



REGULAR MEETING AGENDA

CALL TO ORDER

APPROVAL OF MINUTES – 10/18/2017

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

INFORMATIONAL ITEMS

1. Financial Report Update – Jim Lees

REGULAR AGENDA

2. Highway 287 Overhead to Underground Conversion Substructure Contract – Frank Lindauer
3. Namaqua Pump Station Improvements and Raw Water Bypass – Leslie Moening
4. Rights of First Refusal to Acquire Windy Gap Water Units from Platte River Power Authority – Larry Howard

STAFF REPORTS

5. Water Quality Lab Concept Pricing Package from HDR – Tom Greene

COMMISSION & COUNCIL REPORTS

DIRECTOR'S REPORT

ADJOURN

*** 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”.

Commission Members Present: Dan Herlihey, David Schneider, Gary Hausman (Chairman), Gene Packer, Larry Roos, John Butler, Randy Williams (arrived at 4:07pm), Sean Cronin, Alternate Stephanie Fancher-English

Commission Members Absent: Dave Kavanagh

Council Liaison Absent: Troy Krenning

City Staff Members Present: Bob Miller, Briana Reed-Harmel, Courtney Whittet, Daniel Daneshka, Gretchen Stanford, Jim Lees, Joe Bernosky, John Beckstrom, Larry Howard, Michelle Erickson, Roger Berg, Steve Johnson, Tanner Randall, Tom Greene,

Guest Attendance: Jean Leaver, Cliff Welter, Jane Clevenger, Dick Mallott, Hugh McKean, Dave Jessup

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 September 20, 2017 meeting.

Motion: Dan Herlihey made the motion.

Second: Dave Schneider seconded the motion. The minutes were approved unanimously.

CITIZEN REPORTS

INFORMATIONAL ITEMS

Item 1: Drive Electric Northern Colorado Case Study – Gretchen Stanford

Included in this informational item is a full copy of the Drive Electric Northern Colorado case study as well as an explanation of how the program has truly become a replicable and scalable model for other cities throughout the United States.

Informational Item only. No action required.

CONSENT AGENDA

Item 2: 3rd Quarter 2017 Goal Update Report – Joe Bernosky

This is a quarterly review of our progress on our 2017 utility goals.

Item 3: Overhead / Padmount Transformer 2015-54 Contract Renewal – Steve Johnson

Renew a one (1) year contract (year 3) to Western United Electric Supply Corporation for Overhead / Padmount Transformer 2015-54. Through the Municipal Code, City Council has previously authorized LUC the option of approving contracts exceeding \$500,000. This authorization reduces the number of items that go to Council for consideration and increases the City's efficiency. Under these circumstances, the City Manager then signs the supply contract after LUC approval. This contract renewal is being brought forward for LUC action.

Comments: Correction to the packet, remove the line in the Recommendation that states "No action required."

Item 4: Contract Amendment to Increase Overhead / Padmount Transformers 2015-54 Contract – Steve Johnson

This item is to increase the Overhead / Padmount Transformers 2015-54 contract with Western United Electric Supply Corporation for the purchase of Overhead & Padmount Transformers.

Motion: Dan Herlihey made the motion to accept consent agenda items as written.

Second: John Butler seconded the motion. The motion was approved unanimously.

STAFF REPORTS**Item 5: Presentation by Jean Leaver, Thompson River Commissioner**

Jean Leaver will give a presentation on the Division of Water Resources and her role as Division 1 District 4 Water Commissioner, which includes the Big Thompson River.

Staff item only. No action required.

Colorado State Representative Hugh McKean stopped by to discuss the State's water plan, the movement towards renewable sources of energy, transportation and education. Rep. McKean advised he is always available to answer questions, his cell phone is 970-581-3754 and he would like that added to the minutes.

Item 6: Quarterly Financial Report Update – Jim Lees

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

Staff item only. No action required.

Item 7: 2016 Water Loss Audit – Michelle Erickson

This item reviews the results of the Water Loss Audit of 2016, including ways to improve data validity of future audits, the progress made to improve the water tracking methods, and the actions taken or identified to better manage or reduce non-revenue water.

Staff item only. No action required.

REGULAR AGENDA**Item 9: Augmentation Water Agreement Request – Larry Howard**

Proposed trade of 12 CBT units for up to 6.0 acre-feet of annual augmentation and replacement supply to be used in augmentation plan for Sylvan Dale Ranch, Case No. 14CW3016 (Water Div. 1).

Recommendation: I move that the LUC recommends that City Council approve an Agreement with Sylvan Dale Ranch, LLP conveying 2 units of CBT water in exchange for each acre-foot of augmentation water to be delivered by the City for Sylvan Dale's augmentation plan, with the final amount of augmentation water not to exceed 7 acre-feet annually, as determined by further engineering analysis and negotiation with Sylvan Dale and as further described in the draft agreement presented to the LUC dated 10/18/17.

Motion: Dan Herlihey made the motion, motion withdrawn after discussion. Sean Cronin made an amended motion: To approve the concept of an agreement go to city council that includes a 2 for 1 exchange of water.

Second: Randy Williams seconded the motion. The motion was approved unanimously.

Comments: Dave Schneider asked about the particulars of refilling the ponds. David Jessup responded, stating that the ponds are spring fed, so the augmentation is mainly for evaporative loss. Without this augmentation, they may have to shut down their hay and cattle operation, which is vital to the continuing operation of the Sylvan Dale Dude Ranch as a whole. Sean Cronin asked how the calculations would be done and if they would be done on a daily or monthly basis. Stephanie Fancher-English stated evaporation is fairly consistent from day to day. Cronin, Schneider and Randy Williams all stated that they would feel more comfortable making a motion to approve the concept rather than any specifics.

Item 8: HDR contract for Final Design of the Boyd Parallel Interceptor and Morning Drive 30" Waterline Phase 2 – Tanner Randall

This item is for the approval of the final design contract amendment to HDR for the Boyd Parallel Interceptor (W1601H) and Morning Drive 30" Waterline Phase 2 (W1705D) project. HDR is currently finishing the Preliminary Design phase services for both of the projects. In addition to the contract a brief overview of each of the projects will be provided to familiarize the LUC of these critical needs.

Recommendation: Adopt a motion recommending that the LUC approve the change order to the contract for Final Design of the Boyd Parallel Interceptor and Morning Drive 30" Waterline Phase 2 with HDR to increase the not-to-exceed amount to \$532,400 and authorize the City Manager to sign the change order on behalf of the City.

Motion: John Butler made the motion.

Second: Dave Schneider seconded the motion. The motion was approved unanimously on a vote of 8, Dan Herlihey, as an employee of HDR, removed himself from discussion and abstained from the vote.

COMMISSION/COUNCIL REPORTS

Item 10: 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: Ribbon cutting ceremony was great, enjoyed getting out and walking among the panels.

Dave Schneider: Would like to go to the Fall Water User's meeting; also went online to look at beneficial use for selenium to find out what we could do about the problem at the WWTP. Selenium can be used as a treatment for asthma, Colorado has long been thought of as a haven for asthmatics.

Gene Packer: Interested in some of the events listed in the Director's Report, the South Platte Forum and the Fall Water User's Meeting.

Gary Hausman:

John Butler: The ribbon cutting ceremony was awesome, good job by all. Facility looks great, very impressive.

Larry Roos:

Randy Williams: Nice job on the dedication of the Solar Field and Substation.

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

ADJOURN The meeting was adjourned at 7:37 pm. The next LUC Meeting will be November 15, 2017 at 4:00 pm.

Respectfully submitted,

Courtney Whittet
Recording Secretary
Loveland Utilities Commission

ITEM TITLE:

Financial Report Update

DESCRIPTION:

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

SUMMARY:





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

	October				October 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	\$1,362,088	\$1,539,549	(\$177,461)	-11.5%	\$13,236,064	\$12,345,285	\$890,779	7.2%
Operating Expenses	\$983,178	\$864,713	\$118,465	13.7%	\$15,002,839	\$9,822,077	\$5,180,762	52.7%
Capital (Unrestricted)	\$202,038	\$200,668	\$1,370	0.7%	\$1,229,598	\$4,118,216	(\$2,888,618)	-70.1%
WASTEWATER								
Sales	\$969,651	\$889,778	\$79,873	9.0%	\$9,453,942	\$8,419,543	\$1,034,399	12.3%
Operating Expenses	\$639,297	\$684,722	(\$45,425)	-6.6%	\$5,917,481	\$5,408,260	\$509,221	9.4%
Capital (Unrestricted)	\$1,028,203	\$332,929	\$695,274	208.8%	\$3,509,779	\$2,335,654	\$1,174,126	50.3%
POWER								
Sales	\$4,668,150	\$4,682,832	(\$14,681)	-0.3%	\$52,201,189	\$49,718,681	\$2,482,508	5.0%
Operating Expenses	\$4,294,407	\$7,194,610	(\$2,900,204)	-40.3%	\$47,176,905	\$45,100,734	\$2,076,171	4.6%
Capital (Unrestricted)	\$1,252,930	\$1,116,999	\$135,931	12.2%	\$11,961,942	\$6,731,507	\$5,230,435	77.7%

RECOMMENDATION:

Information 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 10/31/2017

	* TOTAL BUDGET FYE 12/31/2017 *	*	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1 REVENUES & SOURCES	*	*				
2 High Use Surcharge	*	*	115,801	43,800	72,001	164.4%
3 Raw Water Development Fees/Cap Rec Surcharge	*	*	299,394	344,316	(44,922)	-13.0%
4 Cash-In-Lieu of Water Rights	*	*	93,092	208,300	(115,208)	-55.3%
5 Native Raw Water Storage Fees	*	*	376,371	4,170	372,201	8925.7%
6 Loan Payback from Water	*	*	4,161,687	4,050,375	111,312	2.7%
7 Raw Water 1% Transfer In	*	*	397,082	383,930	13,152	3.4%
8 Interest on Investments	*	*	209,315	311,800	(102,485)	-32.9%
9 TOTAL REVENUES & SOURCES	*	*	5,652,743	5,346,691	306,052	5.7%
10 OPERATING EXPENSES	*	*				
11 Loan to Water	*	*	0	0	0	0.0%
12 Windy Gap Payments	*	*	7,044	5,920	1,124	19.0%
13 TOTAL OPERATING EXPENSES	*	*	7,044	5,920	1,124	19.0%
14 NET OPERATING REVENUE/(LOSS) (excl depr)	*	*	5,645,699	5,340,771	304,928	5.7%
15 RAW WATER CAPITAL EXPENDITURES	*	*	1,280,288	1,668,310	(388,022)	-23.3%
16 ENDING CASH BALANCES	*	*				
17 Total Available Funds	*	*	17,697,183			
18 Reserve - Windy Gap Cash	*	*	0			
19 Reserve - 1% Transfer From Rates	*	*	5,978,687			
20 Reserve - Native Raw Water Storage Interest	*	*	1,618,719			
21 TOTAL RAW WATER CASH	*	*	25,294,589			

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 0

Attachment B

City of Loveland
Financial Statement-Water Rev
For Period Ending 10/31/2017

	TOTAL BUDGET			OVER	
	FYE 12/31/2017	* YTD ACTUAL	YTD BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*	*			
2 REVENUES & SOURCES	*	*			
3 Water Sales	*	14,477,980	13,236,064	12,737,924	498,140 3.9%
4 Raw Water Transfer Out	*	(434,340)	(397,082)	(383,930)	(13,152) 3.4%
5 Wholesale Sales	*	138,790	131,995	133,079	(1,084) -0.8%
6 Meter Sales	*	54,710	67,852	42,750	25,102 58.7%
7 Interest on Investments	*	152,410	75,135	127,000	(51,865) -40.8%
8 Other Revenue	*	950,250	399,975	908,580	(508,605) -56.0%
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	14,340,760	14,316,759	24,001 0.2%
13 OPERATING EXPENSES	*	*	*	*	*
14 Source of Supply	*	2,478,490	1,503,395	2,113,022	(609,627) -28.9%
15 Treatment	*	3,401,252	2,416,766	2,849,402	(432,636) -15.2%
16 Distribution Operation & Maintenance	*	3,674,230	2,611,222	3,108,701	(497,479) -16.0%
17 Administration	*	687,657	375,304	502,146	(126,842) -25.3%
18 Customer Relations	*	398,899	257,050	294,214	(37,164) -12.6%
19 PILT	*	983,050	898,729	860,169	38,560 4.5%
20 1% for Arts Transfer	*	99,837	7,249	87,217	(79,968) -91.7%
21 Services Rendered-Other Departments	*	1,309,058	1,091,694	1,091,694	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	933,315	844,990	88,325 10.5%
24 TOTAL OPERATING EXPENSES	*	18,903,086	15,002,839	16,608,180	(1,605,341) -9.7%
25 NET OPERATING REVENUE/(LOSS)(excl depr)	*	(2,811,930)	(662,079)	(2,291,421)	1,629,342 -71.1%
26 CAPITAL EXPENDITURES	*	3,636,394	1,229,598	3,001,555	(1,771,957) -59.0%
27 ENDING CASH BALANCE (37% OF OPER EXP)	*	*	6,975,219		100
28 WATER DEBT FUNDS ENDING CASH BALANCE	*	*	284,033		100
29 MINIMUM BALANCE (15% OF OPER EXP)	*	*	2,835,463		
30 OVER/(UNDER) MINIMUM BALANCE	*	*	4,139,756		
31 **RESTRICTED FUNDS**	*	*			
32 REVENUES & SOURCES	*	*			
33 SIF Collections	*	2,755,460	1,792,652	1,632,690	159,962 9.8%
34 SIF Interest Income	*	33,180	23,871	26,630	(2,759) -10.4%
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	1,892,326	1,659,320	233,006 14.0%
38 SIF Capital Expenditures	*	727,198	164,461	555,257	(390,796) -70.4%
39 1% for Arts Transfer	*	1,049	579	780	(201) -25.7%
40 Legal Agreements & Settlements	*	53,700	17,885	53,700	(35,815) -66.7%
41 SIF ENDING CASH BALANCE	*	*	3,093,526		100
42 TOTAL ENDING CASH BALANCE	*	*	10,068,745		
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING:			2,363,401		
43 Water Treated at WTP (in million gallons)	*	*	3,992		
44 Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales)	*	3,561	3,383	3,209	174 5.4%

Attachment C

City of Loveland-LIVE Financial Stmt-Wastewater Rev For Period Ending 10/31/2017

	TOTAL BUDGET			OVER	
	FYE 12/31/2017	YTD ACTUAL	YTD BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*	*			
2 REVENUES & SOURCES	*	*			
3 Sanitary Sewer Charges	11,325,240 *	9,453,942	9,473,098	(19,156)	-0.2%
4 High Strength Surcharge	360,690 *	394,644	308,609	86,035	27.9%
5 Interest on Investments	164,020 *	115,629	136,700	(21,071)	-15.4%
6 Other Revenue	12,920 *	71,321	11,980	59,341	495.3%
7 Bond Proceeds	16,000,000 *	340,380	16,000,000	(15,659,620)	-97.9%
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 *	10,375,916	25,930,387	(15,554,471)	-60.0%
11 OPERATING EXPENSES	*	*			
12 Treatment	3,998,441 *	2,875,488	3,355,630	(480,142)	-14.3%
13 Collection System Maintenance	2,879,459 *	1,512,041	2,416,054	(904,013)	-37.4%
14 Administration	423,386 *	208,408	361,809	(153,401)	-42.4%
15 Customer Relations	45,509 *	32,119	38,478	(6,359)	-16.5%
16 PILT	818,020 *	689,401	681,680	7,721	1.1%
17 1% for Arts Transfer	234,793 *	26,545	215,563	(189,018)	-87.7%
18 Services Rendered-Other Departments	633,529 *	528,542	528,542	0	0.0%
19 Debt Service	1,051,432 *	44,937	876,200	(831,263)	-94.9%
20 TOTAL OPERATING EXPENSES	10,084,569 *	5,917,481	8,473,956	(2,556,475)	-30.2%
21 NET OPERATING REVENUE/(LOSS)(excl depr)	17,778,301 *	4,458,435	17,456,431	(12,997,996)	-74.5%
22 CAPITAL EXPENDITURES	25,257,533 *	3,509,779	23,301,046	(19,791,267)	-84.9%
23 ENDING CASH BALANCE (124% OF OPER EXP)		12,514,159			100
24 WASTEWATER DEBT FUNDS ENDING CASH BALANCE		5,142			100
25 MINIMUM BALANCE (15% OF OPER EXP)		1,512,685			
26 OVER/(UNDER) MINIMUM BALANCE		11,001,474			
27 **RESTRICTED FUNDS**	*	*			
28 REVENUES & SOURCES	*	*			
29 SIF Collections	2,039,750 *	956,947	1,832,480	(875,533)	-47.8%
30 SIF Interest Income	134,730 *	81,157	112,300	(31,143)	-27.7%
31 SIF Bond Proceeds	8,900,000 *	208,620	8,900,000	(8,691,380)	-97.7%
32 TOTAL SIF REVENUES & SOURCES	11,074,480 *	1,246,724	10,844,780	(9,598,056)	-88.5%
33 SIF Capital Expenditures	13,672,962 *	1,240,570	12,212,129	(10,971,559)	-89.8%
34 1% for Arts Transfer	125,668 *	7,978	117,198	(109,220)	-93.2%
35 Debt Service	584,859 *	27,542	487,380	(459,838)	-94.3%
SIF ENDING CASH BALANCE		8,654,087			100
TOTAL ENDING CASH BALANCE		21,168,246			
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING		32,827,185			
36 Wastewater Treated at WWTP (in million gallons)	N/A *	1,892	N/A		
37 Wastewater Billed To Customers (in million gallons)	1,767 *	1,481	1,482	(1)	-0.1%

Attachment D

City of Loveland
Financial Statement-Power
For Period Ending 10/31/2017

	*	TOTAL BUDGET	*	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
UNRESTRICTED FUNDS							
1 REVENUES & SOURCES:	*		*				
2 Electric revenues	*	\$62,342,360	*	\$52,201,189	\$52,921,880	(\$720,691)	-1.4%
3 Wheeling charges	*	\$244,650	*	\$227,439	\$203,875	\$23,564	11.6%
4 Interest on investments	*	\$229,810	*	\$156,555	\$191,508	(\$34,953)	-18.3%
5 Aid-to-construction deposits	*	\$1,830,000	*	\$1,430,889	\$1,525,000	(\$94,111)	-6.2%
6 Customer deposit-services	*	\$310,000	*	\$186,342	\$258,333	(\$71,991)	-27.9%
7 Late Payment Penalty Fees	*	\$415,000	*	\$408,897	\$345,833	\$63,064	18.2%
8 Connect Fees	*	\$160,000	*	\$143,963	\$133,333	\$10,630	8.0%
9 Services rendered to other depts.	*	\$0	*	\$1,800	\$0	\$1,800	0.0%
10 Other revenues	*	\$333,100	*	\$950,827	\$277,583	\$673,243	242.5%
11 Federal Grants	*	\$0	*	\$2,611,226	\$0	\$2,611,226	0.0%
12 State Grants	*	\$0	*	\$433,909	\$0	\$433,909	0.0%
13 Year-end cash adjustments	*	\$0	*	\$0	\$0	\$0	0.0%
14 TOTAL REVENUES & SOURCES	*	\$65,864,920	*	\$58,753,036	\$55,857,347	\$2,895,690	5.2%
15 OPERATING EXPENSES:	*		*				
16 Hydro oper. & maint.	*	\$6,407,916	*	\$579,135	\$5,422,083	(\$4,842,948)	-89.3%
17 Solar oper.& maint.	*	\$90,000	*	\$37,982	\$76,154	(\$38,172)	-50.1%
18 Purchased power	*	\$43,470,597	*	\$35,886,771	\$36,618,445	(\$731,674)	-2.0%
19 Distribution oper. & maint.	*	\$5,184,771	*	\$3,796,559	\$4,387,114	(\$590,555)	-13.5%
21 Customer Relations	*	\$1,470,771	*	\$694,899	\$1,244,499	(\$549,600)	-44.2%
22 Administration	*	\$840,662	*	\$522,873	\$711,329	(\$188,457)	-26.5%
23 Payment in-lieu-of taxes	*	\$4,328,980	*	\$3,614,898	\$3,632,014	(\$17,116)	-0.5%
24 1% for Arts Transfer	*	\$147,470	*	\$61,426	\$123,727	(\$62,301)	-50.4%
25 Services rendered-other depts.	*	\$2,376,665	*	\$1,982,362	\$1,980,554	\$1,808	0.1%
26 TOTAL OPERATING EXPENSES (excl depn)	*	\$64,317,832	*	\$47,176,905	\$54,195,919	(\$7,019,014)	-13.0%
27 NET OPERATING REVENUE/(LOSS) (excl depn)	*	\$1,547,088	*	\$11,576,132	\$1,661,427	\$9,914,704	\$0
28 CAPITAL EXPENDITURES:	*		*				
29 General Plant/Other Generation & Distribution	*	\$14,410,913	*	\$10,269,176	\$12,176,757	(\$1,907,581)	-15.7%
30 Aid-to-construction	*	\$1,630,000	*	\$1,438,240	\$1,379,231	\$59,009	4.3%
31 Service installations	*	\$310,000	*	\$254,526	\$262,308	(\$7,782)	-3.0%
32 TOTAL CAPITAL EXPENDITURES	*	\$16,350,913	*	\$11,961,942	\$13,818,295	(\$1,856,353)	-13.4%
33 ENDING CASH BALANCE (26% of Oper Exp)	*		*	\$16,924,790			
34 MINIMUM BAL. (23% of OPER EXP excl depn/chg 2017)	*		*	\$14,793,101			
35 OVER/(UNDER) MINIMUM BALANCE	*		*	\$2,131,689			
RESTRICTED FUNDS							
37 PIF Collections	*	\$2,747,630	*	\$2,078,004	\$2,289,692	(\$211,687)	-9.2%
38 PIF Interest Income	*	\$25,030	*	\$31,229	\$20,858	\$10,370	49.7%
39 Water Loan Payback	*	\$806,250	*	\$791,700	\$806,250	(\$14,550)	-1.8%
40 Federal Grants	*	\$0	*	\$191,250	\$0	\$191,250	0.0%
41 State Grants	*	\$0	*	\$23,906	\$0	\$23,906	0.0%
42 TOTAL REVENUES	*	\$3,578,910	*	\$3,116,089	\$3,116,800	(\$711)	0.0%
43 PIF Feeders	*	\$2,441,998	*	\$1,067,786	\$2,066,306	(\$998,520)	-48.3%
44 PIF Substations & Solar	*	\$2,565,882	*	\$125,283	\$2,138,235	(\$2,012,952)	-94.1%
45 TOTAL EXPENDITURES	*	\$5,007,880	*	\$1,193,069	\$4,204,541	(\$3,011,472)	-71.6%
46 ENDING PIF CASH BALANCE	*		*	\$3,243,245			
47 TOTAL ENDING CASH BALANCE	*		*	\$20,168,035			
NOTE: YTD ACTUAL does NOT include encumbrances totalling \$3,830,722							
48 Energy Purchased (in million kWh) from PRPA	*	737	*	606	616	(10)	-0.1%
49 Energy Sold to Customers (in million kWh)	*	715	*	593	606	(13)	-2.2%



ITEM TITLE:

Hwy 287 Overhead to Underground Conversion Substructure Contract

DESCRIPTION:

The purpose of this item is to award a construction contract to the lowest responsive, responsible bidder for the Hwy 287 Overhead to Underground Conversion Substructure Project.

SUMMARY:

This project involves the installation of electrical substructure material including, but not limited to, concrete vaults, handholes, transformer pads and basements, conduit, cable in conduit, and concrete street light bases along Colorado State Highway 287 (North Garfield Avenue) between East County Road 30 (71st Street) and West 29th Street. Installation will require excavation, trenching, and directional boring of materials of different sizes, lengths, and configurations.

Please see Attachment A for the Bid Tabulation *(to be distributed at meeting)*.

Per Municipal Code 3.12.060A and 3.12.060B, the LUC must approve Water and Power contracts above \$500,000 or any change order that causes a contract to equal or exceed \$500,000 and which, when combined with all previous change orders, equals or exceeds 20% of the original contract amount.

RECOMMENDATION:

Adopt a motion to award the contract for Hwy 287 Overhead to Underground Conversion Substructure Project to *(contractor to be determined prior to start of meeting)* in an amount not to exceed *(to be determined prior to start of meeting)* and authorize the City Manager to execute the contract on behalf of the City.

ATTACHMENTS:

-  Attachment A: Tabulation of Bids *(to be distributed at meeting)*



ITEM TITLE:

Namaqua Pump Stations Improvements and Raw Water Bypass

DESCRIPTION:

The purpose of this item is to award a construction contract to the lowest qualified bidder for the Namaqua Pump Stations Improvements and Raw Water Bypass.

SUMMARY:

The purpose of this project is the rehabilitation of the City’s existing Namaqua Pumps at the Morning Drive Pump Station and the rehabilitation of the Namaqua Hills Pump Station. Coupled with this pump station work is the installation of a raw water bypass at the Water Treatment Plant. The existing Namaqua P2 (pressure zone) pumps at Morning Drive Pump Station and the Namaqua Hills Pump Station pumps have reached their useful life. The City can no longer maintain or find replacement parts for the pumps. The work at the Morning Drive Pump Station includes but is not limited to the replacement of two pumps with 250 gpm pumps with variable frequency drives (VFD’s) and one 1,000 gpm municipal duty pump with a VFD. The work at the Namaqua Hills Pump Station includes but is not limited to the replacement of two existing pumps with 70 gpm pumps installed with VFD’s and one new 40 gpm jockey pump with VFD for low flow periods in the P3 zone. The work at the Loveland Water Treatment Plant will include the installation of a raw water bypass to allow raw water to bypass the WTP and flow back into the Big Thompson River. This includes the furnishing and installing of new piping and appurtenances inside the existing sleeve valve vault. This bypass project will allow for the City to meet augmentation requirements.





Please see attachment A for the Bid Tabulation *(to be distributed at meeting due to bid date occurring after the publish time of the packet)* and Attachments B, C, and D for plan views of each project.

Per Municipal Code 3.12.060A and 3.12.060B, the LUC must approve Water and Power contracts above \$500,000 or any change order that causes a contract to equal or exceed \$500,000 and which, when combined with all previous change orders, equals or exceeds 20% of the original contract amount.

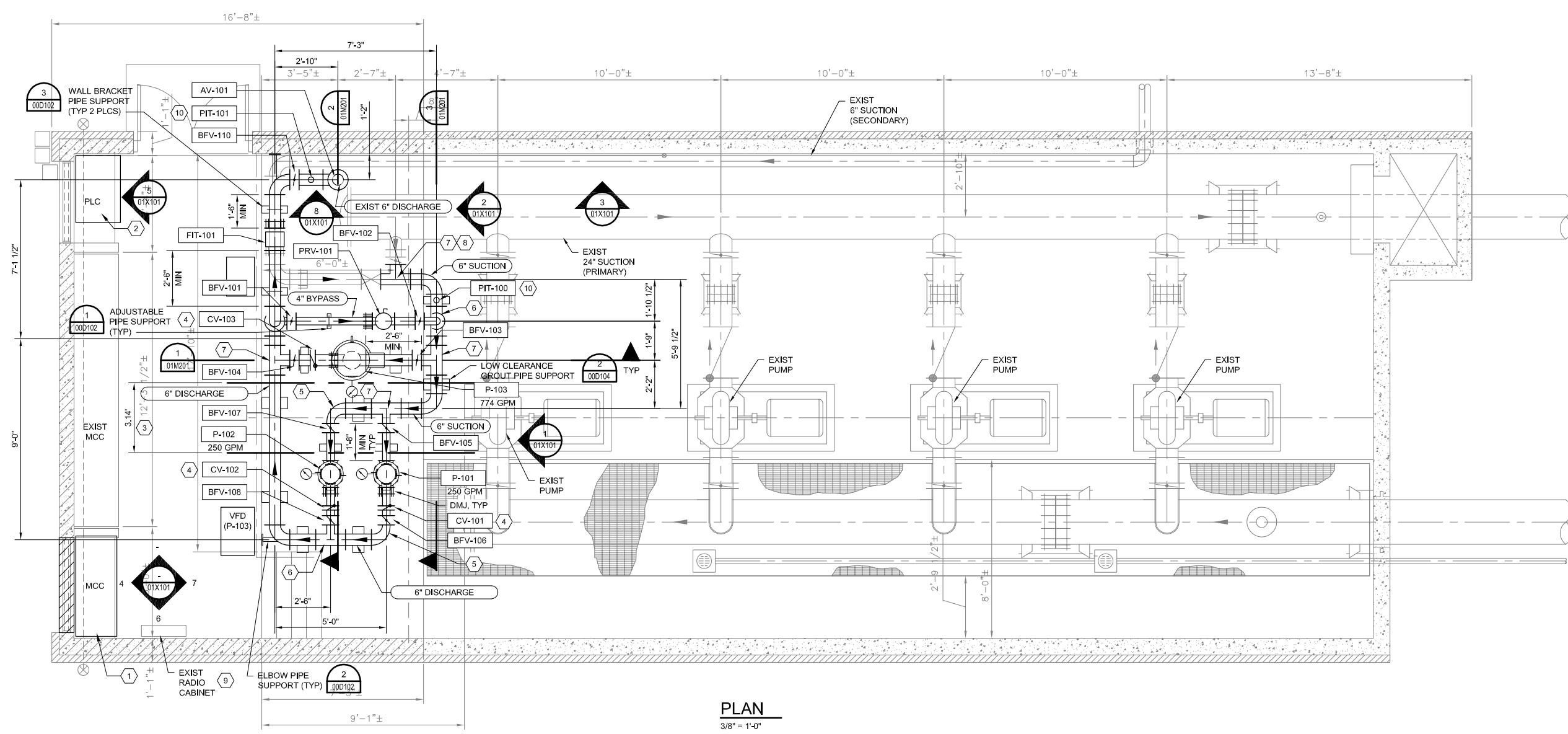
RECOMMENDATION:

Adopt a motion to award a contract for the Namaqua Pump Stations Improvements and Raw Water Bypass to *(contractor to be determined prior to start of meeting)* in an amount not to exceed *(to be determined prior to start of meeting)* and authorize the City Manager to execute the contract on behalf of the City.

ATTACHMENTS:

-  Attachment A: Tabulation of Bids *(to be distributed at meeting)*
-  Attachment B: Morning Drive Pump Station Improvements
-  Attachment C: Namaqua Hills Pump Station Improvements
-  Attachment D: Raw Water Bypass Improvements

Attachment B



PLAN
3/8" = 1'-0"

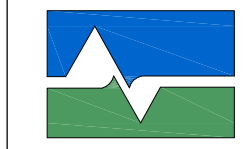
PRELIMINARY - NOT FOR CONSTRUCTION

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ISSUE	DATE	DESCRIPTION
	10/17/2017	ISSUED FOR BID

PROJECT MANAGER	S. POOL
PROJECT ENGINEER	A. BRADNEY
STRUCTURAL	R. MANSKE
ELECTRICAL	T. MOORE
I&C	B. CASSITY
DRAWN BY	T. HICKS
PROJECT NUMBER	000000010029813



City of Loveland
NAMAQUA PUMP STATIONS
IMPROVEMENTS AND
RAW WATER BYPASS

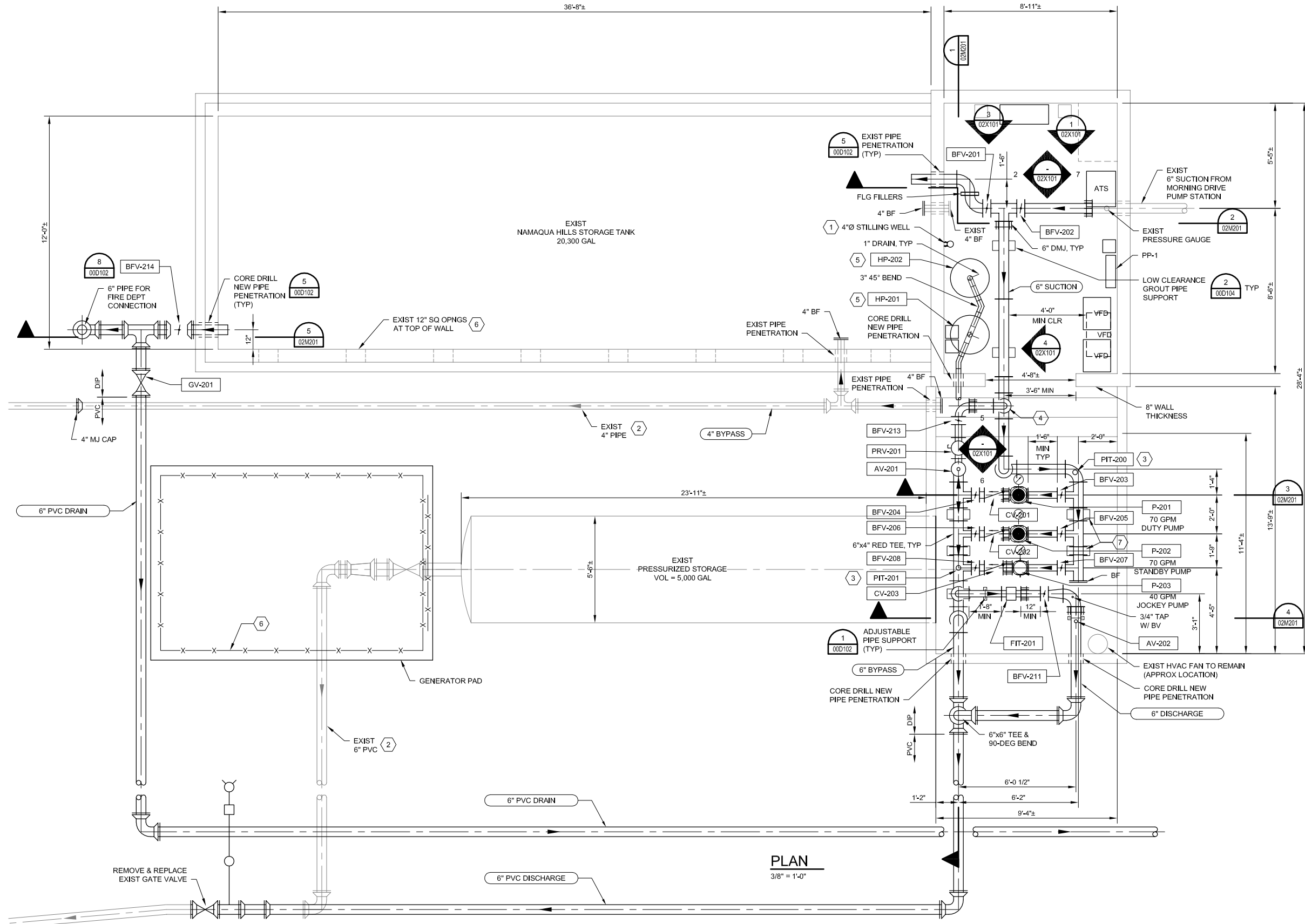


MORNING DRIVE
MECHANICAL PROCESS PLAN
ATTACHMENT 3-B

FILENAME | 01M101.DWG | SHEET
SCALE | 3/8" = 1'-0" (22x34) | 3/16" = 1'-0" (11x17) | 01M101

3

Attachment C



- KEY NOTES:**
- 1 INSTALL 4" STILLING WELL WITH 2" PVC PIPE PENETRATIONS INTO EXISTING NAMAQUA HILLS STORAGE TANK PER DETAIL 2/00D103.
 - 2 ABANDON IN PLACE.
 - 3 SEE DETAIL 3/00D103.
 - 4 CONNECT 4" BYPASS LINE TO 6" SUCTION LINE. INSTALL 6"x6"x4" TEE AND SPOOL.
 - 5 SUPPORT AND ANCHOR TANK PER MANUFACTURER RECOMMENDATIONS.
 - 6 CONTRACTOR TO REMOVE BRICKS AND GROUT FILL OPENINGS.
 - 7 CONCRETE SADDLE PIPE SUPPORT, TYPICAL. SEE DETAIL 03/00D101.

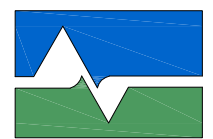
PLAN
3/8" = 1'-0"

PRELIMINARY - NOT FOR CONSTRUCTION



ISSUE	DATE	DESCRIPTION
	10/17/2017	ISSUED FOR BID

PROJECT MANAGER	S. POOL
PROJECT ENGINEER	A. BRADNEY
STRUCTURAL	R. MANSKE
ELECTRICAL	T. MOORE
I&C	B. CASSITY
DRAWN BY	T. HICKS
PROJECT NUMBER	000000010029813



City of Loveland
**NAMAQUA PUMP STATIONS
IMPROVEMENTS AND
RAW WATER BYPASS**

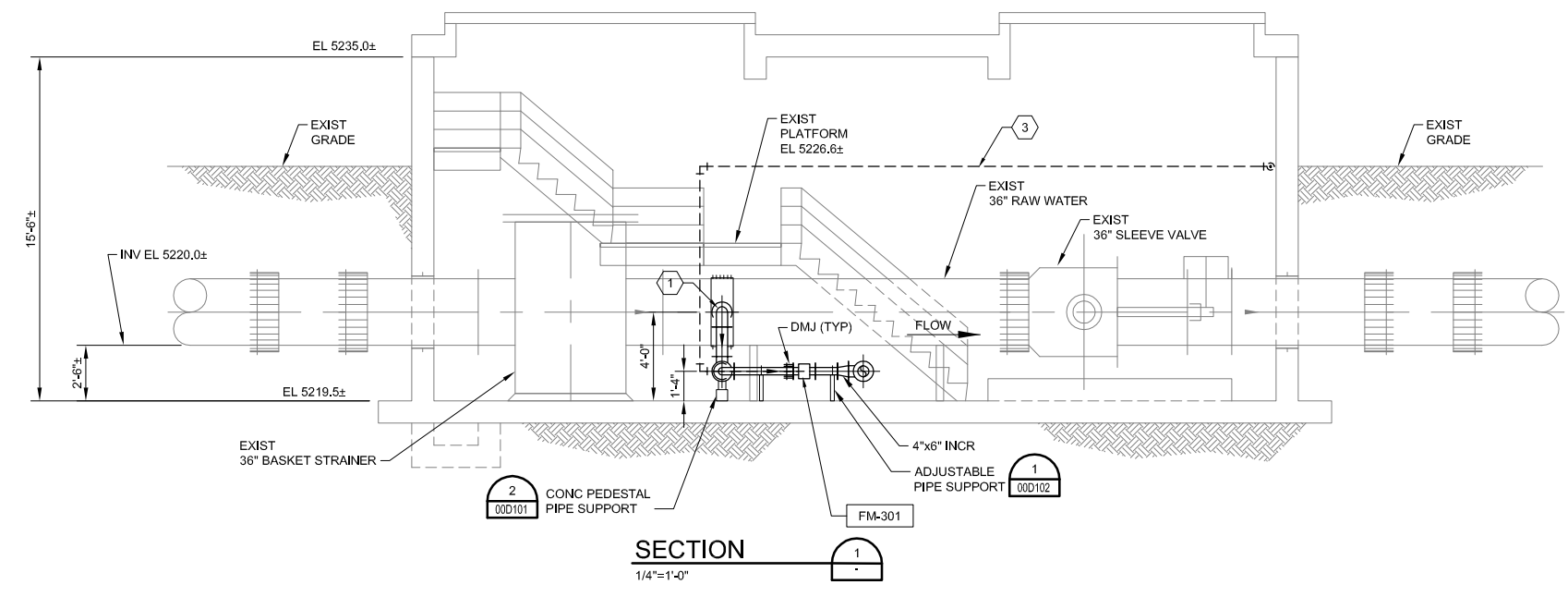
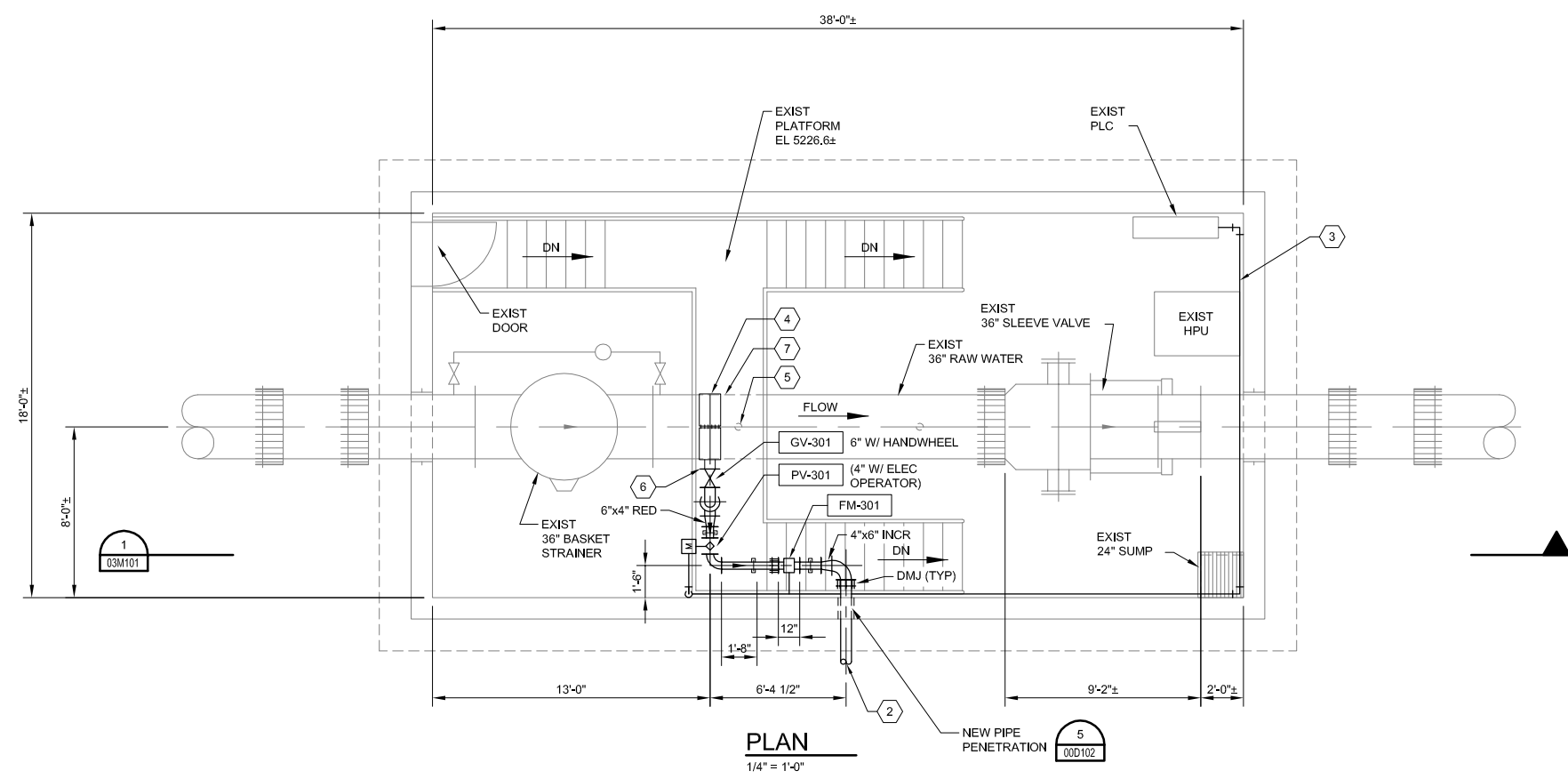
**NAMAQUA HILLS
MECHANICAL PROCESS PLAN
ATTACHMENT 3-C**



FILENAME | 02M101.DWG | SHEET | 02M101
SCALE | 3/8" = 1'-0" (22x34) | 3/16" = 1'-0" (11x17)

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Attachment D



- GENERAL NOTES:**
- A. COORDINATE WORK WITH CITY, SEE SPECIFICATION 01060 FOR REQUIREMENTS.
- KEY NOTES:**
- 1 CONTRACTOR TO INSTALL 6" SS TAPPING SADDLE ON EXISTING 36" STEEL PIPE. THE CITY WILL PERFORM THE DRILLING OF THE PIPE. CONTRACTOR SHALL PROVIDE ALL MATERIALS AND PERFORM ALL OTHER WORK.
 - 2 SEE SHEET 03C101 FOR CONTINUATION.
 - 3 ROUTE FOUR (4) 3/4" CONDUITS ON WALL AND ABOVE WALKWAY FOR POWER AND CONTROL WIRES TO PV-301 AND FM-301. PULL WIRES FOR TERMINATION BY THE CITY.
 - 4 ROMAC STS420 TAPPING SADDLE.
 - 5 REMOVE & REPLACE PIPE SUPPORT IF REQUIRED FOR TAP.
 - 6 INSTALL INSULATING FLANGE KIT.
 - 7 REMOVE AND REPAIR EXISTING TAPE WRAP AS REQUIRED FOR PIPE TAP.

PRELIMINARY - NOT FOR CONSTRUCTION

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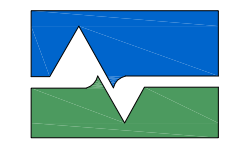


ISSUE	DATE	DESCRIPTION
-	10/17/2017	ISSUED FOR BID

PROJECT MANAGER	S. POOL
PROJECT ENGINEER	A. BRADNEY
STRUCTURAL	R. MANSKE
ELECTRICAL	T. MOORE
I&C	B. CASSITY
DRAWN BY	T. HICKS
PROJECT NUMBER	000000010029813



15



City of Loveland
NAMAQUA PUMP STATIONS
IMPROVEMENTS AND
RAW WATER BYPASS

**RAW WATER BYPASS
MECHANICAL PROCESS PLAN AND SECTION**

ATTACHMENT 3-D

FILENAME: 03M101.DWG
SCALE: 1/4" = 1'-0" (22x34)
1/8" = 1'-0" (11x17)

SHEET
03M101
3

ITEM TITLE:

Agreement Regarding Exercise of Rights of First Refusal to Acquire Windy Gap Water Units from Platte River Power Authority

DESCRIPTION:

In 1974, the Cities of Loveland and Fort Collins, and the Town of Estes Park, each assigned portions of their original Windy Gap units to Platte River Power Authority (PRPA), and each Assignment contained language preserving to the transferring entity a right of first refusal in the event PRPA ever transferred or sold the units. The Assignments provided little guidance regarding the coordination of the exercise of the Municipalities' respective rights of first refusal. PRPA recently sold 23 of its 160 units and none of the municipalities chose to exercise its right of first refusal. This sale process highlighted the need for an agreement between the municipalities and PRPA as to how PRPA will administer and document the Municipalities exercise or refusal of their rights. Attorneys and staff for the municipalities and PRPA then negotiated the language of the proposed agreement that is intended to address that need.

SUMMARY:

On July 29, 1974, the City assigned half of the City's original 1/6 interest in the Windy Gap Project to PRPA and reserved for the City a right of first refusal on substantially similar terms and conditions, should PRPA ever offer the units for sale or lease. A copy of the Assignment is included as Attachment B.



Around the same time, the Town of Estes Park entered into a similar Assignment for half of its 1/6 interest in the WG Project, and the City of Fort Collins entered into a similar Assignment for the entire amount of its 1/6 interest in the Project. Through these Assignments PRPA acquired 160 units (40 from both the City and Estes Park, and 80 from Fort Collins), representing 1/3 of the 480 total units in the Project. Recently, PRPA sold 23 of these units, and none of the three municipalities chose to exercise its right of first refusal. This proposed Agreement, included as Attachment A to this cover letter, provides for efficient administration and documentation of the municipalities' exercise or refusal of such rights with respect to any future leases or sales, including developed reuse potential. No Municipality will have the right of first refusal to acquire from PRPA more Windy Gap Units than the equivalent number of units it originally assigned to PRPA in 1974. The procedure proposed in the Agreement:

1. PRPA will serve a Notice of Transfer to the municipalities once PRPA has reached agreement on the terms of a proposed transfer, containing the number of units and the compensation involved
2. Within 63 days, each municipality shall waive or exercise its right of first refusal as to the block of units proposed for transfer
3. Within 63 days of the exercise of the right of first refusal, the exercising municipality and PRPA shall enter into a purchase agreement for the units on substantially similar terms as the original Notice.
4. If more than one municipality exercises its right of first refusal, the exercising municipalities shall have 77 days to negotiate the purchase agreement between themselves and PRPA as to the acquisition of the units jointly (i.e., the municipalities must agree as to how the block of units will be divided in the purchase)
5. These procedures shall continue to apply for every proposed sale or transfer of units by PRPA, unless a municipality acquires through this process the amount of units it originally assigned.

RECOMMENDATION:

Adopt a motion recommending that the City Manager execute on behalf of the City of Loveland the Agreement Regarding Exercise of Rights of First Refusal to Acquire Windy Gap Water Units from Platte River Power Authority.

ATTACHMENTS:

-  Attachment A: Agreement Regarding Exercise of Rights of First Refusal to Acquire Windy Gap Water Units from Platte River Power Authority
-  Attachment B: Assignment dated July 29, 1974

Attachment A

AGREEMENT REGARDING EXERCISE OF RIGHTS OF FIRST REFUSAL TO ACQUIRE

WINDY GAP WATER UNITS FROM PLATTE RIVER POWER AUTHORITY

WHEREAS, the City of Fort Collins, the City of Loveland and the Town of Estes Park (each a “Municipality” and collectively the “Municipalities”) participated in a project developed by the Municipal Subdistrict of the Northern Colorado Water Conservancy District (“Subdistrict”) to divert and store water from the Western Slope known as the “Windy Gap Project;” and

WHEREAS, in connection with their participation in the Windy Gap Project, each of the Municipalities received a preferential right to contract with the Subdistrict for a certain fraction of the waters developed by the Subdistrict; and

WHEREAS, the waters developed by the Subdistrict were ultimately represented by contractual allotments of units of water from the Windy Gap Project (“Windy Gap Water Units”), with each unit representing approximately 1/480th of the anticipated yield of the Windy Gap Project, or approximately 100 acre-feet of water; and

WHEREAS, in July 1974, the Municipalities assigned their preferential rights to contract with the Subdistrict for the equivalent of 160 Windy Gap Water Units to the Platte River Power Authority (“Platte River”), being the equivalent of 80 units from Fort Collins, and 40 units from Loveland and 40 units from Estes Park, with copies of said assignments being attached hereto as Exhibits A, B, and C; and

WHEREAS, each of the Municipalities’ assignments of the Windy Gap Water Units to Platte River reserved a right of first refusal to the Municipalities, stating:

[I]f Platte River shall ever offer the right to the use of any of such waters, through development of reuse potential, transfer, lease or sale of any portion of the allotment, or otherwise, to any other person or entity, it shall first offer the use thereof, to the Municipality on substantially similar terms and conditions as those at which such right of use is offered to such other person or entity.

The assignments, however, provided no further guidance regarding the coordination of the exercise of the Municipalities’ respective rights of first refusal; and

WHEREAS, Platte River has previously sold 23 Windy Gap Water Units to various third parties, leaving Platte River with 137 Windy Gap Water Units, and the Municipalities each waived and refused their respective rights of first refusal with respect to those 23 Windy Gap Water Units; and

WHEREAS, the Municipalities and Platte River wish to provide for the efficient administration and documentation of the Municipalities’ exercise or refusal of such rights with respect to any future transfer of the right to use any such Windy Gap Water Units, through development of reuse potential,

transfer, lease or sale of any portion of the allotment, or otherwise (hereinafter a “Windy Gap Transfer”);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned parties agree as follows:

1. Term of Agreement. This Agreement shall remain in force and effect until the termination of rights described in Section 8 below has occurred.

2. Notice of Transfer. Upon reaching agreement on the material terms of a proposed Windy Gap Transfer with a third party, Platte River shall provide written notice to the Municipalities (“Notice of Transfer”). The Notice of Transfer shall state, at minimum, (a) the number of Windy Gap Water Units subject to the proposed Windy Gap Transfer and (b) the material terms of the proposed Windy Gap Transfer. Notice shall be deemed given as of the date of receipt of the Notice of Transfer by the Municipalities. The identity of the counterparty need not be disclosed in the Notice of Transfer.

3. Confidentiality of Terms of Notice of Transfer. It is agreed and understood that the unauthorized disclosure of the terms of a proposed Windy Gap Transfer may cause immediate and irreparable damage to Platte River, including but not limited to the loss of favorable transaction terms. Accordingly, the Notice of Transfer and all terms and conditions set forth therein (hereinafter referred to collectively as “Confidential Information”) shall be subject to the following terms and conditions:
 - a. Platte River shall conspicuously mark any Notice of Transfer given to the Municipalities as “CONFIDENTIAL”.
 - b. The Municipalities shall maintain the Confidential Information in the strictest of confidence and shall not disclose such terms and conditions to any third party without the express, written consent of Platte River, subject to Paragraph 3.f. For the purposes of this paragraph, “third party” does not refer to a Municipality’s employees, agents, consultants, contractors, and elected or appointed officials.
 - c. The obligations of confidentiality and non-disclosure regarding the Confidential Information set forth herein shall be binding upon the Municipalities and their respective employees, agents, consultants, contractors, and elected or appointed officials, subject to Paragraph 3.f.
 - d. Each Municipality shall take such steps as are reasonably necessary to limit the disclosure of the Confidential Information to a Municipality’s employees, agents, consultants, contractors, and elected or appointed officials, with a need to know such information in order to assist the Municipality in evaluating whether to exercise its right of first refusal, subject to Paragraph 3.f.
 - e. Each Municipality shall inform any person to whom it discloses the Confidential Information of the confidentiality obligations of this Agreement and, with respect to persons who are not a Municipality’s employees or elected or appointed officials, shall

secure the written agreement of that person to maintain the confidentiality of such Confidential Information.

- f. Nothing herein shall affect the obligations of a Municipality to either make disclosures or preserve the confidentiality of the Notice of Transfer to the extent required by law or court order, including, but not limited to, requirements under the Colorado Open Records Act, CRS §24-72-201 et seq., and other Colorado and federal statutes, court rules, and administrative rules and regulations. If a Municipality receives a request to produce or disclose the Confidential Information, whether pursuant to the Colorado Open Records Act, C.R.S. §24-72-201, et seq., through a subpoena or other lawful process, or otherwise, the Municipality shall (a) notify Platte River of the request as soon as practicable and (b) take such steps, to the extent permitted by law, as may reasonably be required to enforce this covenant of confidentiality against such disclosure, unless Platte River consents to the disclosure in writing.
- g. The terms and conditions regarding the preservation of the confidentiality of the Confidential Information shall continue for a period of one year from the date of receipt of the Notice of Transfer by the Municipalities.

Platte River may waive the requirements of subparagraphs a through g of this Section 3 upon written notice to the Municipalities.

4. Exercise or Waiver of Right. Each Municipality shall have sixty three (63) calendar days from receipt of the Notice of Transfer to provide Platte River notice of its intent to exercise or waive its right of first refusal. The right of first refusal must be exercised with respect to the entire amount of Windy Gap Water Units included in the particular proposed Windy Gap Transfer, and may not be exercised with respect to a portion of the Windy Gap Water Units included in the particular proposed Windy Gap Transfer. By providing written notice of its intent to exercise right of first refusal with respect to any proposed Windy Gap Transfer (a "Notice to Exercise"), a Municipality agrees to be bound to the terms and conditions set forth in the Notice of Transfer. Platte River and the Municipality shall thereafter enter into a written agreement incorporating the material terms of the Notice of Transfer within sixty three (63) days after the Municipality delivers its written Notice to Exercise to Platte River. If Platte River does not receive a Municipality's Notice to Exercise or a written waiver of the right of first refusal within sixty three (63) days of the Notice of Transfer, the Municipality shall be deemed to have waived and refused its right of first refusal with respect to that proposed Windy Gap Transfer.

5. Concurrent Pro-Rata Rights/Joint Exercise. The Municipalities' rights of first refusal with respect to any proposed Windy Gap Transfer shall run concurrently. If more than one Municipality delivers a Notice to Exercise to Platte River within the sixty three (63) day period described in Section 4, the Municipalities may exercise their rights of first refusal jointly. Platte River shall immediately notify each Municipality in writing that more than one Notice to Exercise has been received, and the Municipalities that have delivered the Notice to Exercise shall have seventy-seven (77) days after such notice to negotiate an agreement among themselves and Platte River to acquire jointly the rights subject to the proposed Windy Gap Transfer from Platte River and to deliver such joint agreement to Platte River. The

Municipalities agree that, in such negotiations, the Municipalities shall recognize their respective pro rata rights of first refusal. The Municipalities may agree to divide the rights subject to the proposed Windy Gap Transfer, as well as the consideration to be paid to Platte River for such rights, as among themselves. The material terms of any such joint agreement, including the consideration to be paid to Platte River, shall be substantially the same as set forth in the Notice of Transfer.

6. Limit on Number of Units Subject to Right. No Municipality shall have the right to acquire from Platte River, through the exercise of its rights of first refusal, more Windy Gap Water Units than the equivalent number of Windy Gap Water Units that such Municipality originally assigned to Platte River: i.e. City of Fort Collins (80), City of Loveland (40), and Town of Estes Park (40). If a Municipality exercises its right of first refusal with respect to any Windy Gap Water Units subject to a Windy Gap Transfer, its right of first refusal shall be reduced by the number of Windy Gap Water Units acquired thereby. If two or more Municipalities jointly exercise a right of first refusal with respect to any Windy Gap Transfer, those Municipalities shall agree in writing and notify Platte River as to how the Windy Gap Water Units will be apportioned among them and their respective rights of first refusal shall be reduced by the number of Windy Gap Water Units so apportioned. Notwithstanding the foregoing, a Municipality may increase the number of Windy Gap Water Units subject to its right of first refusal by acquiring the rights of first refusal held by any other Municipality. Platte River shall maintain a record of the number of Windy Gap Water Units subject to each Municipality's right of first refusal and the number of Windy Gap Water Units acquired through each Municipality's exercise of its right of first refusal.

7. Effect of Waiver of Right of First Refusal on Future Windy Gap Transfer. If a Municipality waives or refuses its right of first refusal to any Windy Gap Transfer, it shall continue to have the right to exercise its right of first refusal as to any future Windy Gap Transfer up to the full number of units remaining subject to such Municipality's right of first refusal.

8. Termination of Rights. A Municipality's right of first refusal to acquire Windy Gap Water Units from Platte River shall terminate if a Municipality acquires, through the right of first refusal, a number of Windy Gap Water Units equal to the equivalent number of units it originally assigned to Platte River or, if it has obtained additional rights of first refusal as described in Section 6 above, the sum total of all such units attributable to those originally assigned and later acquired.

9. Sales to a Municipality. Platte River shall not offer for sale any Windy Gap Water Units to any Municipality without offering a like number of units to the other Municipalities. In any such sales, the Municipalities shall not have the right to exercise their rights of first refusal addressed in this Agreement against another Municipality, provided however, that the number of Windy Gap Water Units that a Municipality acquires shall count against that Municipality's limit under Paragraph 6 of this Agreement.

10. Right Inapplicable to Subsequently Acquired Units. A Municipality's right of first refusal shall not extend to any Windy Gap Water Units that may be acquired by Platte River separate and apart from the units attributable to those initially assigned to Platte River by the Municipalities.

11. Notices. Any notice required to be given under this Agreement shall be made in writing and delivered via email or overnight delivery to the following:

If to Fort Collins: City Manager and Utilities Executive Director
City of Fort Collins
P.O. Box 580
Fort Collins, CO 80522
With a copy to City Attorney's Office

a. If to Loveland: Director, Department of Water and Power
City of Loveland
200 N. Wilson Ave
Loveland, CO 80537

With a copy to:
City Attorney
City of Loveland
500 E. 3rd St. Suite 330
Loveland, CO 80537

b. If to Estes Park: [Address/Contact]

If to Platte River: General Manager
Platte River Power Authority
2000 East Horsetooth Road
Fort Collins, CO 80525
(with a copy to the General Counsel at the same address)

12. Entire Agreement. This Agreement represents the entire agreement among the parties concerning the subject matter herein, and shall supersede and replace any prior negotiations, understandings or agreements concerning such subject matter.

13. Amendments. This Agreement may not be altered or amended except by a writing duly executed by an authorized agent of the party to be charged with performance.

14. Counterparts. This Agreement may be executed in counterparts, all of which together shall be considered a single agreement.

DATED this ____ day of _____, 2017.

CITY OF FORT COLLINS

By: _____
Mayor

Attest:

DATED this ____ day of _____, 2017.

CITY OF LOVELAND

By: _____
Mayor

Approved as to Form:

Attest:

Assistant City Attorney

Acting City Clerk

DATED this ____ day of _____, 2017.

TOWN OF ESTES PARK

By: _____
Mayor

Attest:

DATED this ____ day of _____, 2017.

PLATTE RIVER POWER AUTHORITY

By: _____
Chief Executive Officer

Attest:

Attachment B

Loveland S-3105

5069

A S S I G N M E N T

WHEREAS, Platte River Power Authority (hereafter, "Platte River"), is an agency and instrumentality of the City of Loveland, Colorado (hereafter, the "Municipality"), and supplies at wholesale electric power and energy requirements of the Municipality for resale by its municipal electric utility; and

WHEREAS, Platte River will require additional electric generating capacity when the limits of its existing and scheduled energy resources have been reached, presently anticipated for the year 1982, and Platte River anticipates that such additional capacity will be located in the Platte River drainage basin; and

WHEREAS, the limited availability of water sources in Eastern Colorado to meet the cooling requirements incident to any proposed thermal-electric generating facility makes the acquisition of adequate water supplies essential to Platte River's and the Municipality's future power supply; and

WHEREAS, the Municipality is a participant in the Municipal Subdistrict, Northern Colorado Water Conservancy District and entitled as such to a preferential right to contract for an allotment equal to one-sixth (1/6) of the waters developed by the said Subdistrict;

NOW, THEREFORE, the Municipality does by these presents assign, transfer and convey to Platte River one-half (1/2) of its preferential right to contract for said allotment, or any part thereof.

And Platte River, in consideration of said assignment, does agree with the Municipality:

(1). That within three (3) years from the execution of an allotment contract between the said Sub-district and Platte River for the use of the waters allotted to Platte River by virtue of this assignment, Platte River shall reimburse the Municipality for that portion of the assessments heretofore paid by the Municipality to the Sub-district and to the Six Cities Water Committee in connection with the investigation, protection and development of the so-called "Windy Gap Project", which is attributable to the preferential right herein assigned to Platte River, and

(2). Except for the use of the waters allotted to Platte River by virtue of this agreement in connection with the generation of electric energy in a thermal-electric project or projects in which Platte River participates, if Platte River shall ever offer the right to the use of any of such water, through development or reuse potential, transfer, lease or sale of any portion of the allotment, or otherwise, to any other person or entity, it shall first offer the use thereof to the Municipality on substantially similar terms and conditions as those at which such right of use is offered to such other person or entity.

This agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

IN WITNESS WHEREOF, this agreement has been executed by the parties this 29 day of July, 1974.

PLATTE RIVER POWER AUTHORITY

By Stanley P. Carr
President

ATTEST:

Robert L. Altker
Secretary

CITY OF LOVELAND, COLORADO

By Jean A. James
Mayor

ATTEST:

Richard S. Jung
City Clerk

ITEM TITLE:

Water Quality Lab Conceptual Design and Cost Estimate from HDR Engineering

DESCRIPTION:

Staff will provide a short overview presentation about the new Water Quality Lab, including project background information, the proposed Water Quality Lab conceptual design, and estimated cost.

SUMMARY:

The City of Loveland Water and Power Department is designing a new Water Quality Lab (WQL). Phase I of the project hired HDR engineering/architectural to work with staff to create a detailed design and conceptual pricing. Phase II of the project will be for a final design, specifications, and bidding services. The project budget is \$3.5M and scheduled for 2018-2019 construction.

Background: The COL W&P Water Quality group currently has two (2) water quality labs that are State Certified by the Colorado Department of Public Health and Environment. The Wastewater Treatment Plant Lab (1,170 sf) was constructed in 1974, and the Water Treatment Plant Lab (125 sf) was constructed in 1981 totaling 1,295 sf.

A Water Quality Laboratory Alternative Evaluation was conducted in 2012, which evaluated the usefulness of existing lab space versus a new WQL facility. The report concluded that there was not enough existing/spare space for the needed WQL facility and recommended new construction to be located at the Wastewater Treatment Plant.

The Water Quality Staff performs more than 90 different analysis and outsources roughly 20 different analysis. Testing frequencies are as needed, daily, weekly, monthly, and quarterly.

Phase I Project: HDR has presented the conceptual design and detailed level III cost estimate. The proposed WQL facility is a single story, 8,331 sf building, accommodating 5 specific laboratories and their respective support spaces. The general common areas for lobby, conference, administration, sample drop-off/receiving, storage, and building support are also included.

RECOMMENDATION:

Staff item only. No action required.






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
-  South Platte Forum – October 25-26, 2017
-  Northern Water Fall Water User’s Meeting – November 15, 2017

RECOMMENDATION:

Commission/Council report only.

ITEM TITLE:

Director's Report

GENERAL & PREVIOUS LUC MEETING FOLLOW UP ITEMS:

Employee Recognition: During the annual employee recognition ceremony at the Rialto Theatre, City employees were recognized for years of service and going the extra step to service both internal and external customers on a daily basis. Even though many City employees received recognition, there was a small group of employees from Water and Power that truly exemplified the high standard of all. Karin Lang: 35 years of service, Don Sorenson: 30 years of service, Tobin Roitsch: 25 years of service, Kim O'Field: Shining Star Award, Carlos Medina: Shining Star Award and the Customer Relations Team of Gretchen Stanford, Tracey Hewson, Lindsey Bashline and Allison Bohling: Shining Star Team Award.

EVENTS:

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

Communicating with Rate Payers: Getting Past "Paying More for Less": WaterNow Alliance, Denver Water and the Colorado Municipal League present a half-day workshop for utility leaders in Colorado. Wednesday, November 29, 2017 at Denver Metro Chamber of Commerce, 1445 Market St., Denver.

RMEL Introduction to the Electric Utility Workshop: January 18, 2018, Denver Marriott South, Lone Tree. This one-day course is designed to acquaint non-technical utility employees and board members with the basics of their industry from the generation to the distribution of electricity. Please contact Courtney Whittet for more information or registration.

Colorado Water Congress 2018 Annual Convention: January 24-26 at Hyatt Regency Denver Tech Center. The Colorado Water Congress Annual Convention is the premier water industry event in the state, attracting 500+ attendees that convene for networking and collaboration on the important water issues of the day. Please contact Courtney Whittet for registration.

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, 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:



Wastewater Treatment Plant Biological Nutrient Removal and Digester Project: Garney Construction has successfully completed approximately 70% of the construction activities as part of the Package 1 contract at the Wastewater Treatment Plant. The new maintenance building is nearing completion with minor electrical, mechanical, and site-paving remaining (pictured below). Plant staff will begin to occupy the building in November. The renovation and coatings installation at Secondary Clarifier 1 is complete and the structure will be placed back into service during the first week of November.

Work associated with the Package 2 contract is gaining momentum. The excavation for the two new digester tanks is complete. The crews have set forms and tied rebar for both tank floors. Concrete was recently placed at the Digester 3 floor while the rebar installation continues for Digester 4 (pictured below). Site utility installations are ongoing including the tie-in of the new 8" water line loop within the S. Boise roadway, which prompted the recent road closure along S. Boise Ave.



Southside Lift Station: The Southside Lift Station improvements project is nearing the completion of construction. Over the last month the sanitary sewer lift station has been on a full hydraulic bypass to allow for the installation of four new pumps. In addition to the pumps, all valves and piping has been replaced. In order to extend the life of the station, the existing lift station wetwell has been cleaned and a spray on protective coating has been installed. In an effort to provide safe and reliable power to the station, all primary and secondary electrical conduit and wire has been replaced along



with upgraded electrical switchgear. Startup testing of the lift station is expected to occur the week of October 23rd, 2017 with final completion slated for November 2017.

Water Treatment Plant Roof Replacement: At the Water Treatment Plant (WTP) Filter Building #2, the existing roof has reached its design life and is in need of replacement. On October 12th, bids were opened for the roof replacement. The City is in the process of evaluating the bids and plans to award a contract to qualified roofing contractor soon. The roof will be installed by the spring of 2018.

Power Operations:

Power Operations: Rebuild of the Big Thompson Canyon overhead continues as Loveland and Power Contracting Crews move steadily along Highway 34 near the Big Thompson Elementary School. Work in this area is very complex as crews are dealing with three different primary voltages ranging from 2.4kv to 22.9kv.



Several poles along the north side of Highway 34 are in areas that have limited and restrictive access and have proven difficult for crews to work on. Power Contracting was able to track down a bucket truck with a 75' plus boom that allowed them to work on the old and new poles from the shoulder of Highway 34. This expedited this portion of the project since the Lineworker did not have to climb both the wood and steel poles to accomplish the work at hand.



West Substation: Last month we reported that the W3 transformer at West Substation was relocated to Cottonwood Substation off Glade Road and Becker Lane. The 22.9kv transmission feed for the Big Thompson Canyon is now served from this location. Efforts are in progress to complete the move of the W4 transformer from West Substation, locating the W4 at the Water Treatment Plant as operations leap frogs the 22.9kv transmission westerly. This process allows construction of the 12.7kv system to follow closely behind.

Wind Damage: On Saturday, October 14th heavy winds played havoc on the large, old cotton wood trees through the Front Range. The Line Crews responded to multiple tree related outages through most of the day and into the night. At the 800 block of W 7th Street, an Asplundh Power Line Clearance Crew was called to remove a 3,000lb limb off a main line secondary and the roof of a single-family residence. Loveland Line Crews gave support by de-energizing the main line secondary and supporting the limb removal using the new boom truck that was put into service earlier in the month.



LED Street Lights: The new residential development, The Ridge, along Rossum Drive and the Mariana Butte Golf Course, is one of several locations selected for trials of the new pedestrian residential LED lights. The intent of the new lights are to replace the HPS Acorn pedestrian lights that have long suited our residential needs. The Acorn lights are no longer supported for repair parts or replacement, as the lighting industry pushes towards LEDs. The pictures below were taken off Rossum Drive for a visual comparison on the two styles of lights.



Electric Metering: The Electric Meter Shop has been very busy completing new service installations and service upgrades. So far, in the month of October the Electric Meter Shop has wired eight new transformer-rated commercial metering applications and installed over forty new residential meters. From October 1st to October 17th the Meter Shop also completed 19 new Commercial Check-In's and reviewed the electric one-lines and metering requirements for these new building projects to assure they comply with the City of Loveland Requirements for Electric Service standards.

Below are pictures of two new 600 amp transformer-rated 277/480 volt services that the Meter Shop wired at the S Boise Waste Water Lift Station.



Before any new electric meters are installed in the field, this includes commercial and residential, the Electric Meter Shop completes an ANSI rated accuracy test on the meter to assure that they are within our tolerance and standards on a calibrated test board, which is traceable to NIST.

These tests verify that the electric meter will calculate and record the energy consumption of the particular electric service to our tight testing tolerances. This is very important to the City of Loveland as well as to its customers because these electric meters determine the energy usage, which is reflected on the customer's bill.

Picture to the right is of the bench tester that the Electric Meter Shop uses to complete ANSI rated tests before meters are installed into the field.



GENERATION, TRANSMISSION & NORTHERN COLORADO UTILITY REPORTS:

Northern Water Conservancy District: The minutes from the November 9, 2017 board meeting have not been posted yet. The next board meeting will be held on Thursday, December 14, 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 October 26, 2017 meeting have not been posted yet. There is no meeting scheduled for November. The next board meeting will be held on Thursday, December 7, 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 November 9, 2017 meeting have not been posted. The next board meeting will be held on Thursday, December 14, 2017 at 5:30 pm at the Colorado River Community Room, 222 LaPorte Avenue, Fort Collins, CO.

UTILITY APPLICATION SERVICES:

CIS Replacement: Customer Relations Staff and Utility Application Services staff have been participating in the FOCIS Team. The RFP was closed this month and review of submissions has begun. We received 6 proposals and are currently reviewing them. Our consultant will be on site to go over final scoring during the week of November 1st. Demos will start the week of January 15, 2018.

Conduit Inventory Project: With help of both the electric line and electric design groups, Amy has been able to capture data for 157 vaults to date, and the number keeps growing.

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 – 1.8 days
- Application Support – 12.58 days
- Data Requests – 4.25 days
- Hardware Support – 12.25 days
- Map Requests – 6.8 days
- Report Requests - 1.6 days

UTILITY ACCOUNTING:

Power Peak Demand and Energy Up In September: After seeing a dramatic decline in peak demand as well as a drop in power usage in August compared to a year ago, September represented something of a bounce

back. This year, Loveland's share of PRPA's September peak was 126,749 kW, up 9.9% from the 115,282 kW of September 2016, but up just 1.0% from the average of the past five September peaks. Purchased energy was up 3.9% vs. September of 2016. Overall, in comparing the year-to-date total of the January-September monthly peak demands to the same period in 2016, this year is up 1.3%, and purchased energy is down 1.0% year-to-date.

Water Sales Lag Again in September: With another mild month for weather in September following a mild August, water usage for the month was down again compared to previous years. The average usage per customer for September was 20,806 gallons, which is 5.5% lower than the average of the past 5 Septembers. This year's YTD average through September is 12,727 gallons per customer. The 12,727 gallons is 2.9% lower than the September YTD average usage of the past five years, but is a marked improvement over the 5.5% lower average usage through June. The year-to-date usage has resulted in Water Sales being ahead of budget by \$534,000 through September.

CAMU Update: The Colorado Association of Municipal Utilities (CAMU) has published their most recent survey of typical electric bills, and Loveland is in the lower third or better among electric utility bills in the state. This survey is updated twice a year, and the most recent survey is based on rates effective on July 1, 2017. The survey includes responses from 49 utilities from throughout the state, and includes municipally-owned utilities, co-ops and investor-owned utilities. Of the 49 utilities that responded, Loveland had between the 10th lowest and 17th lowest typical bill for all of the categories surveyed: Residential, Small Commercial, Large Commercial and Industrial.

CUSTOMER RELATIONS:

Grand Opening of the Foothills Solar Array and Substation: Friday, October 13, 2017 was the grand opening event for the Foothills site. Guests included City Council, LUC members, City staff, PRPA, consultants, contractors and public. Attendees were able to tour both the solar array and substation. Activities included a kiosk viewing area, live snakes and information regarding on-site snake mitigation efforts, food trucks, information about LWP programs and a time-lapse viewing area. Overall, the event was a great success, and a good time was had by all.





Power Outage Notifications: In order to continue to increase communication and transparency with our customers, we have worked with Power Operations to compile and send information about the recent power outages in the Big Thompson Canyon to residents. Our hope moving forward is to keep them informed about planned outages and the causes for unplanned outages.

Communication Guidelines and Branding Kit: Customer Relation’s is working with Slate Communications and FYN PR to create communication guidelines and a new branding kit. The communication guidelines will include helpful information about how to talk to the press and media. The branding kit contains revamped branding standards and easy to use templates for internal and external communications.

Key Accounts Networking: Eagles Game: In in place of the annual Key Accounts meeting Customer Relations will be hosting a networking opportunity for Key Accounts at a Colorado Eagles Game. The game will be held on November 8th, 2017 and will be a great chance for Key accounts to meet other members in the community and catch up with Water and Power staff.

Praxair Visit: Staff has partnered with Platte River Power Authority to host the annual Praxair meeting, dinner and afternoon outing with Praxair.

Rocky Mountain Utility Exchange: Staff attended the annual energy efficiency conference, where they serve on the board of directors and host an afternoon session each year.

Contractor Appreciation Event: Staff is co-hosting a contractor appreciation event with Platte River to recognize our regional contractor partners with whom we provide the Efficiency Works business program.

Efficiency Works Homes: The Efficiency Works Homes Audit and Rebate (Efficiency Works Homes) program is changing the administration structure and model of the Efficiency Works Homes program, starting in 2018. Platte River Power Authority and four (4) owner municipalities of: Estes Park Light & Power, Fort Collins Utilities, Longmont Power & Communications, and Loveland Water and Power, have decided to hire staff to perform many of the administrative functions currently performed by CLEAResult to bring the program and trade ally management and day-to-day administrative duties in-house. The hiring process of these two new positions will take place concurrently with issuing a new Efficiency Works Homes Home Efficiency Advisor Request For Qualifications (RFQ) for services not performed by these two new positions, such as audits and advising.

We feel this is a good long-term strategy for sustainability of the program into the future. This decision is not a reflection on the high quality work CLEAResult has done for the program over the past three years.

The hiring process for the in-house positions has begun, with interviews occurring in the first part of October. The Advisor RFQ has been released by Platte River and will close on September 29th.

Community Solar Program: Customer Relations and Power Engineering staff have been working on the development of a community solar program for Loveland. In partnership with the four cities and Platte River, a draft copy of Tariff 7 has been developed, a draft request letter for a solar energy product has been developed, and a Loveland design team assembled. Platte River has been working to obtain bids for approximately 5 MW of solar at the Rawhide Energy Station. Staff will be reviewing cost information in the coming months.

Foothills Interpretative Signage: Work on the interpretive signage that will outline the Foothills site has begun. Signs will address all LWP aspects of the site including solar, substation, water tank and pump station.

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

- Key Accounts Networking Event – November 8, 2017

Facebook Insights (August 2017):

- Reach (unique users) – 1,789 people
- Engagement (unique users) – 157 people
- Impressions (total count) – 7,311 people

Media:

- The Reporter Herald – October 3, 2017: [Loveland City Council passes 2018 city budget on first reading](#)
- TRI 102.5 – October 15, 2017: [Boise Detour in Loveland Begins October 16 for Two Weeks](#)
- K99 – November 1, 2017: [Loveland Water and Power plans outage for Big Thompson Canyon](#)
- The Coloradoan – November 4, 2017 [US 34 construction sends wave of dirt to water treatment plant](#)