:

Monthly Rate
The rate for Residential Service shall consist of the sum of the base charge, energy charge, and PILT in accordance with the following table:

	Jan. – June, Oct. – Dec.	**July – Sept.**
Base charge	$14.~~37~~80	$14.~~37~~80
Energy charge per kWh	$0.0~~6964~~7286	$0.0~~8436~~8825
PILT charge per kWh	$0.00~~675~~704	$0.008~~08~~42
Monthly minimum bill	$14.~~37~~80	$14.~~37~~80

Residential Demand Service
Schedule RD

No new customers will be added to Schedule RD after December 31, 2014

Availability
Residential Demand Service is available for single-family dwelling units and individually metered multi-family dwelling units at any location within the area served by Loveland Water and Power. Single-family dwelling units and individually metered multi-family units shall mean those buildings or dwelling units used solely as residences and not used in part for any other purpose. Existing accounts may elect service under this schedule by making application to Loveland Water and Power. Service will be delivered through a single meter per dwelling unit, at one point of delivery.

Monthly Rate
The rate for Residential Demand Service shall consist of the sum of the base charge, energy charge, demand charge and PILT in accordance with the following table:

	Jan. – June, Oct. – Dec.	**July – Sept.**
Base charge	$2~~2~~3.~~83~~50	$2~~2~~3.~~83~~50
Energy charge per kWh	$0.0~~39634~~4191	$0.04~~161~~568
PILT charge per kWh	$0.00~~596~~615	$0.006~~52~~86
Demand charge per kW	$7.35	$9.~~7~~80
Monthly minimum bill	$2~~2~~3.~~83~~50	$2~~2~~3.~~83~~50

Billing Demand
The demand shall be the highest rate of use in kilowatts during any 15 minute interval of the billing period.

Power Factor Charge
Power factor charge of one hundred percent of the power factor charge incurred by the City on account of and attributable to service to the customer may be billed to the customer.

Small General Service
Schedule SG

Availability
Small General Service is required for all non-residential customers with a monthly average demand over a consecutive 12-month period of less than or equal to 50 kW. This also includes temporary power for non-permanent non-residential customers (for example: firework stands and holiday lights).

Monthly Rate
The rate for Small General Service shall consist of the sum of the base charge, energy charge and PILT in accordance with the following table:

	Jan. – June, Oct. – Dec.	**July – Sept.**
Base charge	$25~~7~~.38~~00~~	$25~~7~~.38~~00~~
Energy charge per kWh	$0.07~~9~~38~~8~~501	$0.08~~89~~09521
PILT charge per kWh	$0.006~~85~~733	$0.007~~78~~833
Plant Investment Fee per kWh	$0.0061~~1~~39	$0.0061~~1~~39
Monthly minimum bill	$25~~7~~.38~~00~~	$25~~7~~.38~~00~~

Conditions
A. Whenever metered demand exceeds a monthly average 50 kW in a consecutive 12-month period, Loveland Water and Power will notify the customer and further service provided to such customer shall be furnished at the Large General Service Rate. The department may install such meters as it deems necessary in order to determine the metered demand.
B. For single-phase, three-wire service, the customer's equipment shall be connected so that the current carried by the neutral conductor shall be not greater than 15 percent of the maximum current in either of the two conductors. For three-phase wye or delta service, the customer's equipment shall be connected so that the current carried by any one-phase conductor shall be no greater than 115 percent of the current in either of the two-phase conductors.

Large General Service
Schedule LG

Availability
Large General Service is required for all non-residential customers with a monthly average demand over a consecutive 12-month period exceeding 50 kW.

Continuation for Certain Customers
Customers on the Large General Service rate on January 31, 1999, with a monthly average demand over a consecutive 12-month period of 50 kW will be grandfathered into the LG rate.

Monthly Rate
The rate for Large General Service shall consist of the sum of the base charge, energy charge, demand charge and PILT in according with the following table:

	Jan. – June, Oct. – Dec.	**July – Sept.**
Base charge	$1348.60	$1348.60
Energy charge per kWh	$0.04170405	$0.04378625
PILT charge per kWh	$0.005476	$0.00658 7
Plant Investment Fee per kWh	$0.006 1139	$0.006 1139
Demand charge per kW	$101.5000	$145.500
Monthly minimum bill	$1348.60	$1348.60

Billing Demand
The demand shall be the highest rate of use in kilowatts during any 15-minute interval of the billing period.

Power Factor Charge
Power factor charge of one hundred percent of the power factor charge incurred by the City on account of and attributable to service to the customer may be billed to the customer.

Primary Service with Transformer
Schedule PT

Availability
Primary Service is available to all non-residential customers with a monthly average demand over a consecutive 12-month period exceeding 50 kW where service is delivered and metered at the available primary voltage and all serving facilities on the customer's side of the metering point are owned, operated and maintained by the customer.

Monthly Rate
The rate for Primary Service where the customer owns the transformers shall consist of the sum of the base charge, energy charge, demand charge and PILT in accordance with the following table:

	Jan. – June, Oct. – Dec.	**July – Sept.**
Base charge	$15~~1~~6.~~83~~40	$15~~1~~6.~~83~~40
Energy charge per kWh	$0.04~~169~~307	$0.04~~377~~522
PILT charge per kWh	$0.004~~69~~95	$0.005~~44~~70
Plant Investment Fee per kWh	$0.00~~593~~620	$0.00~~593~~620
Demand charge per kW	$1~~0~~1.00	$1~~4~~5.25
Monthly minimum bill	$15~~1~~6.~~83~~40	$15~~1~~6.~~83~~40

Billing Demand
The demand shall be the highest rate of use in kilowatts during any 15-minute interval of the billing period.

Power Factor Charge
A power factor charge of one hundred percent of the power factor charge incurred by the City on account of and attributable to service to the customer may be billed to the customer.

Conditions
Transformer ownership and maintenance is the responsibility of the customer receiving service under this rate schedule. The customer requesting this rate schedule is solely responsible for all costs associated with the installation and maintenance of the primary metering equipment and facilities. See the Water and Power Department's *Contractor Construction Standards* for equipment specifications.

Transmission Voltage Service
Schedule TS

Eligibility Requirements
Transmission Voltage Service is available to any customer: (i) whose load is of sufficient magnitude or of an unusual nature such that it cannot be served from the distribution system; and (ii) whose premises are adjacent to transmission lines that are, or by contract can become, lines that supply wholesale power to the city's system; and (iii) who meets the criteria for large user service as set forth in Platte River Power Authority's Tariff 9, or applicable successor tariff.

Character of Service
The power furnished under Schedule TS shall be three phase alternating current and approximately 60 hertz, and delivered at approximately 115kV, or at other voltages subject to conditions as agreed upon, metered at each delivery point.

Charges for Service
The charges for service under Schedule TS shall be determined based on the unique load characteristics and service requirements of the customer. The rate for service delivered under Schedule TS shall at a minimum be sufficient to recover the city's cost of service, including, without limitation, wholesale rates and the city's projected operating and maintenance costs. In addition, the customer shall be responsible for all wholesale charges and fees incurred by the city in providing service under Schedule TS to the customer, including, without limitation, power factor charges.

Conditions of Service
In order to receive service under Schedule TS, the customer must meet the eligibility requirements set forth above and enter into an electric service agreement with the city. All such agreements must meet the requirements of this Schedule TS, protect the integrity of the City's electric system, protect against interference with other city electric customers, and shall address, at a minimum, the following material terms:

- term of the agreement, including initial date of service;
- charges for service, including rate adjustments;
- metering, including configuration, ownership, and maintenance;
- infrastructure, including ownership and maintenance;
- load factor, including any penalties for failure to comply;
- nature and frequency of interruptions (if service is provided on an interruptible basis), including any penalties for failure to comply;
- any other terms and conditions required to be addressed pursuant to Platte River Power Authority's Tariff 9, or applicable successor tariff.

In addition, the agreement must include a waiver of all liability for the city and Platte River Power Authority for actual and consequential damages resulting from interruptions in accordance with the agreement.

Transmission Voltage Service Cont'd

The city manager shall be authorized to negotiate all such agreements, in consultation with Platte River Power Authority, and to execute such agreements on behalf of the city.

Coincident Peak Demand Service

Availability

1) Coincident Peak Demand Service is required for non-residential customers where the monthly average distribution facilities demand exceeds 1,400 kW over 12 consecutive months. For a customer with two or more meters located on a campus, the average monthly distribution facilities demand will be determined by adding the distribution facilities demand for each meter on the campus.
2) The Coincident Peak Demand rate classification will be applicable to all new customers without an annual billing history based on the following:

    a. The new customer must present sufficient information to the City indicating that the operating schedule and electrical equipment are such that the monthly distribution facilities demand would qualify it for the rate.
    b. The City reserves the right to analyze and verify all information provided. If the City is satisfied that the monthly distribution facilities demand of the new customer will exceed 1,400 kW, such customer will be placed on the Coincident Peak Demand rate.
    c. If the monthly distribution facilities demand during the first two months indicate that the customer does not qualify for the Coincident Peak Demand rate, the City will immediately transfer such new customer to the appropriate rate classification.

3) Once qualified, each such customer shall remain on the Coincident Peak Demand rate for a minimum of twelve consecutive months. After twelve months, the City will use the twelve-month running average distribution facilities demand to determine applicability of the Coincident Peak Demand rate.

Monthly Rate

Rates shall be developed for each individual customer subject to the Coincident Peak Demand rate classification. The rates shall be based on the cost of service to each individual customer and will apply only to such customer. Rates will be updated annually to reflect the cost of service to the individual customer, and shall include the following:

1. Base Charge: Based on customer cost of service and energy usage profile.
2. Energy Charge: All kWh consumed, per kWh, based on customer cost of service and energy usage profile.
3. Coincident Demand Charge: All coincident demand, per kW, based on customer cost of service and energy usage profile.
4. Distribution Facilities Demand Charge: All distribution facilities demand, per kW, based on customer cost of service and energy usage profile
5. Plant Invest Fee: $0.00~~593~~620 per kWh for customers whose service is delivered at the available primary voltage and all serving facilities on the customer's side of the metering point are owned, operated and maintained by the customer. $0.00~~611~~639 per kWh for all other customers.

Coincident Peak Demand Service Cont'd

The Water and Power Department Director shall be authorized to develop the rate for each individual customer subject to the Coincident Peak Demand rate classification in accordance with this rate definition.

Power Factor Charge
Power factor charge of one hundred percent of the power factor charge incurred by the City on account of and attributable to service to the customer may be billed to the customer.

For the purposes of the Coincident Peak Demand Rate, the following definitions shall apply:

1. Campus:
   One parcel, or two or more contiguous parcels, where each parcel is owned or leased by a single customer.

2. Coincident Demand:
   The 60 minute integrated demand recorded during the Platte River Power Authority's system peak hour and day in the billing period.

3. Distribution Facilities Demand:
   The highest rate of use in kilowatts during any 15-minute interval of the billing period.

Area Lighting
Schedule AL

Availability
Area lights will be furnished to customers who request this service for the purpose of lighting private property or alleys or other areas where City street lighting would normally not be installed. Decisions for location of the lights shall be in the discretion of the City. Applications for area lights should be made at the City of Loveland Water and Power Department.

Monthly Rate (Jan.-Dec.)
The rate per watt for area lights shall be……$0.0~~5882~~6161
The PILT charge per watt for area lights shall be……..……$0.004~~47~~68

Conditions
All area lights shall be high pressure sodium vapor units.

Flat Rate Service
Schedule FE

Availability
Small devices attached to the City's electric distribution system for the purpose of amplifying cable TV and telephone signals or operating automatic sprinkler controls in remote locations after June 1, 1992, will not require metering and will be billed on a flat monthly rate. Accounts existing prior to June 1, 1992, shall continue to be metered and billed at their present rate unless the customer requests conversion to the flat rate set forth in this schedule.

Monthly Rates (Jan.-Dec.)

Signal amplifiers	$3~~4~~6.~~67~~59
Signal amplifiers PILT charge	$2.~~64~~78
Automatic sprinkler controls	$5.~~15~~44
Automatic sprinkler controls PILT charge	$0.~~38~~40
Bus shelters	$2~~1~~2.~~31~~49
Bus shelters PILT charge	$1.~~61~~70

Conditions
A. Signal amplifiers can be no greater than 5 amps per device.
B. Automatic sprinkler controls can be no greater than 1.0 amp per device.
C. The department may randomly install meters as it deems necessary in order to monitor the actual consumption.
D. A customer with multiple device locations existing prior to June 1, 1992, requesting a conversion of said devices to the Flat Rate Schedule, must convert all devices existing prior to June 1, 1992, to the Flat Rate Schedule.

Public Electric Vehicle Charging Station Service User Fees

Availability
Designated electric vehicle charging stations will be made available by the City for public use within the corporate limits of the City at the user fees set forth below. The fees set forth below shall apply to all public electric vehicle charging stations owned and operated by the City.

User Fees
Public electric vehicle charging station service user fees (including payment in lieu of taxes and franchise) will be provided and billed on a session basis as follows:

Level 2 – 240 Volt Charging: $1.00 per hour of charging. The minimum charge is $1.00.

Payment of Fees
Payment for electric vehicle charging station services will be collected directly from the customer at the point of service (the charging station) through credit card or other electronic payment processing service.

II. Fees - Electric

Applications for Electric Service

Every person desiring a supply of electric current from the City, or an upgrade or other change in existing service, shall make application therefore to the City upon forms furnished for that purpose.

Plant Investment Fee

Plant Investment Fees provide for the additional electric transmission, substation and distribution facilities made necessary by the extension of electric service to new connections. The Plant Investment Fee provided herein shall be, in addition to, all of the rates and charges made in connection with the furnishing by the City of electric service, and shall be payable as provided for in this section.

A. Schedule R – Residential Service and Schedule RD – Residential Demand Service. At the time application is made for any dwelling unit to be built within the corporate boundaries of the City, or at the time of application for electric service for any dwelling unit to be built outside the corporate boundaries of the City, there shall be paid to the City a Plant Investment Fee in the amount of $~~1~~2,~~940~~030.00 for each electric meter to be installed in connection with the dwelling unit with a service size of greater than 150 amps and $1,5~~1~~80.00 for each electric meter to be installed in connection with the dwelling unit with a service size of 150 amps or less. (Each dwelling unit within a structure containing more than one dwelling unit shall be separately metered). No energization of a permanent connection to any dwelling unit served by the City shall occur unless and until the Plant Investment Fee is paid.

For the purpose of this section, "dwelling unit" means one or more rooms and a kitchen area designed for or occupied as a unit for living and cooking purposes, which is located within a single family, multiple family or mobile home, but excluding congregate care facilities, as those terms are defined in Municipal Code Chapter 18.04. A congregate care facility may receive service under Schedules R, RD, SG, LG, PT, or Coincident Peak Demand Service

Upon application, the Water and Power Department may allow a single meter to serve a multiple family dwelling if such multiple family dwelling is a federally assisted and federally supervised project and the project sponsor is required by the federal agency having jurisdiction thereof to include the provision of electric service within the rent structure for the project. Such project may receive service under Schedules R, RD, SG, LG, PT, or Coincident Peak Demand Service. If any such projects should cease to be federally supervised, then the project shall revert to the requirement of individual metering, the Plant Investment Fee for residential service shall be paid and a credit shall be applied against such Plant Investment Fee in the amount of the Plant Investment Fees paid while receiving service under another class.

Plant Investment Fee Cont'd

B. Schedule SG – Small General Service. The Plant Investment Fee for accounts receiving small general service shall be collected in each billing period. The amount of the Plant Investment Fee to be billed in each period shall be equal to $0.006~~11~~39 per kWh used by the account during the billing period.

In establishing the Plant Investment Fees in 1979, customers served prior to May 1, 1979, are exempt from the Plant Investment Fee at the existing location only. Customers who have paid the five-year Plant Investment Fee for a particular location are exempt from the fee at the location covered.

C. Schedule LG – Large General Service. The amount of Plant Investment Fee to be billed in each billing period shall be equal to $0.006~~11~~39 per kWh used by the account during the billing period.

D. Schedule PT– Primary Service with Transformer. The amount of Plant Investment Fee to be billed in each billing period shall be equal to $0.00~~593~~620 per kWh used by the account during the billing period.

E. Coincident Peak Demand Service. The amount of Plant Investment Fee to be billed in each billing period shall be equal to $0.00~~593~~620 per kWh used by the account during the billing period for customers whose primary voltage and all serving facilities on the customer's side of the metering point are owned operated and maintained by the customer. A Plant Investment Fee of $0.006~~11~~39 per kWh to be billed in each billing period for all other customers.

F. Discontinuance of Service. In addition to all of the remedies available to the City, electric service may be discontinued for failure to pay the Plant Investment Fee provided for in this section, and such discontinuance shall be in accordance with the notice procedures set forth in Municipal Code Section 13.02.070.

Service Turn-On Fee at the Meter

During regularly scheduled work hours, there is imposed a fee in the amount of $~~35~~40.00 for each service turn-on where power is energized at the meter.

After regularly scheduled work hours, there is imposed a fee in the amount of $100.00 for each service turn on where the power is energized at the meter.

After hours fees apply to all requests received during non-business hours Monday through Friday, anytime Saturday or Sunday, and all holidays observed by the City of Loveland. Regular business hours are Monday through Friday 7 a.m. to 4 p.m.

Disconnect and Reconnect Services

Water and Power will perform a typical service disconnect/reconnect where power is energized or de-energized on the line side of the meter, on a flat fee basis.

There is imposed a fee in the amount of $2~~0~~60.00 for each typical service disconnect/reconnect and $~~32~~4000.00 for each typical service disconnect/reconnect with engineering.

A typical service disconnect/reconnect is defined as one where there is no increase in wire size or length and the disconnect/reconnect service is performed during regular business hours between 7 a.m. and 4 p.m. Monday through Friday.

All other service disconnect/reconnects will be billed at Water and Power's actual cost.

Permanent Disconnect and Removal of Service

Where a request for permanent disconnection and removal of single-phase service has been requested, there is imposed a flat fee of $2~~0~~60.00.

Where a request for permanent termination of three-phase service has been requested, charges will be billed at Water and Power's actual cost.

Charges When Access Denied

There is imposed a charge as set forth in this section, that shall be due and payable when billed, to cover the additional costs and expenses incurred by the City whenever clear access to the meter location is denied. Clear access shall be deemed to be denied whenever, because of locked gates, animals confined in the same space as the meter location, or for any other reason, and after making a reasonable attempt to locate a person upon the premises to gain access, an authorized representative of the City is unable to read the meter, change the meter, or perform such other function as such representative is lawfully authorized to perform. The amount of such charge shall be as follows (regular business hours defined as 7 a.m. to 4 p.m. Monday through Friday, off-duty hours defined as hours outside of this regular business hours and all holidays observed by The City of Loveland):

A. When clear access is denied for two successive meter readings, and an appointment is made with the consumer or a special trip is made for reading the meter, a charge of $2~~0~~4.00 is imposed for such appointment or special trip occurring during regular business hours, and $~~4~~50.00 for such appointment occurring during off-duty hours and weekends.
B. When clear access is denied and a special trip is made to change a meter during regular business hours, on the department's regular maintenance program, a $~~75~~90.00 charge is imposed, and $1~~0~~20.00 for such appointment occurring during off-duty hours.
C. When service is disconnected at the junction box or overhead pole, a charge of $2~~0~~60.00 is imposed. When clear access is denied for the purpose of disconnecting service, actuals will be charged.
D. When clear access is denied for the purpose of disconnecting service at the junction box or overhead pole, the actual costs will be billed.

Residential Service Installations and Upgrades for Single Family and Duplex Dwellings

A. A typical new residential service installation will be performed by the Water and Power Department on a flat fee basis. A typical new underground service is defined as having a trench length of 100 feet or less; trenching to be performed in normal soil conditions.

1. For a service using 1/0 triplex CIC with a panel size of 150 amps or less, the fee is $~~60~~28~~0~~.00 and the Plant Investment Fee, as described in the Resolution Schedule of Rates, Charges and Fees as adopted by City Council, shall also be collected.
2. For a service using 4/0 triplex CIC with a panel size of 200 amps, the fee is $~~810~~390.00 and the Plant Investment Fee, as described in the Resolution Schedule of Rates, Charges and Fees as adopted by City Council, shall also be collected.

A typical new overhead service is defined as a service length of 80 feet of less, does not require setting a pole or transformer, is #2 triplex with a panel size of 150 amps or less, or 1/0 triplex with panel size of 200 amps. The fee for such service is $~~29~~335.00.

A service not meeting the above criteria shall be billed at the Water and Power Department's actual cost of installation.

Within the city limits of the City of Loveland, the fees shall be collected by the department issuing the building permit for the residence. If outside the city limits, the fee will be collected by the Water and Power Department before work can proceed.

B. Residential service upgrades resulting in services larger than 150 amps and no larger than 200 amps shall require a deposit of $300.00 for overhead, and $800.00 for underground. This deposit will be applied to the actual costs billed by the Water and Power Department upon completion of work performed.

Residential Service Installations and Upgrades for Multiplex Service Installations

A. For purposes of this Resolution, a "multiplex" is defined as a structure containing not less than three and not more than six dwellings.

B. A "typical" multiplex electric service installation will be provided by and installed by the contractor per National Electric Code. It will be energized by the Water and Power Department on a flat fee basis.

A 3-6 unit multiplex service installation will be provided by the contractor in which an electrical secondary source is already in existence. The fee for installation of an electric service in a 3-6 unit multiplex project is $~~7~~9135.00 for the project and the Plant Investment Fee, as described in the current Schedule of Rates, Charges and Fees as adopted by the City Council, shall also be collected for each unit.

A 7 unit or more multiplex service termination and meter set service installation requires a deposit of $~~81~~101510.00 to be made at the Water and Power Department. The contractor is to provide and install all materials. This deposit will be applied to the actual costs billed by the Water and Power Department upon completion of work performed.

Multiplexes requiring an underground service in an overhead service area will have an underground service provided by and installed by the contractor per National Electric Code. They will be billed the actual costs incurred by the Water and Power Department.

If there is no existing source for electric service and an extension of secondary power is necessary, the customer shall pay the actual costs incurred by the Water and Power Department to extend the secondary power source.

Requests for overhead multiplex service installations will be evaluated for feasibility by the Water and Power Department. If overhead service is deemed appropriate, it will be installed and billed at the actual cost incurred by the Water and Power Department.

All services to multiplexes will be installed as described in the National Electric Code pertaining to commercial services. NOTE: Duplexes will be billed as outlined in the "Residential Service Installations and Upgrades for Single and Duplex Dwellings" section in the current Schedule of Rates and Charges – Electric.

~~*Field Engineering*~~*Distribution Designer* *Deposits*

A customer requesting a new or modified electric service, relocation of facilities, or other work requiring engineering and construction, must make a deposit with the department. If the project is cancelled, the deposit will be applied to the actual charges incurred, any resulting credit or debit will be

refunded or billed to the customer. Upon completion of engineering, the customer will deposit with the department the total deposit required.

ENGINEERING DEPOSITS

A. Residential and duplex single phase installations, 1-2 lots.....$~~8398~~0.00
B. Single commercial buildings, transformer upgrades, raising, lowering, or removing existing power.....$1,~~35~~870.00
C. Residential subdivision of 3-25 lots, commercial subdivision of 2-10 lots, raising, lowering, or removing existing power.....$1,755.00
D. Residential subdivision of more than 25 lots, commercial subdivision of more than 10 lots, malls, shopping centers, hospitals $3,310.00

Other Deposits

The following jobs are standard in nature, and specific deposits have been established for them. In all cases actual costs will be tracked and any resulting credit or debit will be refunded or billed to the customer.

A. Install and terminate secondary riser up to 100 feet (no transformer required)
   Residential to 200 amps ..... $1,~~06~~320.00
   Commercial (cable supplied and installed by customer) ..... $~~68~~940.00
B. Open transformer to pull in secondary and terminate cable up to 130' ..... $~~535~~610.00
C. Single phase padmount transformer upgrade (no other customers)
   Upgrade one transformer size ..... $1,9~~2~~95.00
   Upgrade two transformer sizes ..... $2,4~~7~~50.00
   Upgrade three transformer sizes ..... $~~3~~2,~~015~~905.00
D. Single phase padmount transformer upgrade (other customers)
   Upgrade one transformer size ..... $2,~~45~~605.00
   Upgrade two transformer sizes..... $3,0~~0~~60.00
   Upgrade three transformer sizes ..... $3,~~280~~515.00
E. Single phase overhead transformer upgrade (no other customers)
   Upgrade one transformer size ..... $1,6~~25~~55.00
   Upgrade two transformer sizes ..... $2,~~13~~045.00
F. Single phase overhead transformer upgrade (other customers)
   Upgrade one transformer size ..... $2,~~155~~260.00
   Upgrade two transformer sizes ..... $2,6~~65~~50.00

Note: Work tickets (not work orders) will be opened for these jobs and the actual costs will be billed. The cutoff for work tickets is $1,000.00 except for transformer upgrades.

Temporary Extensions

The following requirements apply to all temporary extensions/connections necessary to serve customers such as transient shows, carnivals, fairs, circuses, concessions, residential construction work, or others of a temporary nature, excluding commercial development construction as defined in the *Contractor Construction Standards*.

A. The customer shall pay a flat rate of $2~~00~~35.00 for the cost of installation and removal of the temporary extension as defined in the *Contractor Construction Standards*, under "Temporary Construction Service". Customers with extensions not meeting these standards will be billed for the actual costs.
B. The customer shall pay for electric consumption monthly under the applicable rate.
C. No temporary service shall continue beyond the time of building occupancy, or eighteen months from connection of such temporary service, whichever occurs sooner, without the consent of the City.
D. The City may refuse to connect additional customers to temporary extensions until the temporary extensions have become permanent.

Area Lighting

A 100-watt high pressure sodium vapor fixture will be furnished and installed by the City at a fixed one time charge. Any fixture other than a 100-watt fixture, poles, secondary conductor and other apparatus, if required, will be provided at an additional charge based on actual costs incurred by the Water and Power Department. Decisions for location of the lights shall be at the discretion of the City. Applications for area lights should be made at the City of Loveland Water and Power Department. The fee for the installation of a 100-watt high pressure sodium vapor fixture is $320.00.

Energizing of Electric Service to Small Devices Qualifying for Flat Rate Service

There will be a flat fee for the energizing of electric service to small devices attached to the City's electric distribution system for the purpose of amplifying cable TV and telephone signals or operating automatic sprinkler controls in remote locations. A fee of $~~270~~315.00 shall be charged to the customer for the actual installation of the service. No outlets will be permitted, nor shall there be lighting of any kind connected to this type of service. If there is no existing source and an extension of secondary power is necessary, the customer will pay for actual costs to energize the device

Pole Attachment Fee

Each attachment by a non-City utility to a City of Loveland power pole will be charged $1~~1~~6.~~93~~60 per year.

Public Electric Vehicle Charging Station Service User Fees

Level 2 – 240 Volt Charging: $1.00 per hour of charging.

III. Fees - Miscellaneous

After Hours

After hours fees apply to all requests received after 4:00 p.m. Monday through Friday, anytime Saturday or Sunday, and all holidays observed by the City of Loveland.

Fire Hydrant and Fire Protection Tap

A charge of $~~2~~3.~~7~~00 per residence and $~~6~~7.~~6~~30 per business per month shall be paid by water users outside the city who are located within one thousand feet of a fire hydrant, measured along roads or streets, and $~~6~~7.~~6~~30 per month per tap for each fire protection tap serving premises outside the city. If fire protection tap service is the only city utility service received by the premises, an administrative fee of $~~1~~2.~~9~~10 per month shall also be paid.

Hydrant Meter Guidelines

General: Fire hydrants are installed for the main purpose of fire protection. Whenever a hydrant meter is placed on a hydrant, that hydrant is, for all practical purposes, out of service and the chances of causing damage to that hydrant are increased. For these reasons and the potential for problems involved with providing hydrant meters on a rental basis, it has become necessary to establish more clearly defined guidelines for the use of hydrant meters.

Intent: The use of fire hydrant meters is intended for only those situations when a large volume of water is needed in a short period of time. These meters shall not be used as a temporary substitute for a permanent water service connection or a permanent irrigation tap. Examples of acceptable and unacceptable uses are as follows:

Acceptable:

- Providing water for increasing moisture during earthmoving.
- Filling swimming pools.
- Filling tanks on water truck (No chemicals allowed in tank).

Unacceptable

- Masonry work
- Car washes
- Irrigation
- Water for concrete saws
- Washing streets or parking lots

Hydrant Meter Guidelines Cont'd

Guidelines & Procedures: The following guidelines shall be used for regulating the use of fire hydrant meters:

1. Requests for hydrant meters must be received a minimum of 48 hours prior to the time needed. All requests should be made by contacting the Water and Power Department at 970-962-3701. The applicant must sign the Hydrant Meter Request Form at the Water and Power Department, 200 N. Wilson Avenue, and post a deposit of $1,~~0~~500.00 (money order or cashier's check) before the meter will be set. The deposit shall be held until all costs associated with the hydrant rental are paid in full and may be used to offset any such costs not paid within 30 days of issuance of the final invoice.
2. Each request will be reviewed to determine if the proposed use meets the intent of these guidelines. The use of the water from a hydrant meter for other than the stated purposes or misrepresentation of that use will result in the loss of the convenience of obtaining water in this manner.
3. The City will determine on a case-by-case basis whether or not a particular hydrant is acceptable for the installation of a meter. Not all hydrants are available for use with a meter. If the requested hydrant is not available, alternate hydrants will be suggested.
4. Water Utility personnel will install the meter, secure it to the hydrant, and operate the hydrant. Customer shall control flow of water with valve provided on meter assembly. Customer is responsible for securing this valve to prevent the unauthorized use of water by others. Removal of the handle or hand wheel from the control valve is not an acceptable method of securing the valve. ONLY trained City employees will be authorized to operate fire hydrants.
5. During the winter months, hydrant meters will be issued only on a day-to-day basis when outside temperatures are above freezing and are expected to remain above freezing for most of the day. Meters will be installed as soon after 8:00 a.m. as practical, and will be picked up at approximately 3:00 p.m. or earlier if outside temperatures drop below freezing, or if requested.
6. Meters will be issued with a male 2½" National Standard thread connection. No hoses or adapters will be provided.
7. Customer is responsible for all rental fees and other charges. A copy of the current fees is attached. These fees will include charges for all water use.
8. Customer is responsible for any and all damage to the meter and/or fire hydrant while meter is installed. If damage occurs, an invoice will be issued to cover all repair or replacement costs, and customer shall promptly pay the invoiced amount.
9. Number of hydrant meters is limited; therefore the meters are available on a first-come/first-served basis. A separate request form must be submitted for each location and/or time period requested.
10. In accordance with the City Code, it is unlawful to waste water. Every effort should be made to conserve this valuable resource. Wasteful uses will not be allowed.
11. Failure to comply with these guidelines, or illegally obtaining water from, or in any way tampering with a fire hydrant, is in violation of the City Code, and upon conviction is punishable by a fine or imprisonment.

Hydrant Meter Guidelines Cont'd

Alternate Source of Water: For building construction projects, water is also available through permanent water taps at a construction billing rate. This source of water is handled by the Building Division, 500 E. 3rd Street, 962-2504, and typically issued along with a building permit.

Summary of Hydrant Meter Fees and Charges

Installation of meter	$~~45~~55.00*
Moving meter	$~~45~~55.00*
Removal of meter	$~~45~~55.00*
Meter rental	$5.00/day
Water used	$1.~~31~~56/300 gallons

*After hour services (normal hours are Monday through Friday, 7:30 a.m. to 4:00 p.m.) will be charged for overtime labor rates in addition to the $~~45~~55.00 charge.

New Account or Reactivation Fee and New Account Meter Reading Fee

Connection fees in the following amounts are hereby imposed, to be collected with the first utility bill rendered after utility service has been established or a customer account or utility service is reactivated following voluntary or involuntary termination:

Activation or establishment of a customer account for a service address $11.00
Meter reading charge for service address if read by Utility Billing Division.....$10.00
Reactivation of a customer account for a service address $10.00
Interfering or Tampering with a Meter .....$1~~0~~10.00
Please see Section 13.02.130 of the Loveland Municipal Code for more information on additional fines regarding interfering or tampering with utility meters.

LOVELAND UTILITIES COMMISSION

AGENDA ITEM: 5
MEETING DATE: 9/20/2017
SUBMITTED BY: Joe Bernosky
STAFF TITLE: Director

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
- Markets 101 Presentation

RECOMMENDATION:

Commission/Council report only.

LOVELAND UTILITIES COMMISSION

AGENDA ITEM: 6
MEETING DATE: 9/20/2017
SUBMITTED BY: Joe Bernosky
STAFF TITLE: Director

ITEM TITLE:
Director's Report

GENERAL & PREVIOUS LUC MEETING FOLLOW UP ITEMS:
Las Vegas policy concerning front load washers: Staff researched the Conservation Codes for Las Vegas, Boulder City, Clark County, Henderson and North Las Vegas, Nevada, and contacted the Southern Nevada Water Authority (the regional wholesale water provider). Front load washers are recommended, but not required.

EVENTS:
Please note the following events that LUC members may wish to attend:

Foothills Solar & Substation Ribbon Cutting: This event will be held as follows:

Where: Mehaffey Park
(near West 29th St. and Rio Blanco Avenue)
Date: October 13, 2017
Time: 10:00 am to 1:00 pm

There will be a tour and food trucks available. This is open to the public in addition to invitees from PRPA, Loveland City Council, FEMA, RCA, Namaste Solar, Walsh Construction, Interstate Electrical, City of Loveland and of course the Loveland Utilities Commission. **Please note: If you plan to go on the tour of the solar field and substation, please wear closed toe shoes and be prepared to walk on uneven surfaces.**

South Platte Forum: Save the date for the 2017 South Platte Forum on October 25th & 26th at the Loveland Embassy Suites. For more information, visit www.southplatteforum.org.

Tour of Foundry Project: The Foundry, which represents the largest single downtown redevelopment project in the City's history, is well under way. If you are interested in peeking behind the fence, Economic Development is offering guided tours of the construction site on the following dates (subject to weather and other construction contingencies):

Friday, September 22, 2017
Friday, October 27, 2017
Friday, November 17, 2017
Friday, December 22, 2017
Friday, January 26, 2018
Friday, February 23, 2018
Friday, March 23, 2018
Friday, April 27, 2018
Friday, May 25, 2018

All tours start at 9 am at the back door of 320 N. Cleveland Ave. Keith Meyer, the City's onsite construction manager, will check you in, and provide you with the appropriate safety gear. He will also lead the tour. Space is limited to no more than 10 people per tour. If interested, please contact Mike Scholl at (970) 962-2607 or mike.scholl@cityofloveland.org with which tour date you are interested in attending.

OPERATIONS:

Water Operations:

2017 Joint RMSAWW/RMWEA Annual Conference: This year's joint conference, hosted by the Rocky Mountain Section of the American Water Works Association (RMSAWWA) and the Rocky Mountain Water Environment Association (RMWEA), was held at the Embassy Suites in Loveland from September 10th through 13th. Due to the close proximity, the Water Division was able to send over 50 employees to participate in part or all of this year's conference. This conference provides opportunities to hear water industry technical presentations, to learn what new products and services are available in the water industry, and to network with other water professionals.

2017 WEFTEC Annual Conference: Special Projects Engineer, Brian Gandy, will be attending the 2017 Water Environment Federation's Technical Exhibition and Conference (WEFTEC 2017) held in Chicago from September 30th through October 4th. This is one of the largest water industry conferences in the world with over 33,000 attendees and over 1,000 exhibitors. Brian will have the opportunity to further his education and learn from industry leaders in water management, water treatment, wastewater, water utility, water quality, water resources, and stormwater.

Namaqua Hills Pump Station: The Water and Power Department is currently designing improved pumping facilities for two water pressure zones that serve the Namaqua Hills subdivision. The existing pumping componentry is reaching obsolescence, and replacement parts can no longer be obtained. Therefore, the City along with its civil engineering consultant HDR, are sizing new vertical multi-stage pumps that will be staged in the existing pump station at Morning Drive and at the Namaqua Hills pump station off of Ponderosa Drive. Construction of these pump station upgrades is slated to start near the beginning of 2018, and when complete will provide consistent and reliable water service to customers in Namaqua Hills for years to come.

Wastewater Treatment Plant Biological Nutrient Removal and Digester Project: The Garney Construction crews are gaining momentum on the Wastewater Treatment Plant Improvements Project. Since June, the crews have relocated the 30-inch diameter sewer interceptor at the north end of the plant in order to make way for the new digester facility. The renovation and coatings installation at secondary clarifier 3 is complete and the structure is back online. However, the most visible work recently completed includes the demolition of the abandoned digesters/maintenance building (pictured at left) and the construction

of the exterior walls of the new maintenance building (pictured above). The crews have also started the mass excavation for what will be the new digester facility (pictured right). With the recent LUC and City Council approval of the package 2 contract, Garney Construction will begin to mobilize additional crews onsite and begin work on the larger-scale improvements. These improvements include the constructing the new Return Activated Sludge (RAS) anoxic tank, improvements to the six existing aeration basins, and the construction of the new digester facility. This is an exciting time for the project and the team. Plant tours will be scheduled in the near-term for those who are interested in seeing this project take shape.

Shubert Drive & Wilson Avenue Waterline Replacement: The water pipelines in S hubert Drive and South Wilson Avenue have experienced several leaks and required numerous repairs over the past few years. A replacement project was designed and bid to ensure reliable water to our customers and decrease the number of outages due to leaks. The project includes replacing approximately 1,400 linear feet of 16-inch diameter pipe along South Wilson Avenue and approximately 1,000 linear feet of 8-inch diameter pipe on Shubert Drive. Bids were received on August 14, 2017 and Connell Resources from Fort Collins was the low bidder. The Loveland Utility Council recommended the award of the project at the August 16, 2017 meeting to Connell Resources. The project is scheduled to begin in mid-September.

Power Operations:

Foothills Substation: The Line Crews completed the termination of the new feeder cables coming out of Foothills Substation. This was the final stage of work prior to the new substation transformers being energized. Currently there are no customers receiving electrical service out of the new substation as the distribution system along 29th Street is still under construction by L & M Contracting between Rio Blanco and Wilson Avenues.

Electric Metering Update: With the summer months upon us, the Electric Metering group has been busy keeping up with all of the new construction. Every new building requires a new meter. Sometimes these new installations require meters for many individual units. The meter shop is very thorough and meticulous when

installing a large group of electric meters to assure each one is labeled and addressed correctly in the system for billing. Below you can see the meter stack at Waterford Apartments before and after meter installation.

Weather Disturbances Bring Power Problems: Not only do these summer months bring heavy construction they also bring unpredictable weather. The evening thunderstorms we have been experiencing lately keep the Electric Metering Crew busy monitoring voltage fluctuations that are sometimes caused by Mother Nature's weather disturbances. These voltage fluctuations can impact both commercial and residential customers resulting in calls to the meter shop. Staff monitors services to determine if there are actions that can be taken on the distribution side to minimize these voltage fluctuations. It is usually determined that these particular issues are caused by weather disturbances and nothing can be done to resolve these unpredictable occurrences.

Safety: While working on the road widening on Taft Avenue at the old Railroad rights-of-way, the contractor on site made contact with the overhead neutral and primary wires. This incident happened as an excavator was being moved under the overhead line. Customers on the feeder noticed a bump on their electrical service, but no outages were reported. Crews responded to the incident to make repairs to the wires that ran perpendicular to Taft Avenue. Power Operation management met with the contractor's director of safety and the contract crew on site to review the incident. The director of safety called a safety stand-down. Fortunately, there were no injuries from the incident. There were noticeable burn scorch marks on the excavator boom. Markers had been installed on the overhead lines to notify the contractor of the wire location and clearance prior to the construction work starting.

Substations: Cottonwood Step Substation had its appearance changed this past month as the three step down transformers were taken out of service and replaced by a step up transformer that once was located at the West Substation. The step down transformers converted the 22kv line from West Substation to 2.4kv for the neighborhood of Becker Lane and Glade Road. The step up transformer now converts the new 12.47kv line out of West Substation to 22kv, which provides the electrical transmission to the Bartrum Park area just west of the Narrows in the Big Thompson Canyon/Highway 34. Power contracting and the City of Loveland Line Crews have been working together on various portions of the canyon circuit rebuild project.

OH to UG Conversion: Great News! The overhead to underground conversion of the Milner-Hafner neighborhood was completed the week of August 14th when the last of the overhead wires and the last power pole were removed. The major obstacle that caused delays completing the project was the difficulty making contact with customers to convert their services to the new underground system.

Overhead Rebuild: In addition to the changes at Cottonwood Substation, power contracting has begun the overhead rebuild west of the substation. Assisting the contract crews, Loveland's Lineworkers took on the task of spreading the 22kv line in preparation for the contactor to pull in new wires for the system upgrade/rebuild. As the City of Loveland Line Crews were working on spreading the 22kv wires, power contracting was installing new power poles adjacent to the old steel poles. The steel poles will be removed once the new overhead lines are energized.

GENERATION, TRANMISSION & NORTHERN COLORADO UTILITY REPORTS:

Northern Water Conservancy District: The minutes from the September 14, 2017 board meeting have not been posted yet. The next board meeting will be held on Thursday, October 12, 2017 at 9 am at Northern Water headquarters located at 220 Water Ave., Berthoud, CO 80513.

Platte River Power Authority (PRPA): The minutes from the September 14, 2017 meeting have not been posted yet. The next board meeting will be held on Thursday, October 12, 2017 at 9 am at PRPA headquarters located at 2000 E. Horsetooth Rd, Fort Collins, CO 80525.

Fort Collins Energy Board: The minutes from the September 14, 2017 meeting have not been posted. The next board meeting will be held on Thursday, October 12, 2017 at 5:30 pm at the Colorado River Community Room, 222 LaPorte Avenue, Fort Collins, CO.

UTILITY APPLICATION SERVICES:

CIS Replacement: Vendor proposals are due September 14, 2017; finalists will be notified on October 13, 2017 with demonstration slated to begin in January 2018.

Conduit Inventory Project: With help of both the electric line and electric design groups, GIS staff has been able to capture data for 132 vaults to date.

Project & Request Tracking: One of the Technology Roadmap recommendations was to establish a tracking system for our team's work. Since the beginning of the year, we have configured CityWorks for this purpose. The big projects, tracked as work orders, are reported to be approved and prioritized by our LWP Technology Steering Committee. There are currently 32 approved projects in our queue. The smaller, maintenance-type jobs are tracked as service requests. So far this year we have completed 148 requests within an average of 3.5 days. Here they are broken down by type:

Application Requests – 2.25 days
Application Support – 12.48 days
Data Requests – 4.16 days
Hardware Support – 12.25 days
Map Requests – 5.25 days
Report Requests – 1.6 days

UTILITY ACCOUNTING:

Power Peak Demand and Energy Flat In July: There was almost no change in both power usage and peak demand in July compared to a year ago, and, year to date, there is still some departure between the two components. This year, Loveland's share of PRPA's July peak was 150,409 kW, nearly unchanged from the 150,441 kW of July 2016, and up 2.1% from the average of the past five July peaks. The 150,441 kW peak from last year set an all-time record for Loveland, so this year's peak almost matched that mark. Purchased energy was down 0.8% vs. July of 2016. Overall, in comparing the year-to-date total of the January-July monthly peak demands to the same period in 2016, this year is up 2.2%, but purchased energy is down 1.5% year-to-date.

Strong Water Sales in July: For the second consecutive year, July water usage really helped bolster water sales. The average usage per customer for July was 23,979 gallons, which is 4.2% higher than the average of the past five Julys. This year's YTD average through July is 10,054 gallons per customer. The 10,054 gallons is 2.5% lower than the July YTD average usage of the past five years, but is a marked improvement over the 5.5% lower average usage through June. This rally in July propelled water sales from being ahead of budget by just $26,000 through June to being favorable to budget by $316,000 through July.

Impact Fee Update: Staff completed the annual update of System Impact Fees (SIF) for Water and Wastewater, and Plant Investment Fees (PIF) for Power. These are the fees collected to fund future growth-related capital projects. For residential customers, the SIF for Water is proposed to increase by $110, the PIF for is proposed to increase by $70 and the SIF for Wastewater is proposed to increase by $100. This $280 total increase represents a 3.1% increase over the 2017 fees. For commercial customers, the impact fees will feature increases ranging from 0.4% to 7.9%, depending on the utility and service size. These proposed changes were approved unanimously by the Construction Advisory Board at their August 23, 2017 meeting. Next will be presentations to the Loveland Utilities Commission at their September meeting before moving on to City Council for consideration in October.

CUSTOMER RELATIONS:

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

- Emergency Preparedness Expo – October 7, 2017 (Only Power Crews will be attending)
- Foothills Solar Array and Substation Grand Opening – October 13, 2017
- Loveland Business Appreciation Breakfast – October 5, 2017

Facebook Insights (August 2017):

- Reach (unique users) – 7,553 people
- Engagement (unique users) – 109 people
- Impressions (total count) – 18,875 people

Media:

- Reporter Herald – September 9, 2017: This Week in History for the week of Sept. 10–16, 2017
- Reporter Herald – September 9, 2017: RH line calls

Reports:

- On August 25, 2017 the Electrification Coalition Released the Drive Electric Northern Colorado Case Study on Establishing an EV Accelerated Community

Energy Efficiency: Staff is working closely to manage the $200K funds from the Power Division to extend services to Loveland businesses through Efficiency Works. Since the reload of funding, we have committed to 11 projects totaling more than $50,000.

Public Power Week: October 1-7, 2017