

Commission Members Present: Dan Herlihey, Dave Kavanagh, David Schneider, Gary Hausman (Chairman), Gene Packer, Larry Roos, John Butler, Randy Williams, Sean Cronin, Alternate Stephanie Fancher-English (left at 5:55 p.m.)

Commission Members Absent:

Council Liaison: Steve Olson (left at 5:45 p.m.)

City Staff Members Present: Bob Miller, Briana Reed-Harmel, Daniel Daneshka, Derek Turner, Jim Lees, Joe Bernosky, John Beckstrom, Leslie Moening, Larry Howard, Mark Warner, Tanner Randall, Tom Greene,

Guest Attendance:

CALL TO ORDER: Gary Hausman called the meeting to order at 4:01 pm.

APPROVAL OF MINUTES: Hausman asked for a motion to approve the minutes of the October 18, 2017 meeting.

Motion: Dan Herlihey made the motion.

Second: John Butler seconded the motion. The minutes were approved unanimously.

INFORMATIONAL ITEMS

Item 1: Financial Report Update – Jim Lees

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

Informational Item only. No action required.

Comments: Jim Lees followed up on a couple of questions asked by Dave Kavanagh several meetings ago, Why there was such a large increase to bring the small general class up to cost of service? There was a study in 2008 showing they were under cost of service by 18.9%. We do rate increases in small increments, so we were trying to play catch up on the small general rates. Then another study last year showed they were still under cost of service by 12%. Small General customers, as a trend, have a low load factor that drives their rates higher. They will be raised 6% in 2018 and another 6% in 2019 to get them up to cost of service. The small general business class as a whole tends to have a low load factor, which is how efficiently they use the system. A low load factor puts an upward pressure on the cost of service for that particular class.

Lees also answered Kavanagh's questions about the cost of service for Canyon customers. The rate consultant advised he is able to determine the cost of service for the Canyon customers but he advised that it would be best to wait until the next full rate study and include this as part of the package. He also cautioned that there are complications in billing a geographical area differently than the rest of the City.

INTRODUCTIONS

Gary Hausman took a moment to welcome the new City Council Liaison, Steve Olson.

REGULAR AGENDA

Item 2: Highway 287 Overhead to Underground Conversion Substructure Contract – Mark Warner

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.

Recommendation: Adopt a motion to award the contract for Hwy 287 Overhead to Underground Conversion Substructure Project to Power Contracting in an amount not to exceed \$1,803,270.90 and authorize the City Manager to execute the contract on behalf of the City.

Motion: Dan Herlihey made the motion.

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

Item 3: Namaqua Pump Stations Improvements and Raw Water Bypass – Leslie Moening

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.

Recommendation: This item has been withdrawn and will be re-bid in the Spring.

Item 4: Rights of First Refusal to Acquire Windy Gap Water Units from Platte River Power Authority –

Larry Howard

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.

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.

Motion: Dan Herlihey made the motion.

Second: Dave Schneider seconded the motion. The motion was approved unanimously.

STAFF REPORTS

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

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.

Staff item only. No action required.

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: Survey will be forthcoming to the Boards & Commissions to review the relationship with City Council, there was a pilot survey sent to one Board and the rest will receive a finalized survey in 2018.

Dave Kavanagh: PRPA Appointments, there was a misconception last night at the City Council meeting regarding the weight of votes from appointees, they wanted to replace the technical appointment thinking that they had less weight and Dave hopes Joe does not feel that he should be replaced.

Dave Schneider: Thank you to Randy Williams, regarding the article from Scientific American about Lake Powell. First half of Fall Water User's Meeting was okay, but the second half, specifically Jennifer Gimbel, was fantastic.

Gene Packer: Colorado Water subscription from Colorado State University, several back issues if any other LUC members would like to review them.

Gary Hausman:

John Butler: Many events being held downtown, and some complaints regarding available electrical. It's currently an issue as some of the events are possibly being moved, it has been researched and discussed and is currently ongoing.

Larry Roos: South Platte Forum, there was discussion regarding climate change and the negative affect on our native fish populations. Northern Water Fall User's Meeting, Northern Water wants to track where water goes if not used on first diversion.

Randy Williams:

Sean Cronin:

Stephanie Fancher-English:

Council Report: Joe Bernosky gave on behalf of Steve Olson

DIRECTOR'S REPORT

Item 9: Director's Report – Joe Bernosky

ADJOURN The meeting was adjourned at 6:33 pm. The next LUC Meeting will be December 13, 2017 at 4:00 pm.

Respectfully submitted,

Courtney Whittet
Recording Secretary
Loveland Utilities Commission