



## REGULAR MEETING AGENDA

### CALL TO ORDER

### APPROVAL OF MINUTES – 12/13/2017

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

### INFORMATIONAL ITEMS

1. Substructure & Directional Boring Large Project Pre-Qualification – Kim Reeves

### CONSENT AGENDA

2. 2017 4<sup>th</sup> Quarter Goal Updates & 2018 Goals – Joe Bernosky
3. WWTP Biosolids Contract with Veris LLC – Michael McCrary

### REGULAR AGENDA

4. Big Thompson Canyon Voltage Conversion Contract – Phase 2 and Construction Update – Frank Lindauer
5. Boyd Parallel Interceptor Project – Tanner Randall
6. Amended and Restated Ownership, Operations, and Maintenance Agreement for the Home Supply Dam and Related Facilities – Larry Howard
7. Third Amendment to the Fifth Interim Agreement for Participation in the Windy Gap Firming Project – Larry Howard

### 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](mailto: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](mailto: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](mailto: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](mailto:adacoordinator@cityofloveland.org) o al 970-962-3319".

**Commission Members Present:** Dan Herlihey, Dave Kavanagh, David Schneider, Gene Packer, Larry Roos, John Butler, Randy Williams, Sean Cronin

**Commission Members Absent:** Gary Hausman, Stephanie Fancher-English

**Council Liaison:** Steve Olson (left at 5:52pm)

**City Staff Members Present:** Bob Miller, Brian Gandy, Courtney Whittet, Craig Weinland, Daniel Daneshka, Derek Turner, Frank Lindauer, Gretchen Stanford, Jim Lees, Joe Bernosky, John Beckstrom, Kim Reeves, Larry Howard, Nathan Alburn, Roger Berg, Ryan Van Pelt, Tom Greene,

**Guest Attendance:** Dick Mallot, Jane Clevenger, Jeff Combe, Andy Butcher, Paul Davis, Craig Johnson, Michael Mount

**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 November 15, 2017 meeting.

**Motion:** Dave Schneider made the motion.

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

### NEW EMPLOYEE INTRODUCTIONS

Nathan Alburn – Civil Engineer I

Ryan Van Pelt – Civil Engineer II

### INFORMATIONAL ITEMS

#### Item 1: Financial Report Update – Jim Lees

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

Informational Item only. No action required.

### CONSENT AGENDA

#### Item 2: Approval of Change Order #1 for additional footage on the 2017 CIPP Sewer Rehabilitation Project – Craig Weinland

The purpose of this item is to approve Change Order #1 from Layne Inliner for \$186,336.00. This adds additional footage and three months of contract time to the existing 2017 CIPP Sewer Rehabilitation Project. This increase in footage was requested by Water and Power in order to utilize the funds available in the 2017 budget and therefore maximize the amount of sewer line rehabilitation completed.

**Recommendation:** Adopt a motion to approve Change Order # 1 from Layne Inliner in the amount of \$186,336, and authorize the City Manager to execute the change order on behalf of the City.

**Motion:** John Butler made the motion to approve consent agenda items as written.

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

### REGULAR AGENDA

#### Item 3: 2018 Annual Substructure Projects Contract – Kim Reeves

The purpose of this item is to award the contract to GE Construction, Inc. for the 2018 Annual Substructure Projects Bid 2017-70.

**Recommendation:** Adopt a motion recommending that LUC award the contract for 2018 Annual Substructure Projects to GE Construction, Inc. in an amount not to exceed \$1,000,000 and authorize the City Manager to execute the contract on behalf of the City, following consultation with the City Attorney, and to modify the contract in form or substance as deemed necessary to protect the interests of the City.

**Motion:** John Butler made the motion.

**Second:** Dave Kavanagh seconded the motion. The motion was approved unanimously.

#### **Item 4: 2018 Annual Directional Bore Projects Contract – Kim Reeves**

The purpose of this item is to award the contract to Jacobs Investments LLC, dba Colorado Boring Company for the 2018 Annual Directional Bore Projects Bid 2017-71.

**Recommendation:** Adopt a motion recommending that LUC award the contract for 2018 Annual Directional Bore Projects to Jacobs Investments LLC, dba Colorado Boring Company in an amount not to exceed \$750,000 and authorize the City Manager to execute the contract on behalf of the City, following consultation with the City Attorney, and to modify the contract in form or substance as deemed necessary to protect the interests of the City.

**Motion:** John Butler made the motion.

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

### **STAFF REPORTS**

#### **Item 5: Legal Updates – Derek Turner**

A brief verbal presentation on the current status of water rights litigation and other legal issues that may affect the operations of the Department of Water & Power.

Staff item only. No action required.

#### **Item 5: Zero Net Carbon Modeling Report - Platte River Power Authority and Pace Global LLC**

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 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:** WWTP Tour was informative and it was great to see the progress.

**Dave Kavanagh:**

**Dave Schneider:** Was upset that LUC isn't mentioned more in the Utility News section of the City Update. Provided alternate information Climate Change for any other members that would like a copy.

**Gene Packer:**

**Gary Hausman:**



**John Butler:**

**Larry Roos:** The Foundry and the WWTP tours are very worthwhile.

**Randy Williams:**

**Sean Cronin:** Inter Basin Contact Committee is considering a South Platte project, which could potentially benefit Loveland. The details will be hammered out sometime in the coming year.

**Stephanie Fancher-English:**

**Council Report:** Joe Bernosky gave on behalf of Steve Olson

#### DIRECTOR'S REPORT

**Item 7: Director's Report – Joe Bernosky**

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**ADJOURN** The meeting was adjourned at 6:35 pm. The next LUC Meeting will be January 17, 2018 at 4:00 pm.

Respectfully submitted,

Courtney Whittet  
Recording Secretary  
Loveland Utilities Commission

**ITEM TITLE:**

Substructure & Directional Boring Large Projects Pre-Qualification

**DESCRIPTION:**

The purpose of this item is to present a new City process that pre-qualifies contractors for Substructure & Boring Large Projects.

**SUMMARY:**

Each year there are multiple large-scale and capital projects not intended to be covered by the indefinite delivery contract for substructure installation. On November 16, 2017 the City of Loveland received sealed submittals for pre-qualification of contractors capable of performing this type of work. The pre-qualification process will allow the City to quickly solicit competitive bids from among pre-qualified contractors for installation of substructure and directional boring for projects that are either unique or complicated due to their size, configuration, or location and therefore fall outside of the indefinite delivery contract scope and requirements.

Based on the sealed pre-qualification submittals, the City has determined the following contractors to be the most qualified contractors to perform the work required for these projects:

Substructure

BT Trenchless

GE Construction

Directional Boring

Frontier Environmental Services

Temple Construction

Global Underground Corp

Colorado Boring Co

The City will issue request for bids to the pre-qualified contractors for each project based on a Statement of Work (SOW). Only pre-qualified contractors will be allowed to submit bids on these projects. Pre-qualified contractors will be required to respond to the SOW in the timeframe provided by the project manager, which shall be no shorter than one week, with an estimate of costs, unit price line items for the project, and availability to complete the project within the stated timeframe. The City will enter into a construction contract for each project with the lowest responsible, responsive bidder that, in the City's judgment, will best serve the City's interests and issue a work order.

The City shall consider the contractors who are selected through the Request for Qualification to be pre-qualified for a period of 2 years. The City, at its sole discretion, may choose to re-issue a new pre-qualification process at any time. The City, at its sole discretion, may remove a contractor from the pre-qualified list of contractors due to poor performance, safety record, violation of contract, or any other reason identified by the City that in its opinion would disqualify the contractor. Pre-qualification does not guarantee any amount of work or projects to be assigned.

**RECOMMENDATION:**

Information item only. No action required.

**ATTACHMENTS:**

 Attachment A: Request for Qualification Document

# **Attachment A**

## **REQUEST FOR QUALIFICATIONS Substructure Contractor Services**

**November 16, 2017  
City of Loveland  
Water and Power – Power Division**

## Notice to Contractors

The City of Loveland Water and Power Department – Power Division is seeking responses to a Request for Qualifications (RFQ) to pre-qualify contractors that will perform the installation of substructure equipment for electric utility infrastructure on large-scale projects.

RFQs must be received electronically by email to [bids@cityofloveland.org](mailto:bids@cityofloveland.org) on or before 2:00 p.m. on Thursday, **November 16, 2017**. RFQs must be clearly labeled in the Subject line of the email “Request for Qualifications for the “Substructure Contractor Services”. Please also list the company’s name and address on the email. Further requirements are described in the “Conditions of RFQ Submittal.”

A mandatory pre-bid conference will be held on **November 8, 2017 at 9:00am** at Water and Power Service Center, 200 N Wilson Ave, Loveland CO 80537. Bids will not be accepted from bidders that do not attend.

The City Clerk’s Office will receive, date, and time stamp all Responses to the RFQ. Any Responses that have not been received by the deadline set forth above, as determined by the City email time system, will not be considered. The City is not responsible for technology failures, failure to attach the documents electronically, or any other technical failures.

Copies of this document are available via the Rocky Mountain E-Publishing System (Interactive Procurement Technologies) at [www.govbids.com](http://www.govbids.com), then select Rocky Mountain E-Purchasing. If you are not registered with Interactive Procurement Technologies, please visit their website and select “Vendor Registration.” If you have questions about the registration process, please contact Interactive Procurement Technologies at 800-677-1997.

Questions concerning this Request for Qualifications shall be directed, in writing to the Electric Distribution Designer Supervisor, Gordon Whitelock, at [Gordon.whitelock@cityofloveland.org](mailto:Gordon.whitelock@cityofloveland.org).

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## **Purpose**

The City of Loveland (City), owns, operates and maintains all utility electrical infrastructure within the City and in the electric service territory outside of the city limits. The Power Division, using internal and contracted services, design, and construction all electrical power infrastructure. The City furnishes all materials for new and replacement installations. The City of Loveland, currently maintains an indefinite delivery contract for substructure installation that is intended to encompass jobs that are smaller in scope, and is not intended to cover large-scale and capital project work.

The City is soliciting Requests for Qualifications (RFQ) from qualified substructure contractors who desire to bid on upcoming large-scale and capital projects for the term of this RFQ. This process will allow the City to quickly solicit competitive bids from among pre-qualified for installation of substructure that are either unique or complicated due to their size, configuration, or location that fall outside of the indefinite delivery contract scope and requirements.

The City will pre-qualify contractors that it deems, in its sole discretion, to be most qualified to perform the work required for these projects. The City will issue request for bids to the pre-qualified contractors for each project based on a Statement of Work (SOW). Only pre-qualified contractors will be allowed to submit bids on these projects. The City intends to award a work order for each project to the lowest responsible, responsive bidder that, in the City's judgment, will best serve the City's interests.

## **Description of Projects and Bidding Process**

The projects will vary in scope but will consist of various types of electric distribution infrastructure installation. The exact details of each project will be provided with the SOW documents specific to that project. Work will include, but is not limited to:

- Trenching, backhoeing and compaction of trenches, typical ranges between 18" to 54" but may vary based on project needs
- Installation of PVC, HDPE, and Cable in Conduit (CIC) duct banks of various configurations and quantities
- Installation of duct bank spacers
- Excavation, installation or removal, compaction and backfill of concrete vaults of varying sizes and configurations and sizes based on project scope
- Addition of duct bank concrete encasement and/or flowable fill material within the trench.
- Sawcut and removal of surface materials such as asphalt roadways, concrete sidewalks, concrete pans, etc.
- Potholing
- Site preparation of preformed concrete pads, handholes and other equipment

Projects will be submitted as a SOW package by the project manager to the pre-qualified contractors for a competitive bid response. Only pre-qualified contractors will receive the SOW and request for bid. The SOW will include a description of work including maps and construction drawings, unit price line items for the work to be completed, a timeline of construction and a deadline for response to the bid.

Construction drawing may not be complete, as potholing and other below surface investigations will not have been conducted prior to issuing the SOW. However, the construction drawings will contain approximate footages for the work to be performed, known utilities in the area and any other known hazards or complications with the site. Bidders will be responsible for labor and construction only, as the City of Loveland will provide all materials necessary to complete the project.

Pre-Qualified contractors will be required to respond to the SOW in the timeframe provided by the project manager, which shall be no shorter than one week, with an estimate of costs, unit price line items for the project, and availability to complete the project within the stated timeframe. Contractors are expected to do due diligence for each project being bid and provide the City with estimates for all costs based on the drawings and other information submitted along with their expertise and assessment of the proposed job site. Any complications identified by the contractor during SOW response preparation should be clearly communicated back to the project manager prior to completing the SOW response so that an amendment can be issued to all bidders. In addition to the information contained within the project SOW, circulated for each project, qualified contractors will be required to comply with all provisions listed in the Special Conditions, General Conditions, and Technical Specifications in the attached construction contract that will become the Contract documents for each project.

The City will award each project to the lowest responsible, responsive contractor that, in the City's judgment, will best serve the City's interests for that project. The successful contractor will execute a construction contract, see attached, with the City for completion of each project. All contract documents will become part of the contract, along with performance and payment bonds in the amount of 100% of the project. After the contract is executed, the successful contractor will be expected to assist the project manager in finalizing the design through potholing and subsurface investigation and coordinate with other subcontractors (such as boring sub-contractors and land surveyors) as well as City line crews and engineering.

#### **Term of RFQ**

The City shall consider the contractors identified through this RFQ to be pre-qualified for work described above for a period of 2 years. The City, at its sole discretion, may choose to re-issue a new RFQ at any time.

The City, at its sole discretion, may remove a contractor from the pre-qualified list of contractors due to poor performance, safety record, violation of contract, or any other reason identified by the City that in its opinion would disqualify the contractor. Pre-qualification does not guarantee any amount of work or projects to be assigned.

#### **Conditions of RFQ Submittal**

All RFQs shall comply with the following conditions:

1. All prospective contractors should comply with the requirements, conditions and specifications contained in this Request for RFQs.

2. A representative of your company who has contractual authority must sign the RFQ. Only one RFQ will be accepted from any one company serving as a general contractor. Subcontractors to the general contractor may be included in the RFQ of more than one firm.
3. All submittals must be complete and comprehensive, but it is not necessary to include expensive displays or excess materials. All costs incurred in the preparation and presentation of the RFQ shall be entirely borne by the prospective contractor and its subcontractors and no costs will be reimbursed by the City.
4. Prospective contractors shall email a copy of their RFQ to [bids@cityoflovealnd.org](mailto:bids@cityoflovealnd.org), and the responses shall become the property of the City of Loveland. Banking and financial reports for company (annual report) shall be submitted to the City as requested in a separate, sealed envelope. The City shall retain a minimum of one copy of the submittal. The company financial records will not become part of the City's permanent record. Any material that is to be considered confidential should be clearly marked as such.
5. A City selection committee will review the RFQs received and select the contractor(s) it believes is(are) the most qualified to furnish to perform the services.
6. The City reserves the right to waive any irregularities and to reject any and all RFQs on any basis without disclosing a reason. The City has no obligation to retain any consultant or sub-consultant for this contract. The City has no obligation to award any work orders to a selected consultant and makes no guarantees as to the amount of work that may or may not be awarded.
7. Pursuant to the Colorado Open Records Act, C.R.S. §§ 24-12-201 et seq. ("Act"), all information contained in any proposal is subject to public disclosure unless it meets one of the exceptions set forth in the Act. To avoid disclosure of trade secrets, privileged information, or confidential commercial, financial, geological, or geophysical data ("Confidential Information"), the bidder must clearly mark all Confidential Information as such and provide a written, detailed justification with its proposal of the protected nature of the Confidential Information under Colorado law. This justification must address, at a minimum, the specific competitive harm that may result from any disclosure, the intrinsic value of the Confidential Information to the bidder, and any safeguards the bidder uses to protect the Confidential Information from disclosure.

### **Request for Qualifications Elements and Format**

Qualified contractors interested in the work described in this RFQ shall submit at a minimum the following information to the City:

A. Cover Letter/Executive Summary

A one-page cover letter/executive summary should be provided that expresses the contractor's interest in the projects and identifies the primary contact person for the contractor, including title, street/ mailing address, phone number, cell phone number and email address.

B. General Information



Please provide the name of the company, date established, state incorporated, office location(s), previous names the company has used in the last 10 years, geographical area(s) where most of the company's work occurs, general type(s) of construction where most of the company's work has been done (i.e. electric utilities, water utilities, etc.), key leadership and staff, and a general description of the company and its history.

C. Project Team

This section should describe the contractor's team for all projects. Please include, at a minimum, the proposed Project Manager, Construction Superintendent, and Safety Officer. Individual team members can fill more than one role. For these key project team members, please include:

1. Role the individual will take on a project
2. A description of the individual's background and experience, including any unique qualifications
3. Years of experience
4. Years of experience with the company
5. Experience with the proposed project team
6. Expected availability and percentage of time that would be committed to these projects

D. Equipment and Machinery

Please provide a detailed list of equipment, machinery, and other devices that are currently owned by the contractor that would be used to perform the work listed above. If equipment will be rented, please indicate so and availability and access.

E. Relevant Project Experience

Please provide a minimum of three (3) examples of relevant project experience. Each Project summary should identify the following items:

1. Name of the project and client/owner
2. Project location
3. Description of the project and scope of work performed
4. Start and Finish dates of the project
5. The name, address and phone number of one reference that has specific knowledge of the contractor's performance on the project.

F. Familiarity with the City of Loveland, Larimer County, CDOT and other agencies

The City of Loveland and Northern Colorado have unique soil conditions that may affect the ability to complete projects and provide accurate bids responses. The projects also cross multiple jurisdictions for work rules, standards and regulations including the City of Loveland, Larimer County Urban Area Street Standards (LCUASS), Colorado Department of Transportation (CDOT), and others.

1. Briefly describe experience and knowledge of the Loveland area in regards to soil conditions, unique considerations, and other relevant experience or knowledge

2. Describe familiarity with working within easements and right of ways within Loveland, Larimer County and CDOT jurisdictions
3. Describe familiarity in coordinating work that crosses ditches and railroad owned easements and property.
4. Describe familiarity with storm water and erosion control standards within the City of Loveland, Larimer County and Colorado

G. Subcontractors

Based on the general project descriptions, describe which, if any, portions of the work would likely be performed by subcontractors. Please provide a list of typical subcontractors that the company might use for the components required. Please provide the subcontractor's name, office location, and a brief description of the company's experience working with them. Since these projects have not yet been bid, the company will not be required to use these specific subcontractors, though selection of subcontractors for specific work orders or projects will be subject to City approval.

H. Workload Capacity

Anticipated projects may have a very short time frame for scoping, analysis and design, bidding, and construction. Please provide information on workload capacity and the notice time that would be needed from the City to stage and set up for projects.

I. Safety Record

Provide the company's OSHA reportable accident rate and current workers' compensation insurance multiplier for the last 3 years. Provide the OSHA reportable accident rate on projects managed by the proposed Superintendent or Project Manager over the 3-year period (depending on who is assigned site safety responsibility in the contractor organization)

J. Company Information Questionnaire:

Please respond to the following questions:

1. Have you had any contracts terminated for default or other performance reasons? If yes, please explain.
2. Does your firm have pending claims, investigations, or civil litigation involving allegations of fraud, misrepresentation, or conversion?
3. Does your firm have previous final judgments for breach of contract, fraud misrepresentation or conversion?

### **Selection Process**

The proposals will be evaluated using the criteria below and other information submitted as a response to this RFQ.

The City reserves the right to request additional information or clarifications from all respondents and to allow corrections of errors or omissions. Respondents may be requested to participate in an interview

A. Company Capability:

Does the firm have stability, experience, equipment, work force and finances to successfully complete the work? Where the firm is located and where is the equipment and work force located?

B. Relevant Project Experience:

Has the company and Project team worked on projects similar in size and technical requirements to the anticipated projects? Was this work of high quality in nature? Has the company worked on highly visible projects that require successful public interaction and communication? Do the referenced projects demonstrate favorably the company's ability to successfully complete within the contract schedule and cost, and show a limited number of change orders and claims?

C. Project Communications:

How does the contractor handle the various communications including meetings and project schedule to keep the job running smoothly? It is expected that nearly all communications on the project will occur digitally (email) and the contractor and subcontractors must have a proven history of supporting this expectation.

D. Safety Record

Is there a high or low reportable accident/injury rate and loss of workdays? Is there a high or low insurance multiplier? What is the safety record of the chosen Project Manager and Superintendent?

E. Resources and Schedule:

Does the contractor have adequate resources in place to perform the work described above? Does the contractor have a record of completing projects in the scheduled timeframes?

F. References:

The selection committee will check references for those firms that appear to meet the qualifications requirements listed in this RFQ.



**ITEM TITLE:**

2017 4<sup>th</sup> Quarter Goal Updates & 2018 Goals

**DESCRIPTION:**

This item is to review progress on our 2017 utility goals and to establish goals for 2018.

**SUMMARY:**

Staff has compiled an update on 2017 Goals, shown in Attachment A, and proposed 2018 Goals for your consideration, shown in Attachment B.

At the meeting, we would like to allow for time to discuss the goals the LUC would like to pursue in 2018. As a reminder, the following is the LUC purpose statement in the Boards and Commissions Handbook:

*The Loveland Utilities Commission advises the City Council on all matters pertaining to rates, fees and charges for water, sewer and electric service and other utility services furnished by the City; develops, approves and adopts policies, practices and guidelines to assist the Water and Power Department in the efficient operation of the utilities of the City; approves certain construction contracts and establishes certain fees and charges for utility services and utility development requirements pursuant to guidelines established by resolution of the City Council; and annually recommends a budget to the director of the Water and Power Department.*

**RECOMMENDATION:**

Review and approve the 2017 Goals Update Report and 2018 Goals determined through discussion at this LUC meeting for use at the 2018 Boards & Commissions Summit.

**ATTACHMENTS:**

-  Attachment A: 2017 Goals & Quarterly Updates
-  Attachment B: 2018 Goals

# Attachment A

2017 Goals & Quarterly Updates	Est. Completion	Actual Completion
<b>1 Finalize design and begin construction in spring 2017 of the Wastewater Treatment Plant expansion and rehabilitation project.</b>	July 2017	Jul-17
<p><b>Q1 Update:</b> The Wastewater Treatment Plant improvements project is in its final stages of design and beginning to transition into the construction phase. With the recent approval of the Construction Package No. 1 by the LUC and City Council, Garney Construction is scheduled to mobilize to the plant site by the end of April. Construction activities to take place include the demolition of the abandoned digesters/maintenance building, demolition of the abandoned sludge drying beds, excavation for the new digester facility, rehabilitation of all three existing secondary clarifiers, construction of a new maintenance building, and various water and sewer line relocations. While Garney is constructing the above items, the design engineers will complete the design for the remaining scope of work. Construction Package No. 2 will be presented to the LUC and City Council for approval during the June/July timeframe.</p>		
<p><b>Q2 Update:</b> The design of the WWTP expansion is now 100% complete. Construction of Package 1 is underway. Package 2 GMP cost proposal is currently being negotiated between the City and the Contractor. Construction of Package 2 is anticipated to begin in late August 2017 and will continue through the first quarter of 2019.</p>		
<p><b>Q3 Update:</b> This goal has been completed.</p>		
<p><b>Q4 Update:</b> This goal has been completed.</p>		
<b>2 Complete the construction of the Foothills Substation by September 2017.</b>	September 2017	
<p><b>Q1 Update:</b> The substation is currently under construction. The substation walls have been completed and we are waiting on final installation of the gates. Foundations for the electrical equipment are under construction with the City's portion complete. PRPA is nearing completion of their foundations for the high voltage equipment. City staff and PRPA staff did factory witnessing of the production and design tests for the transformers at the manufacturing plant in Pocatello, Idaho. The transformers have arrived onsite and are being installed and field tested before the City accepts delivery.</p>		
<p><b>Q2 Update:</b> The substation is still under construction. The foundations and substructure are complete. The city owned and PRPA owned equipment within the substation is installed and is being connected. The transmission infrastructure has been upgraded and the additional towers have been installed and new wiring strung to serve the new substation. Testing and wiring connections will be completed during July and August with estimated completion in mid-August.</p>		
<p><b>Q3 Update:</b> The substation construction is complete and it was energized on August 3rd, 2017. Load was transferred to the substation on September 20th, 2017 as was the Foothills solar generation. The substation and solar are considered substantially complete. The Foothills campus still has ongoing work to complete the landscaping and the interpretive signs for the site. This is expected to be completed by the end of the year.</p>		
<p><b>Q4 Update:</b> The interpretive signs for the site were completed and installed in mid-December. The signs include information about the project history, how solar works, facts about the substation and the water tank. Landscaping was completed in October. The project is now considered complete.</p>		
<b>3 Complete an algae mitigation study and implement selected solutions to prevent taste and odor issues by July 2017.</b>	July 2017	May-17
<p><b>Q1 Update:</b> We are in the process of finishing a comprehensive algal mitigation study with Corona Environmental, the finalized memo is expected mid-April. This study includes options for reservoir management, water intake structure gate optimization and in-plant taste and odor removal. Currently, Water will be pursuing a reservoir mixing technology from the Medora Solarbee Corporation with an implementation goal of early May. We are also contracting with Lake Solitude management for back up algacide application in case of an unexpected algal bloom. Additionally, Water Quality staff is beginning a study on carbon efficiency improvements for increased taste and odor removal. Customer Relations and Water Quality are currently planning a communications plan for public outreach on algae and interdepartmental notifications on algal issues.</p>		
<p><b>Q2 Update:</b> SolarBee mixers were installed May 12, city staff is working in conjunction with Medora to properly adjust the drop tubes in order to improve mixing. Following guidance from water quality staff the WTP is drawing water from the bottom gate of GRGR in order to treat the water with the lowest taste and odor and algae. In addition, discussions with Water Resources are being had on better river utilization to dilute potential taste and odor issues. Powdered activated carbon efficiency is currently being studied with the selection of the best performing product anticipated for August. Staff is still working on a contract for back up algacide application with the expectation of it being completed in July.</p>		

2017 Goals & Quarterly Updates	Est. Completion	Actual Completion
<p><b>Q3 Update:</b> As of October 4th, the mixers have performed very well and this is the first year on record that there has been no detectable taste and odor results entering the distribution system to this date. Due to the success of these mixers this is also the first year that there has been no need to apply a chemical algaecide to mitigate algal growth. In addition to these mixers, Water treatment plant staff in conjunction with Water Resources have managed river and reservoir usage differently to optimize the intake water quality to provide the best water possible to the City. Water quality data has been utilized to select the best depth to draw water into the plant from the reservoir and in consideration of dilution ratios for river usage. Most recently, to further improve taste and removal capabilities a full scale in plant trial of a new powdered activated carbon (PAC) was performed. This data is still being reviewed but preliminary results suggest this could be another potential tool to continue to optimize the WTP's taste and odor removal. In an effort to create redundancy and further optimize the performance of the SolarBee mixers a 5th machine is being considered to demo at no cost for the year of 2018 to see if it has positive effects. If after a year it is proven to help, SolarBee will sell the machine at a 50% discount to the city.</p>		
<p><b>Q4 Update:</b> A 5th machine has been installed to demo at no cost for the year of 2018 to see if it will help further reduces algal blooms in Green Ridge Glade Reservoir. If it proves to have a positive impact SolarBee will sell the machine at a 50% discount to the city. If it does not have an impact it will be returned at no cost.</p>		
<p><b>4 Participate with Platte River and member cities in the program evaluation of common Demand Side Management programs.</b></p>	December 2017	
<p><b>Q1 Update:</b> We have selected, with Fort Collins as the lead in the RFP, Research into Action (Portland, OR) to lead the third party evaluation. We hope to have Research into Action under contract by the end of April and start the evaluations in May.</p>		
<p><b>Q2 Update:</b> We have hired Research Into Action and its partners Apex Analytics and Mesa Point Energy (the evaluation team) to evaluate the energy and water saving programs by conducting primary research and sharing lessons learned from their evaluations of similar</p>		
<p><b>Q3 Update:</b> We will meet with Research into Action partners in mid-October to review results of the primary research and offer comments on the preliminary findings. We are anticipating a final report on the DSM evaluation in early December.</p>		
<p><b>Q4 Update:</b> Research into Action completed the evaluation in December. The verified annual savings for 2014-2016 program years were higher than expected. The verified savings for the portfolio was more than 55 million kWh, with evaluated residential impacts representing 15% and commercial 85% of the savings. In Q1, Efficiency Works teams will evaluate the recommendations from the report and brainstorm about recommendations in the report.</p>		
<p><b>5 Support the efforts of a new Customer Information Systems (CIS), IT Roadmap and Community Solar Initiative working collaboratively with Platte River, member cities and various City departments.</b></p>	Ongoing	
<p><b>Q1 Update:</b>  <u>CIS:</u> Utility Applications Services (UAS) staff held meetings with key department stakeholders to gather requirements for the new CIS. UAS staff shared these findings with the CIS project team.  <u>IT Roadmap:</u> UAS staff has organized a new steering committee and that will provide guidance and governance to technology projects in the department. UAS staff is organizing a city-wide GIS summit to explore the ways different departments use and support GIS. We are currently soliciting proposals to evaluate and optimize our work order system implementation.  <u>Community Solar:</u> Platte River and municipality staffs continue to work on developing a community solar program that could serve all four municipalities. A customer survey is being completed to provide insight on the solar market and local solar economics.</p>		
<p><b>Q2 Update:</b>  <u>Community Solar:</u> A customer survey was completed in April 2017 and results presented to LUC on June 21, 2017. We are currently working on developing an RFP, including participating in discussions with the Rocky Mountain Institute on a joint RFP with local co-ops. Discussions also continue around program administration and marketing.  <u>CIS &amp; IT Roadmap:</u> No update.</p>		

2017 Goals & Quarterly Updates	Est. Completion	Actual Completion
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**Q3 Update:**  
**Community Solar:** Community Solar Committee members are continuing to plan for a 5-MW joint community solar project located at the Rawhide Energy Station. We have worked with the Rocky Mountain Institute (RMI) and the Rawhide Flats developer (Juwi) to collect quotes for two potential locations on the Rawhide property. Staff members are currently coordinating with the top two bidders and hope to begin negotiating a PPA in October, pending the receipt of Request Letters from the municipalities to pursue a 25-year binding solar PPA. The top two bidders have both indicated a planned commercial online date for the project during the second half of 2018. We anticipate offering community solar as a new charge under Tariff 7. A Loveland Community Solar Design Team, consisting of staff from Power, Finance, Utility Applications and Customer Relations, has been formed to clarify program requirements, program administration and marketing.  
**CIS:** We will begin going over the individual scoring matrix and collectively scoring the vendors on Nov. 1st and 2nd.  
**IT Roadmap:** No update

**Q4 Update:**  
**Community Solar:** Due to uncertainty in commitments and costs, Platte River member city utility directors decided to postpone the Community Solar Project until 2019 with the intent to increase the size of the facility and include battery storage. As a result, Platte River and the municipalities have halted discussions and work on the project.  
**CIS:** The CIS vendor list has been shortened to 3. We are currently checking references and will begin vendor demos in January 2018.  
**IT Roadmap:** Two new positions have been passed by city council and advertised for the Utility Application Services Group, Utility Applications Services Manager and the Utility Business Analyst. This follows the IT roadmap recommendation of expanding our work group.

<b>6 Support the Colorado Water Plan and strengthen Loveland’s raw water supply portfolio through continued participation in the Windy Gap Firing Project, finalizing a decision on acquiring downstream storage, and continuing to explore how to use alternative transfer methods (ATMs) when opportunities arise.</b>	Ongoing	
--	---------	--

**Q1 Update:** Loveland continues its participation in the WGFP, and during this quarter its subscription was increased from 9,000 AF of storage to 9,451 AF of storage, out of 90,000 AF in the project. A meeting was held with the Board of the Hillsborough Ditch Company concerning future cooperation with the City on its Big Thompson River diversion structure in exchange for being able to make diversions or replacements at or near their location. Staff has continued working with the City's consultant on an evaluation of a potential downstream storage site. Easements across intervening property for a pipeline for filling or draining the reservoir have been discussed with the landowner. No new opportunities for participation in an ATM has become evident this quarter.

**Q2 Update:** Planning and preliminary design for the Windy Gap Firing Project continues to move ahead. The US Army Corps of Engineer's 404 Permit has been issued, received, and approved, which is an important step. Decisions on the type of dam have moved ahead, with the most likely being an asphalt core rockfill design. This design has been used more commonly in Europe, but is being driven here because of a lack of sufficient clay material on the site for a clay core.  
 Staff is in discussions on downstream storage with the owner and neighboring property owner.

**Q3 Update:**  
**Windy Gap Firing Project:** Progress continues on preliminary design issues, including clearing brush and trees, making property acquisitions where needed, and learning more about asphalt core rockfill designs. Discussions continue on joint financing for the Project. Two entities at this point indicate they intend to move ahead with individual financing, the remaining parties plan to participate in the joint funding. Current indications are that a AA rating is likely. On September 28 a joint application was filed in Division 5 Water Court.

**Q4 Update:** Windy Gap Firing Project: Design work has progressed to more substantive consideration of the asphalt core rockfill dam and how that will work in this area. Clearing of brush and trees continues. Considerable discussion has occurred on Project financing, including whether all parties should be included in joint financing, or each given opportunity to participate jointly or individually. Objectors are now known for the Division 5 Water Court application. It is believed this will be able to move ahead with successful terms and conditions being obtained.  
**Downstream Storage:** Negotiations are moving ahead in parallel with Open Space. Several options are currently under consideration. Storage space, river access across intervening land, and river diversion capability are all factors which are being considered and planned.



2017 Goals & Quarterly Updates	Est. Completion	Actual Completion
<b>7 Complete an infiltration and inflow/selenium study in our wastewater collection system and develop a selenium reduction program to reduce selenium discharges from the Wastewater Treatment Plant.</b>	September 2017	Sep-17
<b>Q1 Update:</b> The Infiltration and inflow/selenium study has been started. A sampling plan for the project has been developed and adopted for this project. A total of 26 flow meters and 17 sampler have been deployed. A set of wastewater samples has been taken during the low flow time periods from April 4, 2017 through April 6, 2017. All samples have been turned into the lab for testing and we are continuing to collect wastewater flow data.		
<b>Q2 Update:</b> We have completed several months of flow monitoring and have completed two different wastewater sampling events. We are currently processing the data from the sampling events and working on the study that will be turned into the state in September of 2017.		
<b>Q3 Update:</b> The study was completed and submitted to the State at the end of September. The State recently gave us a time extension to 2020 to meet the new selenium discharge limit. We expect that we will ultimately need to request a site specific stream standard variance due to the extremely low limit currently in our permit (4.6 parts/billion), and the limited options available for removing selenium from our wastewater system.		
<b>Q4 Update:</b> No update. Project has been completed.		
<b>8 Complete a comprehensive in house audit and update of the Water &amp; Power Schedule of Rates, Charges and Fees.</b>	August 2017	
<b>Q1 Update:</b> This project starts after we have submitted our 2018 budget to the Budget Office, so it will be getting under way in late June.		
<b>Q2 Update:</b> We are underway with some work completed on updating the impact fees and the entire update will be completed by the end of August. This project has been completed and received unanimous approval from the LUC at their September meeting. It was also		
<b>Q3 Update:</b> This project has been completed and received unanimous approval from the LUC at their September meeting. It was also approved by City Council by a 6-3 vote on First Reading at their October 3, 2017 meeting.		
<b>Q4 Update:</b> No update. Project has been completed.		
<b>9 Continue the second phase of the M36 water loss audit which will improve water tracking methods and practices to ensure data validity. Review and implement cost-effective recommendations.</b>	Ongoing	
<b>Q1 Update:</b> We are in the process of compiling the water audit for the 2016 calendar year. This year, we have requested logs to backup each number used in the audit. We have made great improvements in the tracking of various authorized, but unbilled and unmetered water usage (i.e. fire training, fire fighting, sanitizing of new water lines, line flushing, tank cleaning, etc.).		
<b>Q2 Update:</b> Progress will resume when Michelle Erickson returns from leave.		
<b>Q3 Update:</b> Michelle Erickson will present the results of the water loss audit over the 2016 calendar year at the October 2017 LUC meeting.		
<b>Q4 Update:</b> Michelle Erickson presented the results of the water loss audit over the 2016 calendar year at the October 2017 LUC meeting noting the improvements that have been made and areas that could be improved with additional allocation of resources.		
<b>10 Acquire additional CBT shares that apply the concept of dollar cost averaging to future purchases and negotiate prices based on the market.</b>	Ongoing	
<b>Q1 Update:</b> Contacts have been received from parties, but prices remain very high. Staff continues to follow up with interested parties.		
<b>Q2 Update:</b> Contacts have been received from parties, but prices remain very high. Staff continues to follow up with interested parties.		
<b>Q3 Update:</b> Contact with sellers has continued. Staff offered cash on up to 18 units, but the seller required more.		
<b>Q4 Update:</b> Contact continues with sellers. Asking prices remain high, generally between \$28,000 and \$30,000. Staff continues to follow up with interested parties.		
<b>11 Continue water and electric resource planning to address current and anticipated trends and concerns.</b>	Ongoing	

2017 Goals & Quarterly Updates	Est. Completion	Actual Completion
<p><b>Q1 Update:</b>  <u>Water:</u> The Water Department is working closely with Northern Water on the final permitting and financial planning for the Chimney Hollow reservoir. Also, the Water Department is evaluating the feasibility of acquiring a gravel pit located downstream from the wastewater treatment plant in order to take full advantage of certain water rights that can be used to extinction.  <u>Electric:</u> We are continuing to work with PRPA on future electric resource needs including a possible partnership with the other cities to construct a solar garden. PRPA is scheduled to do a Resource Planning presentation at the May 2017 LUC meeting.</p>		
<p><b>Q2 Update:</b>  <u>Power:</u> We are continuing to work with PRPA on the Customized Resource Plan. In 2017 our goals are to develop a broad understanding of the CRP environment and develop some basic cost impacts.  <u>Water:</u> The Chimney Hollow Reservoir Project recently received the Corps of Engineers 404 permit bringing us one step closer to adding much needed storage capacity to firm up our Windy Gap Units. Regarding the downstream storage reservoir, the feasibility study is complete, and negotiations have been ongoing with the land owner. We have budgeted \$3.3M in 2018 to acquire the reservoir, and we have identified funds in our 10 CIP (starting in 2026) to construct the necessary diversion structure and pump station to make the reservoir usable.</p>		
<p><b>Q3 Update:</b>  <u>Power:</u> We are continuing to work with PRPA on the Customized Resource Plan. In 2017 our goals are to develop a broad understanding of the CRP environment and develop some basic cost impacts.  <u>Water:</u> This is covered in Item 6 above.</p>		
<p><b>Q4 Update:</b>  <u>Power:</u> The net zero carbon idea is currently being presented in each community and the feedback received will be used to help develop future resource plans.  <u>Water:</u> This is covered in Item 6 above.</p>		

## Proposed 2018 LUC Goals for the Loveland Water and Power Department

### Finance Division

1. Complete a cost-of-service rate study for the Water and Wastewater Utilities.
2. Participate with the City's Budget Division in the implementation of the new city-wide budgeting software, PowerPlan.

### Customer Relations

1. Continue customer outreach regarding the following programs:
  - Zero Net Carbon
  - Community solar
  - Energy Efficiency
  - Demand Side Manager
  - Water Efficiency
2. Support customer outreach in the Big Thompson Canyon as the Circuit 911 project continues to completion.
3. Support the implementation efforts an Economic Development and Customer Relations Customer Resource Management (CRM) tool.

### Water Division

1. Continue WWTP Expansion.
2. Complete final design and bidding for new water quality laboratory.
3. Continue aggressive algal mitigation efforts at Green Ridge Glade Reservoir.

### Power Division

1. Complete Circuit 911 (Big Thompson Canyon) upgrade work.
2. Begin initial evaluation of new substation location (I25/402 corridor).
3. Support the City's municipal broadband effort.
4. Evaluate power asset ages and conditions to support a replacement schedule.

### Information Technology

1. Support the efforts of new software systems including: a citywide Customer Information Systems (CIS) and an Economic Development and Customer Relations Customer Resource Management (CRM) tool.
2. Expand use of Cityworks and related platforms into all Utility Department Divisions.
3. Collaborating with the Water Division, deploy new leak detection hardware and implement formal leak detection and valve exercising programs.

**ITEM TITLE:**

2018 Biosolids Contract Renewal with Veris Environmental LLC

**DESCRIPTION:**

This item is to approve the 2018 contract renewal for hauling and land application of biosolids from the Wastewater Treatment Plant.

**SUMMARY:**

One of the first stages of treatment at the Wastewater Treatment Plant (WWTP) is to remove easily settled solids from the incoming wastewater. These solids, known as primary sludge, are sent to the anaerobic digesters where a bacterial population removes the various organic compounds to a level acceptable to state and federal regulations. Anaerobic bacteria live in the absence of oxygen.

The WWTP also uses biological treatment to meet state and federal limits of treatment in the downstream treatment process. In this process, known as activated sludge, populations of aerobic, or oxygen dependent, bacteria digest the polluting constituents, removing them from the water. These bacterial populations grow as they use these constituents and a certain percentage has to be wasted out of the system to maintain the proper balance of bacteria to food (the constituents of the various pollutants). This waste activated sludge population is thickened by rotary drum thickeners to reduce sludge volume and enhance further treatment.

The thickened activated sludge is then sent to the same digesters where it is treated by the anaerobic bacterial population until the sludge reaches a treatment level that meets state and federal regulations. These treated solids (biosolids) are hauled to various agricultural fields where they are applied, again within regulations, in order to recycle the remaining nutrients and organic matter to enhance soil conditions. This is a contract renewal request for Veris Environmental, LLC to continue providing biosolids hauling and land application services needed to maintain proper treatment at the WWTP. The original contract was awarded in 2015 based on bids received in November of 2014. The original contract was for one year with the option to renew for an additional four years based on mutual agreement of both parties.

The unit cost for hauling biosolids in the original contract was \$0.0376 per gallon, the amount for 2016 was increased to \$0.0380 per gallon, and in 2017 the cost was \$0.0391 per gallon. For 2018 Veris has requested a 3.1% cost increase to \$.0403 per gallon. This 3.1% increase is consistent with the increase in CPI this year.

Additionally, the volume of biosolids produced during the 2017 contract has increased more than expected and could surpass the estimated maximum production by approximately 300,000 gallons and may surpass the do not exceed amount on the current contract by approximately \$8,000. For 2018, we budgeted \$619,600 for biosolids and other material disposal. We currently estimate the most likely amount of biosolids disposal in 2018 to be approximately 15.3 million gallons. This would require approximately \$616,500 in disposal costs based on the proposed 2018 hauling rate.

Thus for 2018, we are requesting a contract renewal based on \$0.0403 per gallon times actual gallons hauled in an amount not to exceed \$616,500. This contract renewal will be in effect from February 1, 2018 to January 31, 2019.

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 approve a one-year renewal of the biosolids hauling and land application contract for 2018 with Veris Environmental, LLC in an amount not to exceed \$616,300 and authorize the City Manager to execute the contract on behalf of the City.

**ATTACHMENTS:**

-  Attachment A: Veris Environmental LLC - 2018 Pricing Memo

# Attachment A



## Veris Environmental, LLC

53036 Highway 71  
Limon, CO 80828

Phone: 719-775-9870  
Fax: 719-775-9871

204 S. Bowen Street  
PO Box 888  
Longmont, CO 80502

Phone: 303-651-7070  
Fax: 303-651-0309

November 9, 2017

Mr. Michael McCrary  
City of Loveland  
920 S. Boise Ave.  
Loveland, CO 80537  
970-962-2572

SENT VIA E-MAIL

Re: Hauling & Land Application of Biosolids – 2018 Pricing

Dear Michael:

Veris Environmental (“VERIS”) is now providing service to the City of Loveland for a 30<sup>th</sup> consecutive year. We thank you for your trust and look forward to continuing this relationship managing the City’s biosolids program.

In evaluating 2018 pricing for our clients, we have been using the change in Consumer Price Index (CPI) for the Denver-Greeley region based on available data from the Bureau of Labor. For the most recent one year period of data, the CPI has increased 3.1% over that period (see attached Index & Calculation). As a result, VERIS is requesting a price change for **2018 to a rate of \$0.0403 per gallon** from \$0.0391 per gallon. This price adjustment will allow VERIS to keep up with the cost of doing business and providing the level of service expected.

Again, it has been a pleasure to work with you and the City of Loveland staff over the years. If you have any questions or need additional information, don’t hesitate to contact me at [jay.holmes@verisenvironmental.com](mailto:jay.holmes@verisenvironmental.com) or 303-651-7070.

Yours truly,

Jay Holmes  
Chief Operating Officer



# Databases, Tables & Calculators by Subject

Change Output Options: From: 2007 ▼ To: 2017 ▼

include graphs  include annual averages

[More Formatting Options](#)

Data extracted on: November 9, 2017 (10:28:16 AM)

## CPI-All Urban Consumers (Current Series)

Series Id: CUURA433SA0, CUUSA433SA0  
 Not Seasonally Adjusted  
 Series Title: All items in Denver-Boulder-Greeley, CO, all urban consumers, not seasonally adjusted  
 Area: Denver-Boulder-Greeley, CO  
 Item: All items  
 Base Period: 1982-84=100

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2007													202.029	201.258	202.799
2008													209.903	208.741	211.066
2009													208.548	207.444	209.652
2010													212.447	210.978	213.916
2011													220.288	219.055	221.521
2012													224.568	222.960	226.177
2013													230.791	229.142	232.439
2014													237.200	235.736	238.664
2015													239.990	238.086	241.895
2016													246.643	245.191	248.095
2017													252.760	252.760	252.760

Δ in CPI:

2017: 252.760

2016: -245.191

7.569

- 245.191

↑ 3.1%

Increase in CPI

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### TOOLS

- Areas at a Glance
- Industries at a Glance
- Economic Releases
- Databases & Tables
- Maps

### CALCULATORS

- Inflation
- Injury And Illness

### HELP

- Help & Tutorials
- FAQs
- Glossary
- About BLS
- Contact Us

### INFO

- What's New
- Careers @ BLS
- Find It! DOL
- Join our Mailing Lists
- Linking & Copyright Info

### RESOURCES

- Inspector General (OIG)
- Budget and Performance
- No Fear Act
- USA.gov
- Benefits.gov
- Disability.gov





**ITEM TITLE:**

Big Thompson Canyon Voltage Conversion Contract Increase & Construction Update

**DESCRIPTION:**

The purpose of this item is to provide a status update on the project as well as for the approval of a contract for continuation of construction through Phase 2.

**SUMMARY:**

This project is comprised of building new overhead power lines in-line with existing energized lines and removal of existing infrastructure with the intent of converting the existing power line voltage (22.9 kV Delta and 2.4 kV Delta) to the City standard voltage (12.47 kV Grounded Wye) in the Big Thompson Canyon west of Loveland. The major benefits of the project include improved power quality and improved system reliability. The project was divided into three construction phases to make the project more manageable and to allow construction to start on phase 1 while phase 2 and 3 were in design:

- Phase 1, consists of approximately 11 miles of line, started at West Substation on Namaqua Road and finishes at the City Water Treatment Plant, including County Road 29 and Ellis Ranch Lane.
- Phase 2, approximately 7 miles of line, picks up at the City Water Treatment Plant and continues to the Colorado Cherry Company Store including a traverse over Ute Pass.
- Phase 3, approximately 14 miles of line, will continue from the Colorado Cherry Company Store to the end of line in Drake and Waltonia.

The current construction contract, approved by LUC in February 2017, includes funding for phase 1 of the project. During the initial bid process, the contractors were made aware of the possibility of continuing with Phase 2 & 3 of the project, with mutual agreement between both parties. Unit prices were established that would remain in place for all 3 project phases. These unit prices are used to establish the costs for any change orders that may occur as well as the construction costs for Phase 2 & 3.

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 approving the contract for Phase 2 of the Circuit 911 Voltage Conversion with Power Contracting, LLC in accordance with bid document 16-087 with a not-to-exceed amount to \$650,000.00 and authorize the City Manager to sign the contract on behalf of the City.

**ATTACHMENTS:**

-  Attachment A: BTC Voltage Conversion Construction Update

# Attachment A

**Loveland**  
Water and Power



## Big Thompson Canyon Voltage Conversion Construction Update

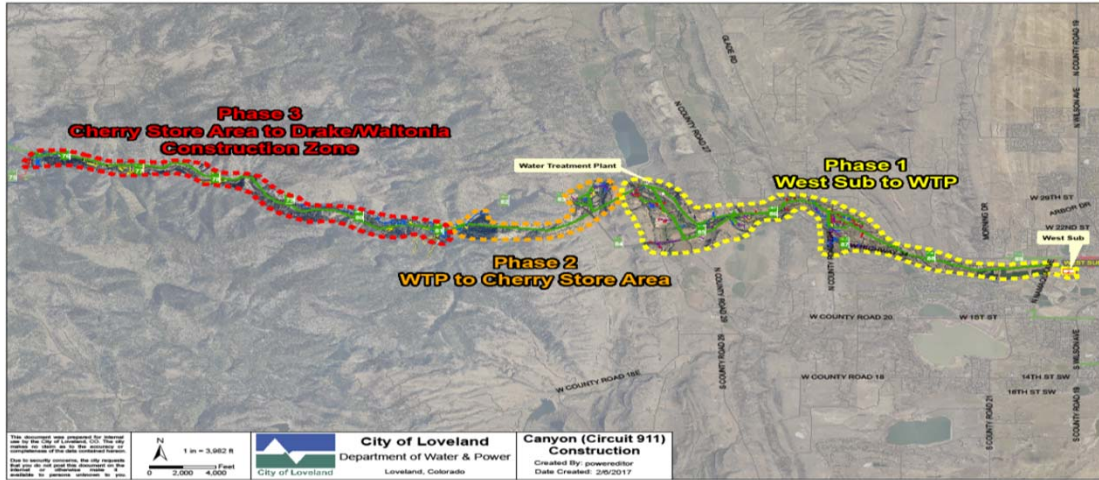
January 17, 2018

## Agenda

- 🌀 Construction Overview & Timeline
- 🌀 Reliability Improvements
- 🌀 Construction Pictures
- 🌀 Questions

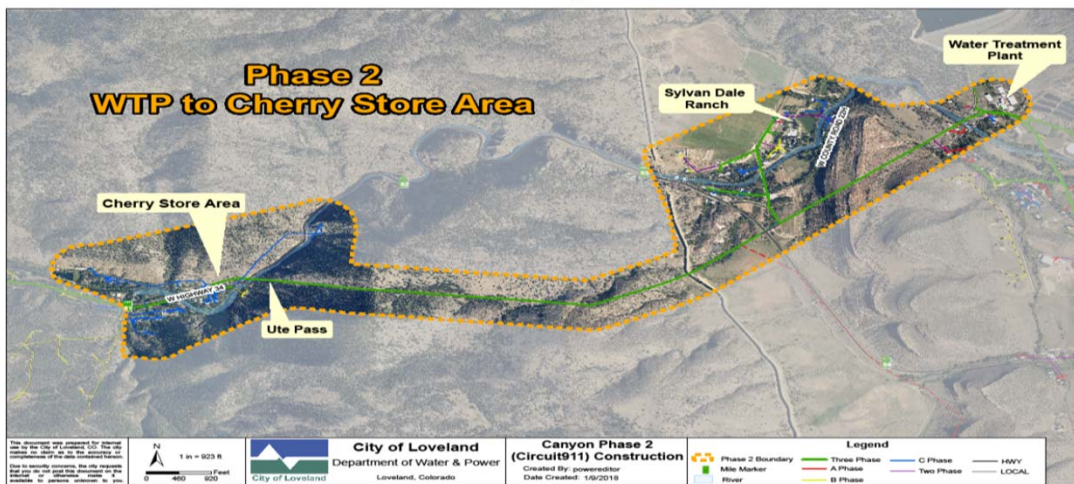
**Loveland**  
Water and Power

# Canyon Construction Overview Map



**Loveland**  
Water and Power

# Phase 2 Detail Map



**Loveland**  
Water and Power

# Construction Timeline

PHASE 1	PHASE 2	PHASE 3
<p>Expected completion - Jan. 31, 2018</p> <p>Phase 1A: West Substation to Glade Rd. &amp; Becker Lane (COMPLETE)</p> <p>Phase 1B: Glade Rd./Becker Lane to City of Loveland Water Treatment Plant. (UNDER CONSTRUCTION)</p>	<p>Feb. 1, 2018 – September, 2018</p> <p>Phase 2A: Water Treatment Plant to Sylvandale Ranch (ISSUED FOR CONSTRUCTION)</p> <p>Phase 2B: Sylvandale Ranch to Colorado Cherry Company Store (ISSUED FOR REVIEW)</p>	<p>October, 2018 – March, 2019</p> <p>Cherry Store to end of line in Drake &amp; Waltonia. (IN DESIGN)</p>

# Improving Reliability

- 🌀 Rebuilding shorter sections of overhead line to minimize area under construction
- 🌀 Adding auto-recloser devices to reduce number of customers exposed to outage at one time
  - 🌀 Increases segmentation of line to reduce number of customers exposed to outage at one time
  - 🌀 Devices de-energize line briefly to allow temporary fault to clear itself before re-energizing. Operate up to 3 times before locking open
- 🌀 Eliminating steel poles
  - 🌀 Reduces opportunity for electrical 'flashover'

## Improving Reliability

- Relocation of poles to reduce likelihood of car/pole incidents
- Implementing aggressive tree trimming operations
  - Will require cooperation of landowners
  - Once permission is granted, encroaching trees will be trimmed / removed at City expense
- Establishing single point of contact for customers to direct questions / express concerns
  - Tracey Hewson 970.962.3710 [tracey.hewson@cityofloveland.org](mailto:tracey.hewson@cityofloveland.org)

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Water and Power

## More Straightforward Construction



**During**



**After**

Photos of corner pole south of W. County Road 24 during construction and after rebuild.

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Water and Power

# QUESTIONS?





**ITEM TITLE:**

Boyd Parallel Interceptor Project – Phase 1 Construction Contract

**DESCRIPTION:**

This is for the approval of the construction contract for Phase 1 of the Boyd Parallel Interceptor Project (W1601H).

**SUMMARY:**

The City’s largest sanitary sewer basin drains to one main interceptor which the City refers to as the Old Boyd Basin Interceptor. The existing 24” Interceptor is currently at capacity and a parallel 24” sanitary sewer will be constructed to convey a portion of the existing basin flows along with flows from all future basin development. The proposed new interceptor will be approximately 6,700 linear feet (LF) and will commence north of E. Eisenhower Blvd. on the south side of the Greeley Loveland Canal. The sanitary sewer will cross the Canal and proceed in a northerly direction through Cheyenne St., W. 17<sup>th</sup> St., Boise Ave., Silver Leaf Dr., and Madison Ave where it terminates south of 29<sup>th</sup> St (see attached map in Figure 1 for proposed route). The design and subsequent construction is complicated by the Canal crossing, tight corridors, other utilities, and affects to traffic.

The construction contract to be considered for approval covers the first phase of the project which installs approximately 2,000 LF of the 24” sanitary sewer. The project has been divided into two phases so that the Canal can be crossed during low ditch flows that occur during winter months.

In order to minimize the impact to area residents and businesses, other City divisions are completing master planned or necessary maintenance work along the proposed route in conjunction with this project. The Electric utility has a need for increased redundancy and upgrading aging infrastructure along the Phase 1 route, and therefore is installing a duct bank and associated vaults as part of the project. Likewise, the City Stormwater Division will be installing a storm sewer to drain the Boise and 17<sup>th</sup> St. intersection to the Canal. With the sanitary sewer work already substantially altering the existing storm sewer, the proposed 36” reinforced concrete pipe (RCP) storm sewer and associated manholes and inlets have been combined with the project. Likewise, the City Public Works (PW) Department will be including some curb and gutter removals and asphalt rehabilitation work along the Phase 1 alignment.

Connell Resources was chosen through a competitive selection process to be the Construction Manager at Risk (CMaR) contractor for the project. They have participated in the design phase of the project providing constructability review, cost comparisons, and field services. Connell has prepared a Guaranteed Maximum Price (GMP) cost proposal for the work described above. The GMP cost proposal is comprised of the self-performed work of Connell as well as sub-contracted work. All sub-contracted work and materials were competitively bid. After the self-performed costs were reconciled through an independent third party estimating firm, Capstone, a final 0.3% cost difference (Connell low) between the estimates resulted. This satisfied the Department goal of less than a three percent deviation.

- The Total Phase 1 GMP for the project is \$3,550,202



Breakdown of the work between Departments is:

- Wastewater: \$1,760,725.20
- Storm Sewer: \$1,123,641.20
- Electric Duct Bank: \$434,164.80
- PW Curb & Gutter: \$189,932.30
- PW Asphalt: \$41,738.50




Funds are available for the Phase 1 GMP through the 2018 budget. There will be a second phase of the project that is estimated to come to LUC in April 2018 and commence construction in May of 2018. This phase will extend the sanitary sewer approximately 4,000' as well as construct a 30" waterline on the west side of the City.

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:**

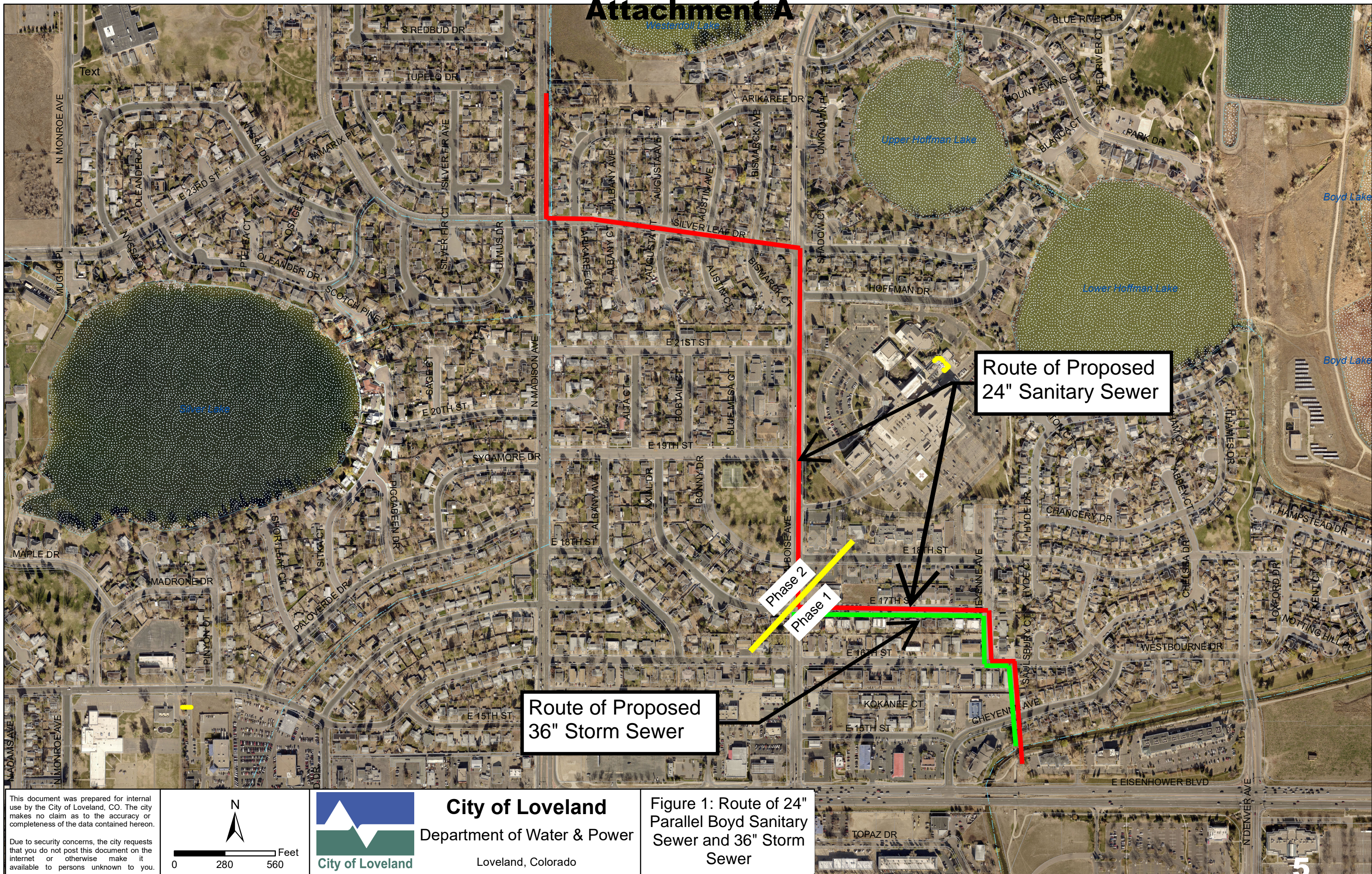
Adopt a motion to award the contract for Boyd Parallel Interceptor to Connell Resources in an amount not to exceed \$3,550,202 and authorize the City Manager to execute the contract on behalf of the City.

### **ATTACHMENTS:**

-  Attachment A: Figure 1 – Sanitary Sewer Alignment
-  Attachment B: Figure 2 – Electric Duct Bank Alignment
-  Attachment C: Bid Tabulation



# Attachment A



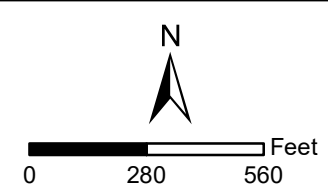
Route of Proposed  
24" Sanitary Sewer

Route of Proposed  
36" Storm Sewer

Phase 2  
Phase 1

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Due to security concerns, the city requests that you do not post this document on the internet or otherwise make it available to persons unknown to you.



**City of Loveland**  
Department of Water & Power  
Loveland, Colorado

Figure 1: Route of 24" Parallel Boyd Sanitary Sewer and 36" Storm Sewer

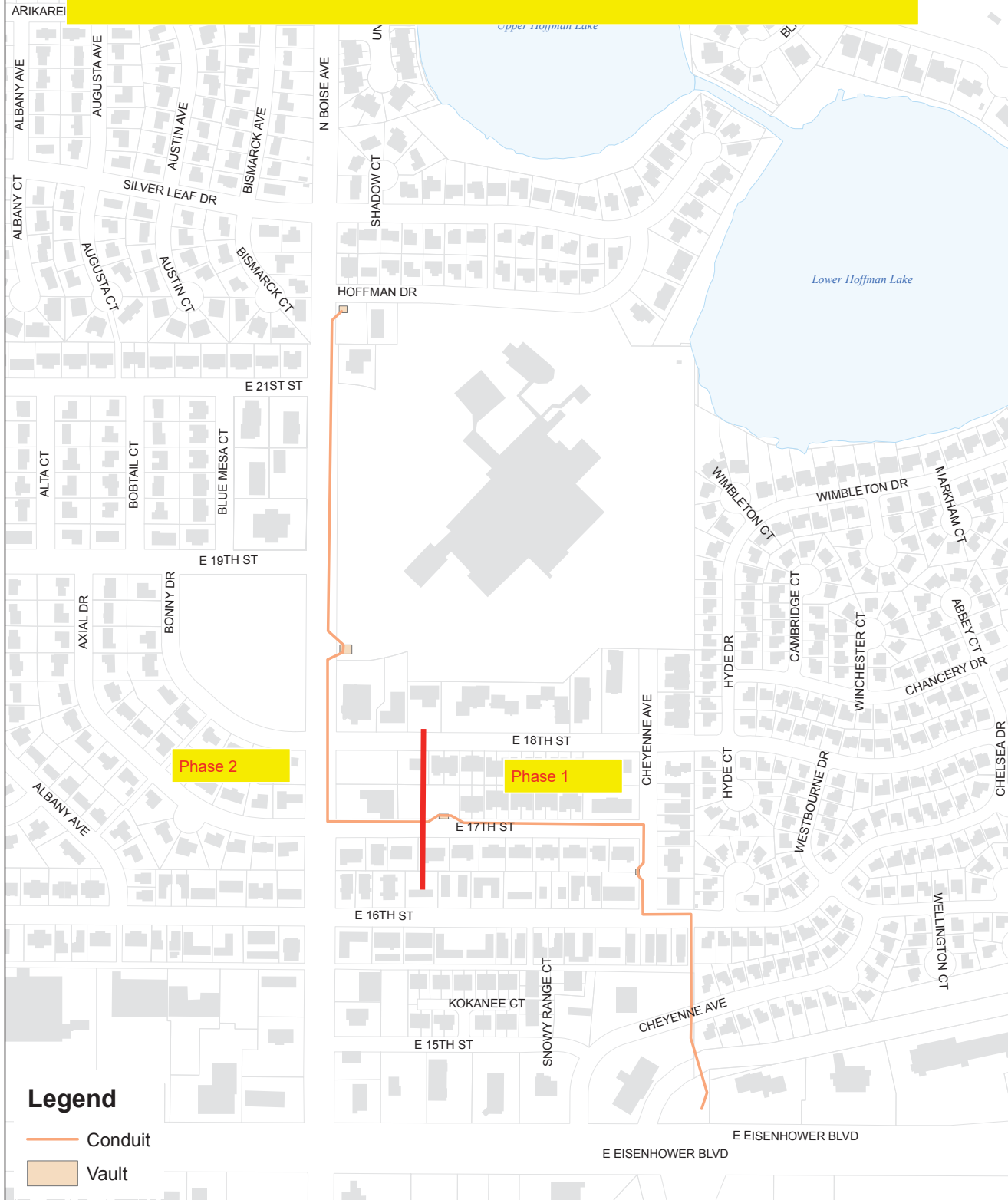


# Attachment B

## Boyd Parallel Interceptor - Electric Installation Reasoning and Justification

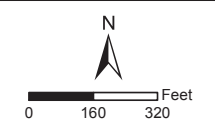
The Boyd Parallel Interceptor is a project designed as a system improvement for the City of Loveland Electric Division. Some of the benefits of the project are highlighted here:

- \* Replaces aging backbone infrastructure (1990 era)
- \* Relocates equipment from hard to access back yards to street front
- \* Provides the ability to install new loops for existing infrastructure, speeding up restoration times if needed
- \* Joining Wastewater and Storm water allows for economies of scale



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**Boyd Parallel Project**  
**Proposed Substructure**  
 Figure 2

Plan By: D. Daneshka  
 970-290-8876  
 Updated: 12/26/2017

# Attachment C

## Boyd Parallel Interceptor Phase 1, Storm Sewer, Electric Duct Bank, C&G Cost Reconciliation

					Connell Resources	
	Line Number	Description	Quantity	Unit	Unit Bid Price	Total Bid Price
General Conditions	10	Mobilization (Includes General And Subcontractor Mobilization)	1.0	LS	\$39,300.00	\$39,300.00
	20	Office Trailer (Includes Temp Service)	3.5	MO	\$2,030.00	\$7,105.00
	30	Staging Area Grading And Gravel Entrance (Strip Lot, 4" Base, Remove Base & Respread Topsoil When Done)	2,225.0	SY	\$7.05	\$15,686.25
	40	Roll Off Dumpster & 2 Sanitary Facilities (30 Cy Dumpster Dumped Monthly & 2 Portable Toilets On Trailers)	3.0	MO	\$1,190.00	\$3,570.00
	50	Project Management (Full Time Site Manager, Field Engineer & 2 Days/wk For PM)	16.0	WK	\$6,670.00	\$106,720.00
	60	Construction Surveying	1.0	LS	\$21,700.00	\$21,700.00
	70	Dewatering (Sub Quote Plus Gen Sets Fueled & Rock For Well Installation Delivered From Carr)	14.0	WK	\$31,700.00	\$443,800.00
	80	Pothole Existing Utilities	100.0	HR	\$208.00	\$20,800.00
Removals	90	Clear And Grub Loads To Dump	24.0	LOAD	\$620.00	\$14,880.00
	100	Asphalt Removal Milling 5" (Haul Included To Harmony Pit)	8,900.0	SY	\$4.75	\$42,275.00
	110	Remove Electric Vault And Two Inlets On Cheyenne St	3.0	EACH	\$1,180.00	\$3,540.00
	120	Remove Curb And Gutter	2,600.0	LF	\$4.50	\$11,700.00
	130	Remove Concrete Flatwork 6"-8"	12,500.0	SF	\$1.10	\$13,750.00
	140	Remove Trees & Stumps (Stumps To Be Left 3' Above Grade, And Then Removed On Site With Excavator)(Haul Stumps To Dump)	11.0	EACH	\$1,430.00	\$15,730.00
	150	Sawcut Asphalt 6"	1,200.0	LF	\$2.35	\$2,820.00
Erosion Control	160	Silt Fence	150.0	LF	\$3.75	\$562.50
	170	Gravel Inlet Protection	12.0	EACH	\$366.00	\$4,392.00
	180	Gravel Bag	200.0	LF	\$9.45	\$1,890.00
	190	Erosion Log (9" Diameter)	200.0	LF	\$5.15	\$1,030.00
	200	Maintain Erosion Control (Includes Labor And Small Equipment)	8.0	DY	\$2,090.00	\$16,720.00

	210	Concrete Washout (Includes Maintenance)	2.0	EACH	\$3,540.00	\$7,080.00
Earthwork	220	Unsuitable Trench Backfill Material Excavate, Remove And Replace With Pit Run (Haul Unsuitable To Carr & Back Haul Pit Run)	4,000.0	CY	\$36.10	\$144,400.00
	230	Fine Grade Curb And Gutter (Use Existing Sub-grade Only)	2,600.0	LF	\$7.65	\$19,890.00
	240	Fine Grade Concrete Sidewalks (Use Existing Sub-grade Only)	9,440.0	SF	\$1.30	\$12,272.00
	250	Fine Grade Concrete Paving For Trickle U Channel, Cheyenne, And In Ally (Use Of Existing Sub-grade Only)	985.0	SY	\$4.05	\$3,989.25
	260	Fine Grade Concrete Pans In Streets (Includes 6" Base Course Under Concrete)	350.0	SY	\$12.80	\$4,480.00
	270	Subgrade Preparation For Boise Including Excavation And Haul Off 20" For New Pavement Section	750.0	SY	\$16.80	\$12,600.00
	280	Subgrade Preparation For 16th, Cheyenne, 17th, And Axial Drive Including Excavation And Haul Off 10" For New Pavement	7,380.0	SY	\$6.25	\$46,125.00
	290	Import Recycled Base For Temp Surfacing (Hauled In Semi From Harmony Pit)	500.0	TON	\$22.20	\$11,100.00
	Sanitary Sewer	300	24" Sanitary Sewer SLIDE-RAIL (STA 16+15 To 11+75)(16-20 Feet Deep) (Includes Excavation, Trench Protection, 3/8" Minus Bedding,	440.0	LF	\$837.00
310		24" Sanitary Sewer (16-20 Feet Deep) (Includes Excavation, Trench Protection, 3/8" Minus Bedding, Pipe, Testing And Backfill With Excavated Materials Only)	1,660.0	LF	\$189.00	\$313,740.00
320		Dual - 48" CMP Temp Ditch Crossing Pipes And Access & Removal	80.0	LF	\$145.00	\$11,600.00
330		Repair Ditch Lining With Claystone 1' Thick @ 30' Wide	60.0	LF	\$108.00	\$6,480.00
340		Sewer Manhole 48" - New End Of Line MH @ STA 19+00 To West	1.0	EACH	\$2,520.00	\$2,520.00
350		Sewer Manhole 60" (with External Joint Wrap & Testing)	6.0	EACH	\$5,500.00	\$33,000.00
360		Sewer Manhole 72" (with External Joint Wrap & Testing)	3.0	EACH	\$7,500.00	\$22,500.00
370		60" Manhole On Existing Sewer Main	1.0	EACH	\$6,430.00	\$6,430.00
380		Reconnect Existing Sewer Services To New Main	3.0	EACH	\$2,940.00	\$8,820.00
390		Inside & Outside Drop On Manhole 8" Main	3.0	EACH	\$4,140.00	\$12,420.00
400		Trench Stabilization Material (Hauled From Carr In Semi)	500.0	TON	\$27.20	\$13,600.00
410		Adjust Manhole In Asphalt Pavement	12.0	EACH	\$501.00	\$6,012.00
	420	18" RCP Storm Drain	110.0	LF	\$81.70	\$8,987.00

Storm Drain	430	24" RCP Storm Drain & Bends	135.0	LF	\$103.00	\$13,905.00	
	440	30" RCP Storm Drain & Bends	235.0	LF	\$104.00	\$24,440.00	
	450	36" RCP Storm Drain & Bends	1,810.0	LF	\$140.20	\$253,762.00	
	460	45" X 29" RCP Storm Drain	205.0	LF	\$179.00	\$36,695.00	
	470	30"x24" RCP Tee	2.0	EACH	\$1,480.00	\$2,960.00	
	480	24"x24" RCP Tee	1.0	EACH	\$1,480.00	\$1,480.00	
	490	Inlet Type R 5 Ft	1.0	EACH	\$7,720.00	\$7,720.00	
	500	Inlet Type R 10 Ft	4.0	EACH	\$10,800.00	\$43,200.00	
	510	Inlet Type R 15 Ft	1.0	EACH	\$13,200.00	\$13,200.00	
	520	Inlet Type R 20 Ft	1.0	EACH	\$14,200.00	\$14,200.00	
	530	Stormwater Quality Manhole Vault	1.0	EACH	\$40,000.00	\$40,000.00	
	540	T-Base Manhole Special (T-Base, Stackout And Cover)	3.0	EACH	\$2,830.00	\$8,490.00	
	550	Storm Manhole 6-Ft (Base, Collars, Stackout, Cover & Invert)	4.0	EACH	\$4,590.00	\$18,360.00	
	560	Adjust Storm Manhole For Paving	7.0	EACH	\$501.00	\$3,507.00	
	570	Rip Rap D50=12", Type M	8.0	CY	\$112.00	\$896.00	
	580	Rip Rap D50=6", Type VL	5.0	CY	\$124.00	\$620.00	
	590	36" Grouted Boulders	25.0	SY	\$574.00	\$14,350.00	
		600	TEMPORARY 2" WATER SYSTEM 3 Services Per Location, Includes Set Up Of Services, Testing, Connection, And Removal. (Both Locations Total To 300 LF	2.0	EACH	\$4,650.00	\$9,300.00
		610	6" PVC Waterline (in 6 Locations) (Includes Excavation, Trench Protection, Bedding, Pipe, And Backfill With Excavated Materials Only)	280.0	LF	\$63.60	\$17,808.00
	620	8" PVC Waterline (Includes Excavation, Trench Protection, Bedding, Pipe, And Backfill With Excavated Materials Only)	80.0	LF	\$67.20	\$5,376.00	
	630	10" PVC Waterline (Includes Excavation, Trench Protection, Bedding, Pipe, And Backfill With Excavated Materials Only)	20.0	LF	\$67.00	\$1,340.00	
	640	6" MJ Lowering (Includes 45 Degree Bends (4ea), Thrust Blocks And Crew Time To Install Lowering)	3.0	EACH	\$1,540.00	\$4,620.00	

Waterline	650	6" Tie To Existing With Solid Sleeve (Includes Fitting, Restraint And Crew Time)	20.0	EACH	\$1,280.00	\$25,600.00
	660	6" Gate Valve W/ Box (Material Only)	7.0	EACH	\$799.00	\$5,593.00
	670	8" Lowering (Includes 45 Degree Bends (4ea), Thrust Blocks And Crew Time To Install Lowering)	2.0	EACH	\$2,080.00	\$4,160.00
	680	8" Tie To Existing With Solid Sleeve (Includes Fitting, Restraint And Crew Time)	3.0	EACH	\$1,220.00	\$3,660.00
	690	3/4" Water Service Lowering (Freeze Existing Service, Install New Service 30 LF To Avoid Utility Conflict, Install Couplings To Existing On Both Ends,	22.0	EACH	\$1,110.00	\$24,420.00
	700	2" Sacrificial Blowoff For Testing, Includes Saddle, Corp Stop, Curb Stop, Blowoff Hydrant And Removal After Testing.	1.0	EACH	\$4,070.00	\$4,070.00
	710	8" Gate Valve W/ Box (Material Only)	1.0	EACH	\$1,190.00	\$1,190.00
	720	8" X 6" Reducer (Material Only)	3.0	EACH	\$156.00	\$468.00
	730	8" Tee (Material Only, Includes Thrust Block)	1.0	EACH	\$426.00	\$426.00
	740	8" Cross (Material Only)	1.0	EACH	\$470.00	\$470.00
	750	6" X 6" Tee (Material Only, Includes Thrust Block)	2.0	EACH	\$311.00	\$622.00
	760	10" Gate Valve W/ Box (Material Only)	1.0	EACH	\$1,810.00	\$1,810.00
	770	10" X 8" Reducer (Material Only)	1.0	EACH	\$268.00	\$268.00
	780	10" Tie To Existing With Solid Sleeve (Includes Fitting, Restraint And Crew Time)	3.0	EACH	\$1,470.00	\$4,410.00
	790	Concrete Deadman With Split Megalug And #4 Rebar Each Way @ 12" Spacing, Assumed 5 Ft X 5 Ft X 2 Ft Thick (Includes Exploration On Existing Pipe To Identify Location To	6.0	EACH	\$4,150.00	\$24,900.00
	800	Adjust Valve Box	13.0	EACH	\$309.00	\$4,017.00
Utility Slewing	810	Electrical Duct Bank (Includes Installation Of Owner Supplied Conduit, Rack Spacers, Tracer Wire, Mule Tape, Excavation, Backfill)	2,095.0	LF	\$65.40	\$137,013.00
	820	Electrical Vault 7'x13' (Includes Excavation, Owner Provided Vault And Backfill)	3.0	EACH	\$1,960.00	\$5,880.00
	830	Concrete Duct Encasement - City Approved Concrete Duct Encasement Concrete Mix Only	2,095.0	LF	\$0.60	\$1,257.00
	840	New Service To Hotel & 90 To Connect To Existing Conduit (City To Install New Wire)	170.0	LF	\$9.05	\$1,538.50
	850	150 KW Generator/ Electrician For Temp Connection To Hotel Power	2.0	DY	\$3,840.00	\$7,680.00
	860	8" Thick Concrete Pavement In Cheyenne Ave Between Side Walk Culverts	215.0	SY	\$82.10	\$17,651.50

Concrete Flatwork	870	8" Thick Concrete Pans (Boise Ave, 17th St. & Cheyenne Ave, And Cheyenne Ave & 16th St.)	350.0	SY	\$82.10	\$28,735.00
	880	8" Deep X 20' Wide Concrete Pan Alley STA 2+08 To 5+12 (RESPEC Plans)(Dowel Construction Joints)	675.0	SY	\$87.50	\$59,062.50
	890	Concrete Trickle U Channel (2- 6" Curb Heads With Pan)(Refer To RESPEC Plans C209, C302)	90.0	SY	\$97.30	\$8,757.00
	900	4' Wide Concrete Sidewalk With Attached Type 2 Curb And Gutter (Monolithic) (Drive Approaches Are Incidental To Work And Included In	2,900.0	LF	\$43.80	\$127,020.00
	910	Type 2 Curb And Gutter	240.0	LF	\$30.40	\$7,296.00
	920	Concrete Radii W/ Spandrel, CG, DHCR, 10 Ft (Includes Truncated Domes)	4.0	EACH	\$4,860.00	\$19,440.00
	930	Concrete Radii W/ Spandrel, CG, SHCR, 10 Ft (Includes Truncated Domes)	4.0	EACH	\$3,040.00	\$12,160.00
	940	Concrete Sidewalk Culvert (See Detail 1/C-302 RESPEC Plans)	56.0	LF	\$308.00	\$17,248.00
	950	Mitered Pipe Headwall (With Cut-off Walls And Toe Wall)	1.0	EACH	\$3,600.00	\$3,600.00
Asphalt Paving	960	RAP Aggregate Base Course (4") For NAPA	11,000.0	SF	\$0.89	\$9,790.00
	970	Asphalt Paving Streets 16th, 17th And Cheyenne - 4" Asphalt / 6" Agg Base (2 Lane Residential)	7,000.0	SY	\$30.10	\$210,700.00
	980	Asphalt Patch For Axial Drive And Cheyenne By NAPA - 5" Thick Assumed Existing Asphalt Is 4"	380.0	SY	\$70.70	\$26,866.00
	990	Asphalt Patch Boise Ave. - 8.5" Asphalt Over 11.5" Aggregate Base Course To Be Constructed In Two Phases.	750.0	SY	\$105.00	\$78,750.00
	1000	Roadway Sweeping	80.0	HR	\$176.00	\$14,080.00
Traffic Control	1010	Traffic Control	1.0	LS	\$81,500.00	\$81,500.00
	1020	Concrete Barrier For Boise (Includes Haul Onsite, One Realignment Of Barrier, And Haul Back To Harmony Pit)	250.0	LF	\$41.60	\$10,400.00
Fencing	1030	Remove And Replace 2' X 2' Brick Column (Assume 7 Vert. Feet)	3.0	EACH	\$1,820.00	\$5,460.00
	1040	Remove And Replace 6' Wood Cedar Privacy Fence	480.0	LF	\$42.60	\$20,448.00
	1050	Remove And Replace 6' Chain Link Fence	25.0	LF	\$36.50	\$912.50
	1060	Remove And Replace 5' Chain Link Fence	60.0	LF	\$19.50	\$1,170.00
	1070	Remove And Replace 42" Chain Link Fence	60.0	LF	\$18.20	\$1,092.00
	1080	Temporary Chain Link Fence For Construction - Install & Remove	750.0	LF	\$18.20	\$13,650.00



	1090	Remove And Replace Dowel And Post Fence	80.0	LF	\$18.20	\$1,456.00
	1100	Remove And Replace Steel Frame Gate	1.0	EACH	\$1,210.00	\$1,210.00
	1110	Remove And Replace Trash Enclosures	2.0	EACH	\$1,610.00	\$3,220.00
Landscaping	1120	Landscaping (Area 1)	1.0	LS	\$13,400.00	\$13,400.00
	1130	Landscaping (Area 2)	1.0	LS	\$28,000.00	\$28,000.00
	1140	Landscaping (Area 3)	1.0	LS	\$4,820.00	\$4,820.00
	1150	Landscaping (Area 4)	1.0	LS	\$6,020.00	\$6,020.00
	1160	Landscaping (Area 5)	1.0	LS	\$12,000.00	\$12,000.00
	1170	Landscaping (Area 6)	1.0	LS	\$6,740.00	\$6,740.00
	1180	Landscaping (Area 7)	1.0	LS	\$3,970.00	\$3,970.00
	1190	Landscaping (Napa Lot)	1.0	LS	\$18,600.00	\$18,600.00
	1200	Alleyway Retaining Wall	1.0	LS	\$15,000.00	\$15,000.00

**TOTAL= \$3,550,202.00**

**ITEM TITLE:**

Amended and Restated Ownership, Operations, and Maintenance Agreement for the Home Supply Dam and Related Facilities

**DESCRIPTION:**

The City entered into an Agreement with the Consolidated Home Supply Irrigating and Reservoir Company (the "Company") in 1895, allowing the City to share the use of the Company's "Home Supply Dam" to divert water for treatment and delivery to the City in exchange for the City agreeing to share in the costs of maintenance and repair of the Dam. The Dam is a critical component for water delivery to both the City and the Company. This Agreement updates the terms of funding, operating, maintaining, rehabilitating, or replacing the Home Supply Dam as necessary to continue diversions and deliveries for both parties.

**SUMMARY:**

A proposed January 5, 2018 Draft Agreement (Agreement) between the City and the Consolidated Home Supply Irrigating and Reservoir Company (Home Supply) is shown as Attachment A. The Home Supply Dam belongs to Home Supply. It was constructed in 1895 following the failure of an earlier dam on the same site. The City began its diversions from the Big Thompson River in 1887 from the original dam, and reimbursed the Company for a portion of the construction costs for the 1895 Dam. At that time the City and Company entered into what is known as the 1895 Agreement, shown as Exhibit 2 to Attachment A. The Agreement obligated Home Supply to maintain the water level of the diversion pool behind the Dam for the benefit of the City, while the City was obligated to share in the costs of maintenance and repair of the Dam as necessary.

The Home Supply Dam was severely damaged during the September 2013 flood. In January, 2014 the Parties entered into an Agreement for repairs, later amended in August, 2014 and March, 2015. This was generally referred to as Phase I work for immediate structural repairs of the dam. The Phase 1 work was completed and in September, 2015 the Parties entered into a Phase 2 Agreement to address deferred maintenance on the dam. During discussions between the City and Home Supply as part of this post-flood work, the parties agreed to work towards a new universal agreement that more closely reflected the modern realities of operating and sharing in the costs of operating and maintaining the Dam. Since 2015, City Staff and Home Supply representatives have discussed the basic framework of a new Agreement. The attached Draft Agreement reflects drafting points agreed-to by now-City Manager Steve Adams and Deputy City Manager Rod Wensing and reflects several rounds of drafting and commenting by attorneys for both parties.

The Draft Agreement updates the 1895 Agreement to reflect current conditions. It ensures the following: coordination of the diversion activities by both parties at the Home Supply Dam Site facilities, that each party is responsible for monitoring its own diversions under its legal entitlements, that the City shall operate the Obermeyer overflow gate and related facilities though they are owned by Home Supply, and that the parties will cooperate on construction, installation and programming for headgate actuators on the Home Supply gates. It further provides that the City will participate in funding half of all pre-planned Home Supply Dam capital construction projects above \$10,000, and necessary emergency work. Each party will be responsible for its own diversion facilities or related equipment or structures. The City will participate in at least a 25% share of costs for rehabilitation or O&M construction projects. The Draft

Agreement assures the City's access to this important structure for future diversions and efficient management of its water resources.

### **RECOMMENDATION:**

Adopt a motion recommending that the Loveland City Council approve an agreement with Consolidated Home Supply Ditch and Reservoir Company related to the shared use of the Home Supply Dam by the City and the Company, as reflected in and based on the agreed-upon concepts shown in the draft agreement dated January 5, 2018, or as revised by City Staff negotiators in form and substance as necessary to reach agreement with the Company.

### **ATTACHMENTS:**

- 🌀 Attachment A: Draft Agreement, dated January 5, 2018, with Exhibits:
  - Exhibit 1: 1895 Drawing of the Home Supply Dam
  - Exhibit 2: 1895 Agreement
  - Exhibit 3: 2018 Depiction of Home Supply Dam and related facilities

# Attachment A

CITY OF LOVELAND DRAFT – JANUARY 5, 2018

## AMENDED AND RESTATED OWNERSHIP, OPERATIONS, AND MAINTENANCE AGREEMENT FOR THE HOME SUPPLY DAM AND RELATED FACILITIES

This AMENDED AND RESTATED OWNERSHIP, OPERATIONS, AND MAINTENANCE AGREEMENT (the “Agreement”) is dated \_\_\_\_\_, 2018, between the **CITY OF LOVELAND**, a Colorado home rule municipal corporation with a principal place of business at 500 E. 3<sup>rd</sup> Street, Loveland, CO 80537 (“City”), and **THE CONSOLIDATED HOME SUPPLY DITCH AND RESERVOIR COMPANY**, a Colorado mutual irrigation company with a mailing address of PO Box 1548, Berthoud, CO 80513-1548 (“Home Supply”). The City and Home Supply are referred to in the Agreement individually as a “Party” and collectively as the “Parties.”

### BACKGROUND

1. Home Supply owns and operates the Home Supply Dam” (sometimes called the “Big Dam”, “Nelson Dam”, or “the dam”), a historic stone masonry dam facility on the Big Thompson River (“River”) adjacent to North County Road 29 (“Home Supply Dam”), located west of Loveland, Colorado, on an easement for the Home Supply Dam (the Home Supply Dam Site”).
2. The City owns, operates, and controls the water diversion works on the northeasterly side of the Home Supply Dam. The City operates such diversion intake facility to divert water from the River into a canal and pipeline for delivery to its water treatment plant for processing.
3. Home Supply owns, operates, and controls the water diversion works on the southwesterly side of the Home Supply Dam, including the stone arch dam itself, the dam abutments, the spillway, and the Obermeyer Gate in the spillway. Home Supply operates such diversion facility to divert water from the Big Thompson River into an irrigation ditch (“Ditch”) to supply water to Home Supply’s stockholders and others.
4. The Home Supply Dam Site, including the spillway of the dam, are located within Home Supply’s easement for the dam and related facilities, on lands owned by the City and Sylvan Dale Ranch.
5. The City benefits from operation of the Home Supply Dam because the dam slows and controls the level of the River so that the City can divert its municipal water supplies through the Loveland Pipeline and directly into its water treatment plant. Because fluctuations in the City’s rate of diversion can have immediate impact to the City’s processing of water supplies for delivery to its municipal customers, and because the City relies on a constant year round rate of diversion from the River to provide a reliable and safe source of water for City customers, the Home Supply Dam, and its spillway gate, is vital to the operation of the City’s water supply system.

6. Home Supply benefits from operation of the Home Supply Dam by the dam’s control of the River into Home Supply’s diversion works for year round diversion and seasonal delivery of its water supplies to stockholders and others.
7. On December 19, 1895, the City and Home Supply entered into an agreement (the “1895 Agreement”) based on the 1895 configuration of the Parties’ operations and use of the Home Supply Dam (**Exhibit 1**) that recognized the City’s reliance on the Home Supply Dam and acknowledged the fact that the City’s water supply was rendered unavailable when Home Supply opened its gate in the dam such that the level of the River dropped below the City’s diversion intake facilities. Home Supply agreed to close its gate on the dam and to never otherwise divert water off of the small pool formed by the Home Supply dam other than through the Ditch, so that the City would never be deprived of its ability to divert water through its diversion intake works. In exchange, the City provided Home Supply with compensation and a promise to share an agreed-upon percentage of the expenses for all future necessary alterations or repairs of the Home Supply Dam. The 1895 Agreement is attached as **Exhibit 2**.
8. The Home Supply Dam was severely damaged in a major flood that occurred on the River in September, 2013. To repair the damage, the Parties entered into an Agreement for Home Supply Big Dam Flood Repair, dated January 15, 2014 (as amended by the Parties on August 1, 2014 and March 20, 2015) (“Flood Repair Agreement”) to perform work generally described as “Phase 1” in an October 16, 2013 report from Deere & Ault Consultants, Inc. The Phase 1 work generally included immediate and necessary structural repair of the dam. The Phase 1 work included the installation of a new gated spillway called the “Obermeyer Gate” located on the west side of the City’s diversion intake facility. The Phase 1 work was completed, and the Parties agreed to perform additional work on the Home Supply Dam. The Parties entered into an Agreement for Home Supply Big Dam Phase 2 Work, dated September 14, 2015, (the “Phase 2 Agreement”) to perform work generally described as “Phase 2” in a March 24, 2015, report from Deere & Ault Consultants, Inc. The Phase 2 work generally included completion of deferred maintenance on the Home Supply Dam including pointing of the masonry blocks and installation of drains. The Phase 2 work was completed in March, 2017. Because the work described in the Flood Repair Agreement and the Phase 2 Agreement has been completed, those agreements are no longer in effect and are subsumed within the Agreement.
9. Home Supply shall continue to own, operate, and maintain the Home Supply Dam and perform certain associated activities connected with the continued operation and maintenance of the Home Supply Dam. The City shall operate and maintain certain new facilities constructed on the easterly side of the Home Supply Dam as described below in the Agreement.
10. The Parties acknowledge that the Home Supply Dam is a critical facility to the water diversion and delivery works owned by each Party. The continued operation of the Home

Supply Dam under the terms of the Agreement is vital to the Parties' fulfillment of their individual missions.

11. Each Party acknowledges the importance of the partnership between the Parties to collaborate and participate, under the terms of the Agreement, in funding, operating, maintaining, rehabilitating, or replacing the Home Supply Dam as necessary to continue operations of each Party's water diversion and delivery facilities.
12. With the mutual approval of the Agreement, the 1895 Agreement is hereby superseded in its entirety.

**13. OWNERSHIP OF FACILITIES RELATED TO AGREEMENT**

- A. Home Supply owns the following components and facilities at the Home Supply Dam Site that are relevant to and covered under the terms of the Agreement: the stone arch dam, the dam abutments, the spillway, the Obermeyer Gate in the spillway, the gated spillway approach, the outlet flow training walls, the concrete access walkway parallel to the City's inlet channel, the compressor building associated with the Obermeyer Gate, and the air supply line between the Obermeyer Gate facilities and the compressor Building. These components and facilities are depicted and labeled on the attached **Exhibit 3**.
- B. The City owns the following components and facilities at the Home Supply Dam Site that are relevant to and covered under the terms of the Agreement: the power and communications facilities external to the Compressor Building, the mini power center, and the water treatment plant supervisory control and data acquisition ("SCADA") system. *See Exhibit 3*.
- C. Other facilities at or near the Home Supply Dam not described in this Article and separately owned by the Parties are not covered by or relevant to the terms of the Agreement

**14. OPERATION OF HOME SUPPLY DAM DIVERSION FACILITIES**

- A. The Parties shall coordinate, to the maximum extent feasible, their diversion activities at the Home Supply Dam Site facilities so that each Party receives the maximum amount of water it is legally entitled to divert at the structure. All remaining water shall pass through the spillway, the Home Supply sand out or overflow gates, or over the crest of the Dam as necessary.
- B. Subject to the mutual cooperation or specific provisions described in the Agreement, each Party is responsible for monitoring its own diversion facilities and adjusting its own diversion operations to ensure that it diverts its legal entitlements.

- C. Home Supply, as owner of the Obermeyer Gate and its related ancillary equipment and components, agrees that the City shall remotely control the operation of the Obermeyer Gate, including the operation of the equipment within, or connected to, the gate control and compressor building.
- D. The City and/or The Home Supply shall operate the Obermeyer Gate and its related ancillary equipment and components in a manner consistent with appropriate safety procedures and the operating manuals for such Gate, components, and equipment.
- E. Home Supply shall install, own, and operate headgate actuators (the “Home Supply Headgate Actuators”) that will automatically adjust in response to changing conditions based on a programmed controller. The Home Supply Headgate Actuators will be constructed, installed, and programmed in conjunction with the City and pursuant to the provisions of the Agreement.

**15. CAPITAL CONSTRUCTION COSTS**

- A. Capital construction projects include those projects that require expenditure of capital costs, which are defined as fixed, one-time expenses incurred on the purchase of land, buildings, construction, or related equipment for such one-time construction projects at the Home Supply Dam Site.
- B. The City shall participate in funding one-half, or 50%, of all pre-planned Home Supply Dam capital construction projects that will require a total expenditure of at least \$10,000 and that are approved to the mutual satisfaction of both parties, including the installation of the Home Supply Headgate Actuators. For the City’s 50% funding obligation to apply, Home Supply must provide the City with no less than 90 days to review and approve the proposed capital construction project and to assist with the coordination of the project, and the Parties must follow the procedures and requirements of Paragraph 16.G of the Agreement, below.
- C. Capital construction projects shall not include the replacement of the equipment of facilities of which one of the Parties is fully responsible as specifically described in Paragraph 16, below.

**16. OPERATIONS AND MAINTENANCE COSTS**

- A. Operations and maintenance (“O&M”) is generally described as all work necessary to operate and maintain in good working order the Home Supply Dam, the Home Supply Headgate Actuators, flow diversion wall and access walkway, the Obermeyer Gate, spillway, gate control and compressor building, air supply line between the gate and compressor building, power and communications interface with the SCADA system, and all related structures and systems. O&M shall include regular dam inspections. O&M shall not include administrative or

overhead costs incurred by either Party, or the costs of Emergency Work as described and defined in Section 17, below. .

- B. The Parties shall share, on a 50% cost basis, the following O&M costs:
- i. Operation and maintenance costs for the static dam structure, the flow diversion wall, and access walkways. *See Exhibit 3.*
  - ii. Once every five years, the cost of a comprehensive dam inspection by a private engineering consultant selected to the mutual satisfaction of both Parties.
- C. The City shall be fully responsible for the following O&M costs:
- i. Maintenance, upkeep, and inspections or troubleshooting for the Obermeyer Gate, the spillway, and all components or ancillary equipment related to the control of the Obermeyer Gate, including but not specifically limited to: the gate control and compressor building, the air compressor, the air dryer, the heater and exhaust fan, the airlines, the embedded gate slides, the inflatable air bag, lighting systems, the stilling well, the level transmitter, electrical systems, the electrical transformer (mini power center), the programmable logic controller (“PLC”), and other control and communications components for the Obermeyer Gate.
  - ii. Regular replacement of the Obermeyer Gate Facilities and related components or ancillary equipment described in the paragraph above in accordance with the regular O&M manual provided by Obermeyer Hydro, Inc. or as necessary due to normal wear and tear.
  - iii. The initial design control narrative for the operational functioning of the Home Supply Headgate Actuators, and for all technical support related to the automated Home Supply Headgate Actuator controls and programming.
- D. Home Supply shall be fully responsible for the following O&M costs: maintenance, operations, replacement, upkeep, and inspections or troubleshooting for the Home Supply Headgates and Actuators, except for any O&M costs described in Paragraph 16.C.iii, above.
- E. Except as described in this section, each Party shall bear sole responsibility for the O&M costs for its individually owned diversion facilities and related equipment or structures located on each abutment of the Home Supply Dam.
- F. The City will participate in at least a 25% share of costs for all other pre-planned and mutually approved Home Supply Dam rehabilitation or O&M construction



projects, not described above, so long as the City is provided reasonable coordination and advance time to review the proposed project. The specific share of costs of the Parties for such Home Supply Dam rehabilitation projects shall be determined based on each Party's percentage of the average total diversions at the Home Supply Dam from the preceding five water years, as recorded in official diversion records maintained by the Colorado Office of the State Engineer ("SEO"). This calculation shall employ the official SEO records of the total amount of water, in acre-feet, diverted through Home Supply Ditch (SEO Structure ID No. 524) and through Loveland Pipeline (SEO Structure ID No. 511) for the complete water year (Nov. 1 through Oct. 31) immediately preceding the year in which the project is proposed and the four previous water years.

Regardless of the results of the calculation, the City's contribution shall not be less than 25% of the cost of the project.

- G. For either Party to recover O&M or capital construction costs to be shared under the provisions of the Agreement, the following procedures shall be followed:
- i. Work performed by a consultant or contractor hired by either Party must be authorized by both Parties prior to the commencement of work by such consultant or contractor. Work not authorized by both Parties prior to commencement of work by the consultant or contractor shall not be eligible for cost sharing under the terms of the Agreement and shall be paid entirely by the Party requesting such work.
  - ii. For all O&M work or capital construction work performed by either Party or by a consultant or contractor hired by either Party, an itemized invoice must be created and submitted to the other Party. The itemized invoice must describe individual charges for labor, parts, supplies, and other relevant details requested by a Party. Billing invoices shall be provided to either Party on a quarterly basis. Payment on invoices shall be due within thirty days of receipt of such invoice, so long as such invoice includes sufficient details on individual charges for work performed.
  - iii. Upon the request of either Party, representatives of the Parties shall meet at mutually agreed times and locations to discuss O&M responsibilities for the Home Supply Dam and to mutually plan for the scheduling and budgeting of O&M responsibilities covered under the cost sharing provisions of the Agreement.
  - iv. Except for emergency O&M work, covered under the terms of the following Paragraphs, the Parties shall share information on a timely basis as reasonably required to prepare budgets, plan for regularly scheduled O&M maintenance, plan for capital construction projects, and prepare any

documents or studies necessary for shared cost O&M or capital construction responsibilities.

## 17. EMERGENCY WORK

- A. Emergency Work shall be defined as all work necessary to repair the Home Supply Dam, gated spillway, flow diversion walls, and compressor building as a result of an Emergency Event, including, without limitation, the following activities: dam stabilization and Obermeyer Gate repair (including the bladder, gate, and all associated components and attachments); repair of the airlines; level transmitter; air compressor and air compressor building. Emergency Work shall not include any repair or replacement of the gated spillway and appurtenances due to normal wear and tear, or any administrative or overhead costs incurred by either Party.
- B. Emergency Event shall be defined as damage or severe wear as a result of severe weather, natural disaster (*e.g.* flood or earthquake), accident or other unexpected or sudden event; or latent defect in the facility or a component, that has caused or will cause if not repaired immediately either Party to lose its ability to divert its respective water allocations.
- C. During a mutually agreed Emergency Event, the Parties shall operate the Home Supply Dam in the interests of safety to human life and property, protection and preservation of facilities, and prompt restoration of the facilities and cessation of the Emergency Event.
- D. The Parties agree that each Party shall participate in funding one-half (50%) of the costs of all Emergency Work, so long as the either Party receives notification from the other as soon as practical of such necessary Emergency Work. For cost sharing to apply, all Emergency Work performed must be documented by itemized invoices from outside consultants, contractors, or the Party itself.
- E. Home Supply, as the owner of the Home Supply Dam, shall fully pursue all opportunities to obtain funding to recoup or reimbursement of costs of Emergency Work during or after an Emergency Event that results in damage to the Home Supply Dam or appurtenant facilities and structures. Such funding opportunities may include, without limitation, funding through the Federal Emergency Management Agency (FEMA), and the Colorado Water Conservation Board (CWCB). Home Supply and the City agree to conduct individual or coordinated Emergency Event related activities, including procurement, contracting, design, construction, and reporting, as advised to maximize the opportunity for reimbursement of funds expended on such Emergency Event related repairs.

## 18. INSURANCE

*Amended and Restated Home Supply Dam Ownership, Operations, and Maintenance Agreement*  
City of Loveland and The Consolidated Home Supply Ditch and Reservoir Company  
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- A. Home Supply shall maintain liability insurance coverage on the Home Supply Dam, and shall include the City in its insurance policy as an additional insured party.
- B. The City shall maintain casualty and liability insurance on the Obermeyer Gate, and shall be responsible for the entirety of any necessary insurance deductible payment related to an insurance claim involving the Obermeyer Gate or its related control facilities. The City shall include Home Supply in its insurance policies as an additional insured party.

**19. COOPERATION AND ACCESS**

- A. The Parties intend to cooperate with one another and provide access to representatives of the Parties to the separately controlled parcels and facilities as necessary to collaborate, review, plan, and facilitate all work required on the facilities included within the Agreement. Such access shall be coordinated by the Parties to the maximum extent possible, and the Parties shall endeavor to provide at least 24 hours advance notification of the mutually acceptable entry of one Party to the other Party's respective facilities.
- B. The City hereby grants to Home Supply a perpetual right of access to the Obermeyer Gate and to all related ancillary equipment located on property owned by the City for the purposes of maintenance or inspection of such facilities. So long as Home Supply's representatives, agents, or employees use communications equipment at the main gate operated by the City at its water treatment plant, Home Supply shall have an enforceable right of ingress and egress through the City's land to the Obermeyer Gate and its facilities for maintenance or related purposes. Home Supply agrees to cooperate with the City by notifying City representatives of any planned ingress to the City's property, and with ensuring compliance with any federal mandate concerning access to the City's water treatment plant facilities, which have been designated as critical infrastructure by the United States Department of Homeland Security.
- C. The Parties shall develop a plan for communication between Parties regarding advance notification and authorization for access by a Party to the facilities owned by the other Party. Such plan shall include the requirement that all visitors to City owned facilities at the Home Supply Dam site must check in with the City's water treatment plant control room.
- D. Each Party shall permit the other Party to review its books, records, and other documents maintained with respect to the Home Supply Dam facilities, including the Obermeyer Gate and its related control structures and equipment. A Party may exercise its right to inspect the books and records of the other Party no more frequently than once per calendar year.

- E. Upon specific request by either Party, a Party shall provide to the other all relevant information regarding the operation and maintenance of the Home Supply Dam facility and the Obermeyer Gate and its related control structures and equipment.
20. **APPROVALS.** The Parties must obtain and maintain all county, state, and federal government approvals necessary for the ownership, operation, and maintenance of the Home Supply Dam facilities and the Obermeyer Gate facilities, including as required for capital construction costs or regular administrative approvals required for dam operation, maintenance, or administration.
21. **GOVERNMENTAL IMMUNITY.** No term or condition of the Agreement shall be construed or interpreted as a waiver by the City, express or implied, of any of the notices, requirements, immunities, rights, benefits, protections, limitations of liability, or any other provision of the Colorado Governmental Immunity Act, section 24-10-101, *et seq.* C.R.S.
22. **SUCCESSORS; TERM OF AGREEMENT.** The Agreement shall be binding on each Party's successors or assigns. The Agreement shall be binding on the Parties upon execution of the Agreement by all the Parties. The term of the Agreement shall have commenced on the date of completion of repair of the Home Supply Dam. The Agreement shall remain in full force and effect so long as the Home Supply Dam remains in place and is needed by either of the Parties. The Agreement remains in full force and effect unless terminated by mutual agreement of the Parties prior to such date.
23. **DISPUTES.** Any dispute arising out of or relating to the Agreement shall be resolved in accordance with the procedures specified in this Paragraph 23, which shall be the sole and exclusive procedures for the resolution of any such disputes.
- a. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to the Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this contract. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include (i) a statement of that party's position and a summary of arguments supporting that position, and (ii) the name and title of the executive who will represent that Party and of any other person(s) who will accompany the executive. Within 30 days after delivery of the initial notice, the executives of both Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one Party to the other will be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and to the extent allowed by law or as otherwise authorized by the provisions and requirements of the Colorado Open Records Act, section 24-71-201, *et seq.* C.R.S.

b. If the dispute has not been resolved by negotiation as provided herein within 45 days after delivery of the initial notice of dispute, or if the Parties failed to meet within 30 days after delivery of the initial notice of dispute, the the Parties shall endeavor to settle the dispute by formal nonbinding mediation, provided, however, that if one Party fails to participate in the negotiation as provided herein, the other Party can initiate mediation prior to the expiration of the 45 days. The Parties agree to share any costs of nonbinding mediation equally, and the Parties by mutual agreement may agree to extend the deadlines described herein.

c. If the dispute has not been resolved by nonbinding means as provided herein within 90 days of the initiation of such procedure, the Agreement does not preclude either Party from initiating litigation; provided, however, that if one Party has requested the other to participate in a nonbinding procedure and the other has failed to participate, the requesting Party may initiate litigation before expiration of the above period.

24. **NO THIRD PARTY BENEFICIARIES.** The Agreement shall not be construed as or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any right of action hereunder for any cause whatsoever.
25. **INTERPRETATION.** The Parties intend that all provisions of the Agreement are legal and enforceable and shall be so interpreted. If any provision of the Agreement is found by a court to be illegal or unenforceable, then the remaining provisions of the Agreement will remain in full force and effect, and such term or provision will be deemed stricken for as long as it remains illegal or unenforceable.
26. **CHOICE OF LAW.** It is expressly understood and agreed by and between the Parties hereto that the Agreement shall be governed by and its terms construed under the laws of the State of Colorado and the County of Larimer, Colorado.
27. **NOTICES.** Any and all notices or communications required under the Agreement shall be made in writing (including electronic mail) to the following addresses:

If to City:

Director, Loveland Water & Power  
City of Loveland  
200 North Wilson Avenue  
Loveland, CO 80537

With a copy to:

City Attorney  
City of Loveland  
Civic Center

*Amended and Restated Home Supply Dam Ownership, Operations, and Maintenance Agreement  
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500 East Third St. Suite 330  
Loveland, CO 80537

If to Home Supply:

President

The Consolidated Home Supply Ditch and Reservoir Company

P.O. Box 1548

Berthoud, CO 80513-1548

- 28. JOINT PREPARATION; MISCELLANEOUS.** The Agreement shall be construed according to its fair meaning, and as if prepared by all Parties hereto, and shall be deemed to be and contain the entire understanding and agreement between the Parties hereto pertaining to the matters addressed in the Agreement. The Agreement supersedes the 1895 Agreement, the Flood Repair Agreements, and the Phase 2 Agreement. There shall be deemed to be no other terms, conditions, promises, understandings, statements, representations, expressed or implied, concerning the Agreement, unless set forth in writing signed by all of the parties hereto. Further, Paragraph headings used herein are for convenience of reference and shall in no way define, limit, or prescribe the scope or intent of any provision under the Agreement. The Agreement shall be recorded with the Larimer County Clerk and Recorder.

**IN WITNESS WHEREOF**, the Parties hereto have executed the Agreement.

**CITY OF LOVELAND, COLORADO**

By: \_\_\_\_\_  
Stephen A. Adams, City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant City Attorney

STATE OF COLORADO            )  
  ) ss  
COUNTY OF LARIMER         )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by Steven C. Adams as City Manager of the City of Loveland, Colorado.

Witness my official seal.

My commission expires: \_\_\_\_\_ (SEAL)

\_\_\_\_\_  
Notary Public Signature

**THE CONSOLIDATED HOME SUPPLY DITCH AND RESERVOIR COMPANY**

By: \_\_\_\_\_  
Minerva Lee, President

STATE OF COLORADO            )  
  ) ss  
COUNTY OF LARIMER         )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by Minerva Lee as President of The Consolidated Home Supply Ditch and Reservoir Company.

Witness my official seal.

My commission expires: \_\_\_\_\_ (SEAL)

\_\_\_\_\_  
Notary Public Signature

DRAFT



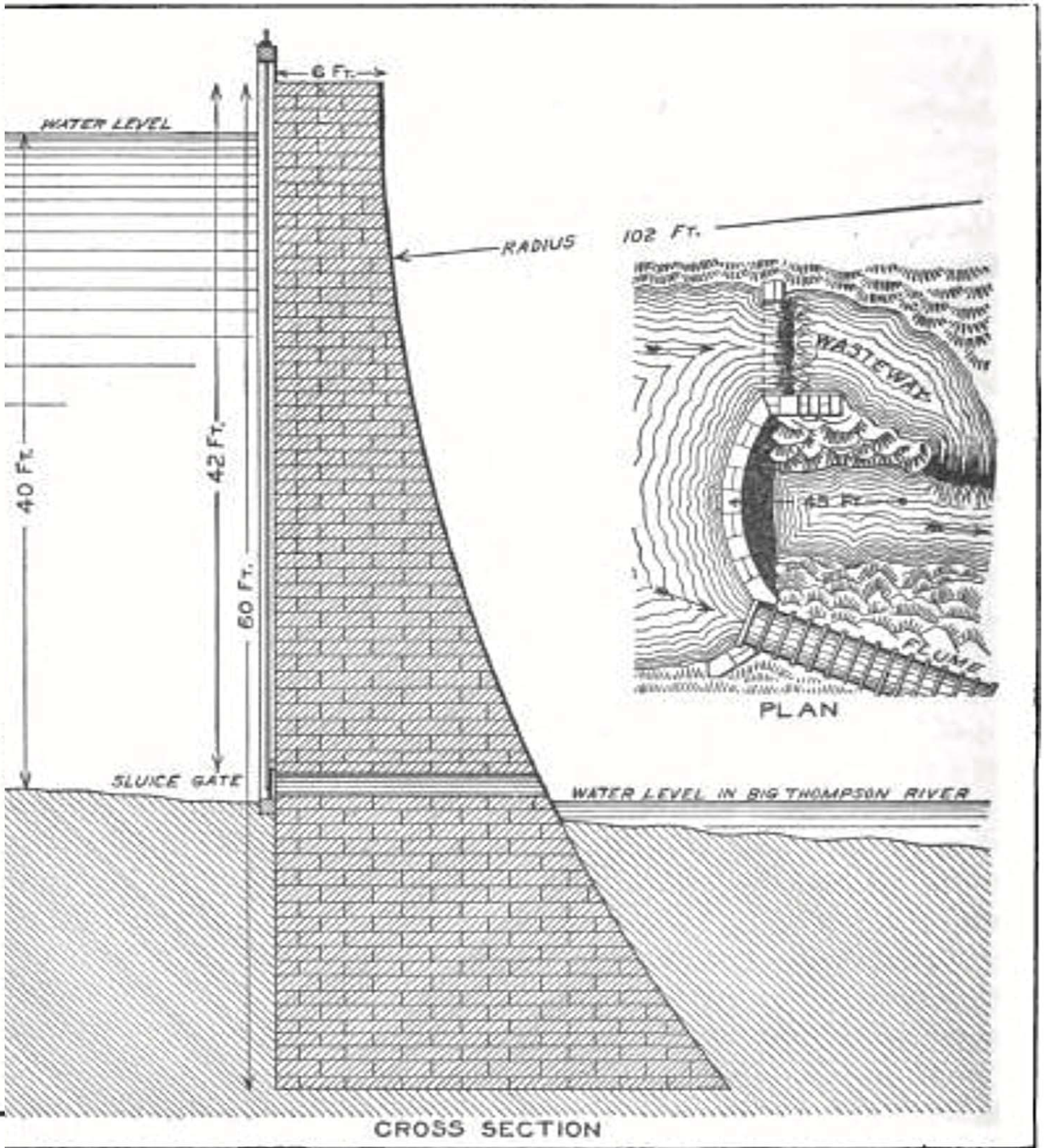
*CITY OF LOVELAND DRAFT – JANUARY 5, 2018*

Exhibit 1 – 1895 Drawing of the Home Supply Dam

Exhibit 2 – 1895 Agreement

Exhibit 3 – 2018 Depiction of Home Supply Dam and related facilities

Exhibit 1  
1895 Drawing of the Home Supply Dam



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## Exhibit 2 1895 Agreement

THIS AGREEMENT, made and entered into <sup>this</sup> 19<sup>th</sup> day of December A.D. 1895, by and between THE CONSOLIDATED HOME-SUPPLY DITCH & RESERVOIR COMPANY, a Corporation, of the County of Larimer and State of Colorado, of the first part, and THE TOWN of LOVELAND, a Municipal Corporation, of said County and State aforesaid of the second part,

WITNESSETH:- That whereas, the said party of the first part is the owner of a certain DAM in the Big Thompson River, in said County and State, known as "THE HOME-SUPPLY DAM" used by said first party to raise the water in said river to the Head-Gate of first parties Ditch, whereby a Reservoir is created in said river, and

Whereas, the said party of the second part has a system of Water-Works, consisting of a Pipe-line, the same extending into said Reservoir as its source of supply, and

Whereas, the said party of the first part has a Gate in said Dam, for the purpose of drawing off the water of said Reservoir, whereby the said source of supply of said second party is rendered unavailable when the said Reservoir is lowered below the said pipe-line,

Now Therefore, in consideration of the sum of TWELVE HUNDRED AND FIFTY Dollars in hand paid by the party of the second part to the said party of the first part, the receipt of which is hereby acknowledged, and the further consideration of the covenants and agreements herein mentioned to be kept and performed, the said party of the first part hereby agrees for itself, its successors and assigns, to keep the said Gate in said Dam closed, and never hereafter to draw off the water of said Reservoir by itself, agents or employes, or allow or permit the same to be done otherwise than through its Ditch as now located, whereby the said party of the second part may be deprived of taking water



through its said pipe-line, nor will the said party of the first part ever hereafter interfere with, or in any wise prevent the said second party from having access to said water in said Reservoir with its supply pipe.

And it is further agreed and understood, that if at any time after the said Dam shall be completely finished by said firstparty, it shall be deemed necessary by both parties hereto to draw off the water in the said Reservoir for the purpose of making alterations or repairs, the water may be drawn off for that purpose, and such alterations or repair if water be turned off for the purpose, shall be made without unnecessary delay, and the work prosecuted with reasonable dispatch.

And it is further agreed and understood, that if at any time it shall be deemed necessary for the interests of both parties hereto to make alterations or repairs upon said Dam, that the expense of said alterations or repairs shall be borne by both parties, in the proportion as the consideration herein is to the whole cost of the Dam, namely Eleven Thousand Dollars.

IN WITNESS WHEREOF, the said party of the first part has caused these presents to be executed by its President and Secretary, and to be sealed with its seal, and the said party of the second part has caused the same to be executed by the Mayor and Recorder of the said Corporation and the seal of said corporation to be affixed, the day and year first above written.

*in duplicate*  
THE CON. HOME-SUPPLY DITCH & RESERVOIR COMPANY.

BY W. A. Hawkins President BY E. J. Allen Sec'y

THE TOWN OF LOVELAND:

Attest J. M. Seaman Recorder.  
By W. L. Beckfield Mayor.



Exhibit 3  
2018 Depiction of Home Supply Dam and related facilities



Item	Description
A	Stone Arch Dam
B	Dam Abutments
C	Spillway
D	Obermeyer Gate
E	Gated Spillway Approach
F	Outlet Flow Training Walls
G	Concrete Access Walkway
H	City's Inlet Channel
I	Compressor Building
J	Air Supply Line
K	Mini Power Center
L	SCADA
M	Home Supply Actuators
N	Home Supply (River) Headgate
O	Home Supply Sandout Gate
P	Home Supply Control (Ditch) Gate
Q	Home Supply PLC/Controller
R	BTR Access Gate



## ITEM TITLE:

Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise, and the City of Loveland for Participation in the Windy Gap Firming Project.

## DESCRIPTION:

The Windy Gap Firming Project participants desire to continue the Fifth Phase of the project, working to complete the acquisition of all permits and approvals and additional land acquisition. This will allow work to continue on those activities as well as moving into detailed engineering design including preparation of plans and specifications, planning and implementation of required mitigation and enhancement measures and related activities. Approval of this proposed Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland (Fifth Interim Agreement) allows this permitting and design work to continue and would approve the City's allocation of funding according to its pro-rata storage entitlement in the Project.

## SUMMARY:

Loveland's portion of the Fifth Interim Agreement costs under this Third Amendment to the Fifth Interim Agreement are projected to be \$945,100 during 2018 based upon the City's current subscription of 9,451 acre-feet in the 90,000 acre-foot project. A brief history of Loveland's participation in the Fifth Interim Agreement for the Windy Gap Firming Project follows:

- In January, 2016, Loveland's portion of the Fifth Interim Agreement costs during calendar year 2016 were determined to be \$1,118,956, paid in March, 2016. This was based upon Loveland's subscription of 7,000 acre-feet of storage capacity in the 90,000 acre-foot project at that time. On August 30, 2016 Loveland increased its subscription by 2,000 acre-feet to 9,000 acre-feet, when the City acquired capacity not needed by the City of Longmont. The increased capacity required an additional payment of \$319,702 in September, 2016, making Loveland's total payment \$1,438,658 during 2016.
- On January 10, 2017 Loveland's subscription in the Project was increased by another 451 acre-feet when the remaining capacity in the project was divided proportionately among the Participants. Loveland's portion of the Fifth Interim Agreement costs during calendar year 2017, paid in March, 2017, were determined to be \$1,260,713 based upon Loveland's resulting subscription of 9,451 acre-feet of storage capacity in the 90,000 acre-foot project.

The Fifth Phase of the Project, covered by the Fifth Interim Agreement, allows work to continue on the completion of all permits and approvals, and additional land acquisition. Work will also continue to move forward on detailed engineering design, and planning and implementation of required mitigation and enhancement measures and related activities. Of particular emphasis is amending the Windy Gap Project decrees in Water Court to accommodate necessary accommodations in mitigation and project enhancements. Also critical is development of alternatives for financing the Project, jointly or individually.

Sufficient 2018 budgeted funds exist for this purpose in the Raw Water budget, Project W038AA. 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:

Approve a motion recommending that City Council adopt a resolution directing the Mayor to execute the Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland.

## ATTACHMENTS:

- 🌀 Attachment A – Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland. Exhibit C to this Attachment A includes a table of estimated costs for 2018.
- 🌀 Attachment B – Second Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland, May 12, 2017. Exhibit B to this Attachment B includes a table of estimated costs for 2017.
- 🌀 Attachment C: Minutes of the February 7, 2017 Windy Gap Participants Meeting showing discussion of the distribution of 3,820 AF of unsubscribed capacity in the 90,000 AF Firming Project among the participants. A spreadsheet shows Loveland’s portion of the distribution was 451 AF, to add to the 9,000 AF of capacity it had at that time.
- 🌀 Attachment D – Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Conservancy District Windy Gap Firming Project Water Activity Enterprise, and the City of Loveland, with attachments, August 30, 2016. This increased Loveland’s subscription in the Project from 7,000 acre-feet to 9,000 acre-feet.
- 🌀 Attachment E – Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District, Windy Gap Firming Project Water Activity Enterprise and the City of Loveland, March 1, 2016. Exhibit A to this Attachment F includes a table of estimated costs for 2016 when the City’s subscription in the Project was 7,000 acre-feet.



# Attachment A

THIRD AMENDMENT TO FIFTH INTERIM AGREEMENT BETWEEN THE  
MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER CONSERVANCY DISTRICT  
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,  
AND

FOR PARTICIPATION IN THE  
WINDY GAP FIRING PROJECT

This Third Amendment is made and entered into as of \_\_\_\_\_, 2018, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. " 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise") , and \_\_\_\_\_, whose address is \_\_\_\_\_ ("Participant"), for the purpose of amending the Fifth Interim Agreement between the parties (the "Agreement").

## RECITALS

WHEREAS, The WGF Enterprise is continuing work on the Fifth Phase of the Project which consists of completion of all local, state and federal permits and approvals required for the Project; detailed engineering design including preparation of plans and specifications for contractor procurement; additional land acquisition; planning and implementation of required mitigation and enhancement measures; and related activities. Completion of the Fifth Phase of the Project on behalf of the Participants will require additional funding in 2018; and

WHEREAS, In September of 2016, the City of Loveland executed an Amendment to the Fifth Interim Agreement which adjusted their storage capacity in the Project and which is considered the First Amendment to the Fifth Interim Agreement.

WHEREAS, In March of 2017, all Participants executed an Amendment to the Fifth Interim Agreement which adjusted their storage capacity in the Project and adjusted each Participant's costs to date based on the revised storage allocation, and which is considered the Second Amendment to the Fifth Interim Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, the Parties agree as follows:

1. The Agreement is amended by deletion of paragraph 3 and the substitution of the following new paragraph 3.

3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fifth Phase of the Project.

A. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fifth Phase of the Project was \$ \_\_\_\_\_ for the 2016 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2016 calendar year costs.

B. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fifth Phase of the Project was \$ \_\_\_\_\_ for the 2017 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2017 calendar year costs.

C. The WGF Enterprise estimates that Participant's pro rata share of the cost of the Fifth Phase of the Project is **\$ 945,100** for the 2018 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2018 calendar year costs on or before March 1, 2018. This estimated cost will not be increased or exceeded without the prior written approval of Participant.

If the Fifth Phase of the Project cannot be completed within these estimated costs, the WGF Enterprise is not obligated to complete the Fifth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibits A, B and C are tables showing the pro rata share of the costs of the Project for each Participant for 2016, 2017 and 2018 based upon then-current allocations of capacity in the Project.

3. All other terms and conditions of the Agreement shall continue in full force and effect except as specifically amended herein.

\_\_\_\_\_

MUNICIPAL SUBDISTRICT, NORTHERN  
COLORADO WATER CONSERVANCY  
DISTRICT, ACTING BY AND THROUGH THE  
WINDY GAP FIRING PROJECT WATER  
ACTIVITY ENTERPRISE

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT A - Amended

### Windy Gap Firming Project Amended Allocation of Costs for Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in **2016:** **\$ 13,775,950**

Participant	Requested Storage Volume (af)	Share of Phase 5 Cost
Broomfield	25,200	\$ 4,028,243
CWCWD	330	\$ 52,751
Erie	6,000	\$ 959,105
Fort Lupton	1,050	\$ 167,843
Greeley <sup>2</sup>	8,750	\$ 1,398,695
Lafayette	1,800	\$ 287,732
Little Thompson WD	4,850	\$ 775,277
Longmont	10,000	\$ 1,598,509
Louisville	2,700	\$ 431,597
<b>Loveland<sup>1</sup></b>	<b>9,000</b>	<b>\$ 1,438,658</b>
PRPA	12,000	\$ 1,918,211
Superior	4,500	\$ 719,329
<b>TOTAL</b>	<b>86,180</b>	<b>\$ 13,775,950</b>

*2016 Phase 5 Costs Per Acre-Foot of Storage: \$ 159.85*

Notes: 1. This Exhibit A reflects Loveland's revised storage capacity based on a September 2016 Amendment to 5th Interim Agt.

2. Greeley's "Share of Phase 5 Cost" includes \$279,739 that Greeley will pay as the result of the reallocation of WGFP capacity from Evans to Greeley.

## EXHIBIT B

### Windy Gap Firing Project Allocation of Costs for Second Amendment to Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in 2017: \$ 10,464,291

Participant	Requested Storage Volume (af)	Total Participant Contributions Through 2015	Phase 4 Participant Contributions Through 2015	Phase 5 2016 Participant Contributions	Phase 4+5 Participant Contributions to Date	2017 Un-adjusted Participant Contributions	Phase 4+5 Participant Obligation to Date	Phase 4+5 Participant Payment Adjustment	2017 Adjusted Participant Contributions
				<b>\$ 13,775,950</b>		<b>\$ 10,464,291</b>			
Broomfield	26,464	\$ 4,814,330	\$ 3,852,466	\$ 4,028,243	\$ 7,880,709	\$ 3,076,966.63	\$ 8,077,903	\$ 197,194	\$ 3,274,160
CWCWD	346	67,624	\$ 50,448	\$ 52,751	\$ 103,198	\$ 40,229.39	\$ 105,613	\$ 2,415	\$ 42,645
Erie	6,000	1,127,959	\$ 948,081	\$ 959,105	\$ 1,907,187	\$ 697,619.40	\$ 1,831,447	\$ (75,740)	\$ 621,880
Fort Lupton	1,103	110,720	\$ 110,720	\$ 167,843	\$ 278,563	\$ 128,245.70	\$ 336,681	\$ 58,118	\$ 186,364
Greeley <sup>1</sup>	9,189	2,180,569	\$ 1,586,660	\$ 1,398,695	\$ 2,985,355	\$ 1,068,404.11	\$ 2,804,861	\$ (180,494)	\$ 887,910
Lafayette	900	377,587	\$ 275,176	\$ 287,732	\$ 562,908	\$ 104,642.91	\$ 274,717	\$ (288,191)	\$ (183,548)
Little Thompson WD	4,850	511,419	\$ 511,419	\$ 775,277	\$ 1,286,696	\$ 563,909.02	\$ 1,480,420	\$ 193,724	\$ 757,633
Longmont	10,000	2,963,224	\$ 2,047,162	\$ 1,598,509	\$ 3,645,671	\$ 1,162,699.00	\$ 3,052,412	\$ (593,259)	\$ 569,440
Louisville	2,835	567,348	\$ 412,762	\$ 431,597	\$ 844,360	\$ 329,625.17	\$ 865,359	\$ 20,999	\$ 350,624
Loveland	9,451	1,971,377	\$ 1,284,331	\$ 1,438,658	\$ 2,722,989	\$ 1,098,866.82	\$ 2,884,834	\$ 161,846	\$ 1,260,713
PRPA	14,136	2,881,626	\$ 1,904,878	\$ 1,918,211	\$ 3,823,089	\$ 1,643,591.31	\$ 4,314,889	\$ 491,801	\$ 2,135,392
Superior	4,726	1,227,454	\$ 711,654	\$ 719,329	\$ 1,430,983	\$ 549,491.55	\$ 1,442,570	\$ 11,587	\$ 561,079
<b>TOTAL</b>	<b>90,000</b>	<b>18,801,237</b>	<b>\$ 13,695,757</b>	<b>\$ 13,775,950</b>	<b>\$ 27,471,707</b>	<b>\$ 10,464,291</b>	<b>\$ 27,471,707</b>	<b>\$ 0</b>	<b>\$ 10,464,291</b>

**Phase 4 Cost per Acre Foot: \$ 305.24**

**Notes:** 1. The calculation of "Phase 5 2016 Participants Contributions" allocated to Greeley includes \$279,739 that Greeley will pay in addition to Greeley's \$887,910 "2017 Adjusted Participant Contributions" as the result of the reallocation of WGFP capacity from Evans to Greeley.

## EXHIBIT C

### Windy Gap FIRMING Project Amended Allocation of Costs for Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in 2018: \$ 9,000,000

Participant	Requested Storage Volume (af)	Share of Phase 5 Cost
Broomfield	26,464	\$ 2,646,400
CWCWD	346	\$ 34,600
Erie	6,000	\$ 600,000
Fort Lupton	1,103	\$ 110,300
Greeley	9,189	\$ 918,900
Lafayette	900	\$ 90,000
Little Thompson WD	4,850	\$ 485,000
Longmont	10,000	\$ 1,000,000
Louisville	2,835	\$ 283,500
Loveland	9,451	\$ 945,100
PRPA	14,136	\$ 1,413,600
Superior	4,726	\$ 472,600
TOTAL	90,000	\$ 9,000,000

2018 Phase 5 Costs Per Acre-Foot of Storage: \$ 104.43

# Attachment B

SECOND AMENDMENT TO FIFTH INTERIM AGREEMENT BETWEEN THE  
MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER CONSERVANCY DISTRICT  
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,  
AND  
**THE CITY OF LOVELAND**  
FOR PARTICIPATION IN THE  
WINDY GAP FIRING PROJECT

This Second Amendment is made and entered into as of May 12, 2017, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, whose address is 200 North Wilson Avenue, Loveland, CO 80537 ("Participant"), for the purpose of amending the Fifth Interim Agreement between the parties (the "Agreement").

## RECITALS

WHEREAS, The WGF Enterprise is continuing work on the Fifth Phase of the Project which consists of completion of all local, state and federal permits and approvals required for the Project; detailed engineering design including preparation of plans and specifications for contractor procurement; additional land acquisition; planning and implementation of required mitigation and enhancement measures; and related activities. Completion of the Fifth Phase of the Project on behalf of the Participants will require additional funding in 2017; and

WHEREAS, In September of 2016, the City of Loveland executed an Amendment to the Fifth Interim Agreement which adjusted their storage capacity in the Project and which is considered the First Amendment to the Fifth Interim Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, the Parties agree as follows:

1. Paragraph 2 of the Agreement is amended to provide that Participant's storage capacity in the Project shall be 9,451 acre feet of water, an increase of 451 acre feet.
2. The Agreement is amended by deletion of paragraph 3 and the substitution of the following new paragraph 3.
3. Participant agrees to provide to the WGF Enterprise funds for its



pro rata share of the costs necessary to complete the Fifth Phase of the Project.

A. The WGF Enterprise estimated that Participant's pro rata share of the costs of the Fifth Phase of the Project was \$1,438,658 for the 2016 calendar year. Participant paid the WGF Enterprise its pro rata share of the 2016 calendar year costs.

B. The WGF Enterprise estimates that Participant's pro rata share of the cost of the Fifth Phase of the Project is \$1,260,713 for the 2017 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2017 calendar year costs on or before May 31, 2017. This estimated cost will not be increased or exceeded without the prior written approval of Participant.

If the Fifth Phase of the Project cannot be completed within these estimated costs, the WGF Enterprise is not obligated to complete the Fifth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibits A, and B are tables showing the pro rata share of the costs of the Project for each Participant for 2016 and 2017 based upon then-current allocations of capacity in the Project. The storage allocations and costs shown on Exhibit B reflect each Participant's share of estimated 2017 costs for the Fifth Phase based upon a revised allocation of storage capacity in the Project as described in Paragraph 2 of the Agreement. Each participant's cost reflects an appropriate adjustment on its payment obligation based on this revised storage allocation.

3. All other terms and conditions of the Agreement shall continue in full force and effect except as specifically amended herein.

CITY OF LOVELAND

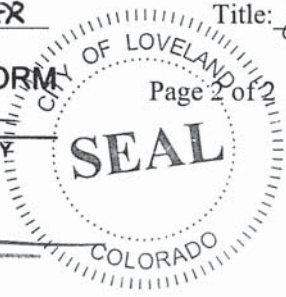
MUNICIPAL SUBDISTRICT, NORTHERN  
COLORADO WATER CONSERVANCY  
DISTRICT, ACTING BY AND THROUGH  
THE WINDY GAP FIRING PROJECT  
WATER ACTIVITY ENTERPRISE

By: Stephen Adams  
Name: STEPHEN C. ADAMS  
Title: CITY MANAGER

By: Don Carlson  
Name: DON CARLSON  
Title: ASSIST GEN MGR

APPROVED AS TO FORM

BY: [Signature]  
ASSISTANT CITY ATTORNEY



ATTEST:  
[Signature]  
Acting CITY CLERK

## EXHIBIT A - Amended

### Windy Gap Firming Project Amended Allocation of Costs for Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in 2016: \$ 13,775,950

Participant	Requested Storage Volume (af)	Share of Phase 5 Cost
Broomfield	25,200	\$ 4,028,243
CWCWD	330	\$ 52,751
Erie	6,000	\$ 959,105
Fort Lupton	1,050	\$ 167,843
Greeley <sup>2</sup>	8,750	\$ 1,398,695
Lafayette	1,800	\$ 287,732
Little Thompson WD	4,850	\$ 775,277
Longmont	10,000	\$ 1,598,509
Louisville	2,700	\$ 431,597
Loveland	9,000	\$ 1,438,658
PRPA	12,000	\$ 1,918,211
Superior	4,500	\$ 719,329
<b>TOTAL</b>	<b>86,180</b>	<b>\$ 13,775,950</b>

*2016 Phase 5 Costs Per Acre-Foot of Storage: \$ 159.85*

- Notes: 1. This Exhibit A reflects Loveland's revised storage capacity based on a September 2016 Amendment to 5th Interim Agt.  
2. Greeley's "Share of Phase 5 Cost" includes \$279,739 that Greeley will pay as the result of the reallocation of WGFP capacity from Evans to Greeley.



**EXHIBIT B**

Windy Gap Firing Project  
Allocation of Costs for First Amendment to Fifth Interim Agreement (Phase 5)

Estimated Phase 5 Costs in 2017: | \$ 10,464,291 |

Participant	Requested Storage Volume (af)	Total Participant Contributions Through 2015	Phase 4 Participant Contributions Through 2015	Phase 5 2016 Participant Contributions	Phase 4+5 Participant Contributions to Date	2017 Un-adjusted Participant Contributions	Phase 4+5 Participant Obligation to Date	Phase 4+5 Participant Payment Adjustment	2017 Adjusted Participant Contributions
				\$ 13,775,950		\$ 10,464,291			
Broomfield	26,464	\$ 4,814,330	\$ 3,852,466	\$ 4,028,243	\$ 7,880,709	\$ 3,076,966.63	\$ 8,077,903	\$ 197,194	\$ 3,274,160
CWCWD	346	67,624	50,448	52,751	103,198	40,229.39	105,613	2,415	42,645
Erie	6,000	1,127,959	948,081	959,105	1,907,187	697,619.40	1,831,447	(75,740)	621,880
Fort Lupton	1,103	110,720	110,720	167,843	278,563	128,245.70	336,681	58,118	186,364
Greeley <sup>1</sup>	9,189	2,180,569	1,586,660	1,398,695	2,985,355	1,068,404.11	2,804,861	(180,494)	887,910
Lafayette	900	377,587	275,176	287,732	562,908	104,642.91	274,717	(288,191)	(183,548)
Little Thompson WD	4,850	511,419	511,419	775,277	1,286,696	563,909.02	1,480,420	193,724	757,633
Longmont	10,000	2,963,224	2,047,162	1,598,509	3,645,671	1,162,699.00	3,052,412	(593,259)	569,440
Louisville	2,835	567,348	412,762	431,597	844,360	329,625.17	865,359	20,999	350,624
Loveland	9,451	1,971,377	1,284,331	1,438,658	2,722,989	1,098,866.82	2,884,834	161,846	1,260,713
PRPA	14,136	2,881,626	1,904,878	1,918,211	3,823,089	1,643,591.31	4,314,889	491,801	2,135,392
Superior	4,726	1,227,454	711,654	719,329	1,430,983	549,491.55	1,442,570	11,587	561,079
<b>TOTAL</b>	<b>90,000</b>	<b>18,801,237</b>	<b>#####</b>	<b>\$ 13,775,950</b>	<b>#####</b>	<b>\$ 10,464,291</b>	<b>\$ 27,471,707</b>	<b>\$ 0</b>	<b>\$ 10,464,291</b>

Phase 4 Cost per Acre Foot: \$ 305.24

Notes: 1. The calculation of "Phase 5 2016 Participants Contributions" allocated to Greeley includes \$279,739 that Greeley will pay in addition to Greeley's \$887,910 "2017 Adjusted Participant Contributions" as the result of the reallocation of WGFP capacity from Evans to Greeley.

# Attachment C

MINUTES OF  
WINDY GAP PARTICIPANTS' COMMITTEE MEETING  
HELD AT MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER CONSERVANCY DISTRICT  
220 WATER AVENUE, BERTHOUD, COLORADO  
February 7, 2017

## I. CALL TO ORDER

Chairman Greg White called the meeting to order at 8:30 a.m. Windy Gap Participants' Committee (Committee) members in attendance were: Joe Taddeucci representing the City of Boulder; David Allen and Erin Messner representing the City and County of Broomfield; Paul Zilis and Andrea Kehrl representing the Town of Erie; Greg White representing the Town of Estes Park; Rick Fendel and Claud Hanes representing the City of Fort Lupton; Dick Leffler representing the Town of Frederick; Becky Doyle and Ken Huson representing the City of Longmont; Larry Howard, Alan Krmarik, Jim Lees and Derek Turner representing the City of Loveland; Michael Cook representing the Little Thompson Water District; Heather Banks and Chris Fields representing the Platte River Power Authority; and Andrea Kehrl, Paul Nilles and Paul Zilis representing Superior Metropolitan District No. 1.; Steve Felton, representing the Town of Erie and Julie Depperman, representing the Platte River Power Authority, both joined the meeting via telephone conference call.

Also in attendance were: Assistant General Manager–Engineering Division Jeff Drager, and Legal Counsel Bennett Raley. See the attached attendance list for guests and additional staff.

## II. INTRODUCTION OF VISITORS

Chairman White welcomed everyone to the meeting. Committee members, staff and visitors took several moments to introduce themselves to the group.

## III. MINUTES OF JANUARY 10, 2017, MEETING

Chairman White requested a review of the January 10, 2017, Committee meeting minutes. Following a brief discussion Chairman White stated the minutes would stand approved as submitted.

## IV. TREASURER'S REPORT

### A. Income & Disbursements for January 2017

Chairman White asked for a presentation of the Subdistrict Treasurer's Report. Mr. John Budde referred to the Treasurer's Report and reviewed cash receipts, disbursements and transfers, revenue reserve bonds, other reserves, and financial transactions for the Windy Gap Project and the Windy Gap Firing Project (WGFP) as of January 31, 2017.

### B. Transactions for January 2017



Mr. Budde reviewed the January 2016 disbursements for both the Subdistrict and for the WGFP accounts. The Committee had several questions for staff concerning the January 2017 disbursements.

*C. WGFP Financing*

Chairman White next asked for a discussion of joint financing by FirstSouthwest (FSW). Mr. Jason Simmons, FSW, referred the Committee to several handouts and reviewed: (1) current status of WGFP joint financing and the proposed \$90 million Colorado Water Conservation Board (CWCB) subordinate loan; (2) timing of the CWCB subordinate loan; (3) benefits of the CWCB subordinate loan; (4) credit enhancement structures; and (5) the comparison of WGFP water revenue bond rating alternatives. A general discussion and questions followed. Chairman White thanked Mr. Simmons for his presentation and attendance at the meeting.

**V. WINDY GAP OPERATIONS**

*A. Windy Gap Project Snowpack & Streamflow Comparisons Update*

Ms. Sarah Smith, Water Resources Engineer, referred the Committee to copies of the February 1, 2017, Snowpack and Streamflow Comparisons Report. She briefly reviewed: (1) Colorado statewide snowpack of 157 percent of average; (2) snow water content comparisons for the Upper Colorado River and its tributaries, ranging from 131-167 percent of average; (3) snow water content comparisons for the South Platte River and its tributaries, ranging from 137-176 percent of average; (4) most probable streamflow forecasts for the Upper Colorado River and its tributaries, ranging from 116-149 percent of average; and (5) most probable streamflow forecasts for the South Platte River and its tributaries, ranging from 115-128 percent of average.

*B. Windy Gap Project Water Resources Report*

Ms. Smith continued by referring the Committee to copies of the February 1, 2017, Windy Gap Water Resources Report. She briefly discussed: (1) the Berthoud Summit SnoTel data; (2) October 2016 - January 2017 Windy Gap Project deliveries of approximately 4,873 acre-feet; and (3) January 2017 Windy Gap Project deliveries of approximately 836 acre-feet. A brief discussion and questions followed.

**VI. WINDY GAP FIRING PROJECT**

Chairman White next requested an update of the WGFP. Mr. Drager discussed the current status of:

*A. WGFP Levels of Participation*

Mr. Drager referred the Committee to the following two handouts: (1) pro-rata allocation of 3,820 acre-feet of previously unallocated storage in Chimney Hollow Reservoir among all current WGFP participants, with the exception of the City of Longmont; and (2) WGFP projected cash flows and total project costs for each participant, including mitigation and enhancement costs.

Mr. Drager reviewed both handouts, including discussion of: (1) approximately 3,820 acre-feet of storage in Chimney Hollow Reservoir (based on a permitted 90,000 acre-foot total capacity) that had



not previously been subscribed for by any participants; (2) confirmation that all of the WGFP participants, with the exception of the City of Longmont, would like their pro-rata share of the additional unsubscribed storage capacity; and (3) an anticipated *Fifth Interim Participants Agreement for the WGFP*. A general discussion and questions followed.

*B. U.S. Army Corps of Engineers 404 Permit*

Mr. Drager next discussed the current status of the U.S. Army Corps of Engineers' (Corps) 404 Permit process, including: (1) the Subdistrict's pending submission of the WGFP draft wetland mitigation report to the Corps; (2) the Corps' current position regarding wetlands mitigation and mitigation for Waters of the United States (WOTUS); (3) mitigation versus enhancements; and (4) Corps' discretion regarding "applicant-proposed" mitigation. A general discussion ensued.

*C. WGFP Engineering Design*

U.S. Bureau of Reclamation MOU

Mr. Drager next referred the Committee to copies of a draft *Memorandum of Understanding between the Subdistrict, acting by and through its WGFP Water Activity Enterprise (WAE), and the U.S. Bureau of Reclamation (Reclamation)*, for Reclamation's evaluation of the proposed connection of the WGFP to Reclamation's Colorado-Big Thompson (C-BT) Project facilities. Mr. Drager reviewed the draft MOU, including scope, cost, potential conveyance options, and other details. He stated that staff would review the draft MOU with Directors during the February 10, 2017, Subdistrict Board meeting. He noted that one Reclamation proposal, not included in the draft MOU, is the eventual replacement of the Flatiron Power Plant's Unit No. 3 with a new pump station to lift water from Flatiron Reservoir to either Carter Lake or Chimney Hollow Reservoir. Mr. Drager asked WGFP participants to review the draft MOU and contact him with any questions or concerns. A brief discussion and questions followed.

Mr. Drager next reported on the current status of the WGFP engineering design by MWH, including: (1) a March 20-22, 2017, meeting of the WGFP Board of Consultants (BOC), which will also be attended by staff from both Reclamation and the Colorado State Engineer's Office (SEO); (2) three potential dam types for Chimney Hollow Reservoir (clay core/rock fill dam, asphalt core/rock fill dam, concrete face/rock fill dam); and (3) conveyance options. Additional discussion followed.

*D. Wastewater Treatment Plant Upgrades*

Mr. Drager next briefly discussed current, updated costs estimates for proposed upgrades to wastewater treatment plants in the Fraser and Upper Colorado River watersheds. He noted that costs estimates have doubled. A brief discussion followed regarding nitrogen reduction targets.

## **VII. WINDY GAP CONNECTIVITY CHANNEL**

Mr. Drager reminded the Committee that the Windy Gap Connectivity Channel (WGCC) Stakeholder's Group, of which the Subdistrict is a member, had been awarded a Regional Conservation Partnership Program (RCPP) Grant through the Natural Resources Conservation

WGFP Storage Requests  
January 10, 2017

Storage Target (af): 90,000  
Current Unallocated Storage (af): 3,820  
Total Storage for Participants Requesting Unallocated Storage: 76,180

Participant	Units Owned	Current Requested Storage Volume (af)	Request Unallocated Storage 1=yes, 0=no	Rounded Pro-rata Share of Unallocated Storage (af)	Total Requested Storage (af)
Broomfield	56	25,200	1	1,264.00	26,464.00
CWCWD	1	330	1	16.00	346.00
Erie	14	6,000	1	301.00	6,301.00
Evans	0	1,750	1	88.00	1,838.00
Fort Lupton	3	1,050	1	53.00	1,103.00
Greeley	52	7,000	1	351.00	7,351.00
Lafayette	1	1,800	1	90.00	1,890.00
Little Thompson WD	12	4,850	1	243.00	5,093.00
Longmont	80	10,000	0	-	10,000.00
Louisville	6	2,700	1	135.00	2,835.00
<b>Loveland</b>	<b>40</b>	<b>9,000</b>	<b>1</b>	<b>451.00</b>	<b>9,451.00</b>
PRPA	160	12,000	1	602.00	12,602.00
Superior	15	4,500	1	226.00	4,726.00
<b>TOTAL</b>	<b>440</b>	<b>86,180</b>		<b>3,820.00</b>	<b>90,000.00</b>

# Attachment D

AMENDMENT TO THE FIFTH INTERIM AGREEMENT BETWEEN  
THE MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER CONSERVANCY DISTRICT  
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,  
AND  
THE CITY OF LOVELAND  
FOR PARTICIPATION IN THE  
WINDY GAP FIRING PROJECT

This Amendment is made and entered into as of 30<sup>th</sup> August, 2016, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, Colorado, whose address is 500 East Third Street, Loveland, Colorado 80537 ("Participant"), for the purpose of amending the Fifth Interim Agreement between the parties (the "Agreement").

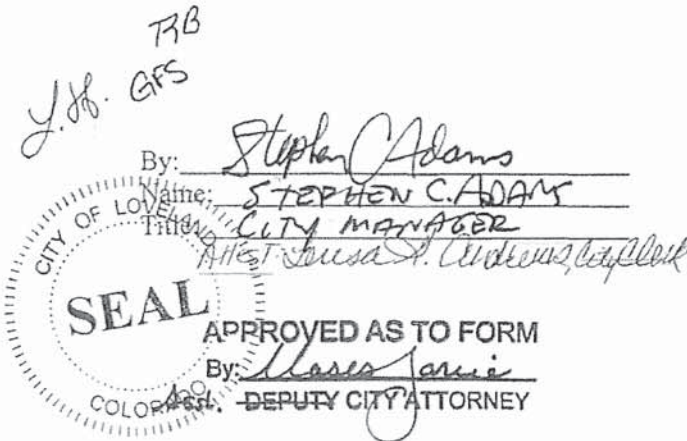
1. Paragraph 2 of the Agreement is amended to provide that Participant's storage capacity in the Project shall be 9,000 acre feet of water, an increase of 2,000 acre feet.
2. Paragraph 3 of the Agreement is amended by replacing the amount "\$1,118,956" with the amount "\$1,438,658", which is an increase of \$319,702. An amended Exhibit A is attached to this First Amendment. Participant shall pay to the Subdistrict the increased amount due under the amended Paragraph 3 (\$319,702) on or before September 30, 2016.
3. All other terms and conditions of the Agreement, as amended, shall continue in full force and effect except as specifically amended herein.

CITY OF LOVELAND, COLORADO

MUNICIPAL SUBDISTRICT, NORTHERN  
COLORADO WATER CONSERVANCY  
DISTRICT, ACTING BY AND THROUGH  
THE WINDY GAP FIRING PROJECT  
WATER ACTIVITY ENTERPRISE

By: Stephen Adams  
Name: STEPHEN C. ADAMS  
Title: CITY MANAGER

By: Eric W. Wilkerson  
Name: ERIC W. WILKERSON  
Title: GENERAL MANAGER



WGFP First Amendment LovelandP:\Data\Projects\Windy Gap Firing\Participants\Phase 5  
Interim Agreements\WGFP First Amendment Loveland.Doc



RESOLUTION #R-72-2016

**A RESOLUTION DIRECTING LOVELAND WATER AND POWER DEPARTMENT TO PURSUE NEGOTIATIONS FOR AN INCREASE IN THE CITY OF LOVELAND'S PARTICIPATION IN THE WINDY GAP FIRING PROJECT FROM 7,000 ACRE-FEET TO UP TO 10,000 ACRE-FEET OF STORAGE**

WHEREAS, since the 1970s, the City of Loveland ("City") has been a participant in the Windy Gap Project, which is managed by the Municipal Subdistrict of the Northern Colorado Water Conservancy District ("Subdistrict"); and

WHEREAS, the City owns 40 units, which represent raw water, in the Windy Gap Project; and

WHEREAS, the Windy Gap Project water rights are junior and won't supply water during drought without storage; and

WHEREAS, on March 4, 2005 by Resolution #R-26-2005, the City specified a need for 6,000 acre-feet of storage in the Windy Gap Firing Project; and

WHEREAS, on May 6, 2008 by Resolution #R-50-2008, the City Council directed Loveland Water and Power Department staff to pursue negotiations for an increase in the City's participation in the Windy Gap Firing Project by up to 2,000 acre-feet, for a total of up to 8,000 acre-feet of storage; and

WHEREAS, on June 24, 2008 by Resolution #R-67-2008, the City Council directed Loveland Water and Power Department staff to pursue negotiations for an increase in the City of Loveland's participation in the Windy Gap Firing Project by up to 2,400 acre-feet, for a total of up to 8,400 acre-feet of storage; and

WHEREAS, the storage acquisition opportunities potentially available in the spring and summer of 2008 were 1,000 acre-feet from Platte River Power Authority ("PRPA") and 1,400 acre-feet from the City of Lafayette. The 1,000 acre-foot acquisition from PRPA was completed, but negotiations on the 1,400 acre-feet from the City of Lafayette were unsuccessful, which resulted in the current storage of 7,000 acre-feet; and

WHEREAS, the City Council continues to support the opportunity to increase the firm yield of the City's water portfolio and to increase the total participation in the Windy Gap Firing Project up to 10,000 acre feet of storage from the current level of 7,000 acre-feet and such increase will benefit the utility's customers and is in the best interest of Loveland's citizens; and

WHEREAS, if the City is successful in the acquisition, the cost per 1,000 acre-feet would require payment to the Subdistrict in the amount of \$159,851 per acre-foot and an addendum to the March 1, 2016 *Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firing Project Water Activity Enterprise and City of Loveland for Participation in the Windy Gap Firing Project*.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

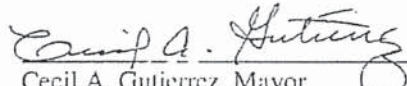
Section 1. That Loveland Water and Power Department staff are hereby directed to pursue negotiations for an increase in the City of Loveland's participation in the Windy Gap Firing Project from 7,000 acre-feet up to 10,000 acre-feet of storage.

Section 2. That the City Manager is hereby authorized, following consultation with the City Attorney's Office, to execute any agreements or other documentation necessary to acquire up to 3,000 additional acre-feet of storage in the Windy Gap Firing Project.

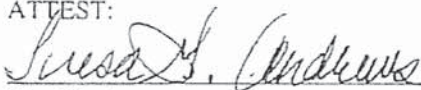
Section 3. That this Resolution shall supersede and replace any and all prior Resolutions setting the City's participation in the Windy Gap Firing Project, including but not limited to R-67-2008.

Section 4. That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this 2nd day of August, 2016.


  
Cecil A. Gutierrez, Mayor

ATTEST:

  
City Clerk



APPROVED AS TO FORM:

  
Assistant City Attorney



**AGENDA**  
**LOVELAND CITY COUNCIL MEETING**  
**TUESDAY, AUGUST 2, 2016**  
**(5:00 P.M.) DINNER – City Manager’s Conference Room**  
**(6:00 P.M.) REGULAR MEETING - City Council Chambers**  
**CITY COUNCIL CHAMBERS**  
**500 EAST THIRD STREET**  
**LOVELAND, COLORADO**

**NOTICE OF NON-DISCRIMINATION**

It is the policy of the City of Loveland to provide equal services, programs and activities without regard to race, color, national origin, creed, religion, sex, disability, or age and without regard to the exercise of rights guaranteed by state or federal law. It is the policy of the City of Loveland to provide language access services at no charge to populations of persons with limited English proficiency (LEP) and persons with a disability who are served by the City.

For more information on non-discrimination or for translation assistance, please contact the City’s Title VI Coordinator at [TitleSix@cityofloveland.org](mailto: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](mailto:adacoordinator@cityofloveland.org) or 970-962-3319.

**NOTIFICACIÓN EN CONTRA DE LA DISCRIMINACIÓN**

La política de la Ciudad de Loveland es proveer servicios, programas y actividades iguales sin importar la raza, color, origen nacional, credo, religión, sexo, discapacidad, o edad y sin importar el uso de los derechos garantizados por la ley estatal o federal. La política de la Ciudad de Loveland es proveer servicios gratis de acceso de lenguaje a la población de personas con dominio limitado del inglés (LEP, por sus iniciales en inglés) y a las personas con discapacidades quienes reciben servicios de la ciudad.

Si desea recibir más información en contra de la discriminación o si desea ayuda de traducción, por favor comuníquese con el Coordinador del Título VI de la Ciudad en [TitleSix@cityofloveland.org](mailto:TitleSix@cityofloveland.org) al 970-962-2372. La Ciudad hará acomodaciones razonables para los ciudadanos de acuerdo con la Ley de Americanos con Discapacidades (ADA, por sus iniciales en inglés). Si desea más información acerca de la ADA o acerca de las acomodaciones, por favor comuníquese con el Coordinador de ADA de la Ciudad en [adacoordinator@cityofloveland.org](mailto:adacoordinator@cityofloveland.org) o al 970-962-3319.

Title VI and ADA Grievance Policy and Procedures can be located on the City of Loveland website at: [cityofloveland.org/](http://cityofloveland.org/)

*Please Note: Starting times shown on agenda are estimates only; actual times may vary.*

**(6:00) REGULAR MEETING - City Council Chambers**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**(6:05) CONSENT AGENDA**

*Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. Members of the public will be given an opportunity to speak to the item before the Council acts upon it.*

*Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items.*

*Anyone making a comment during any portion of tonight’s meeting should come forward to a*

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

**AGENDA ITEM:** 20  
**MEETING DATE:** 8/2/2016  
**TO:** City Council  
**FROM:** Bob Miller, Water and Power  
 Larry Howard, Water and Power  
**PRESENTER:** Greg Dewey, Civil Engineer – Water Resources



**TITLE:**  
 A Resolution To Negotiate To Acquire Up To An Additional 3,000 Acre-Feet Of Windy Gap Firming Project Storage Space

**RECOMMENDED CITY COUNCIL ACTION:**  
 Approve the Resolution as recommended.

**OPTIONS:**

1. Adopt the action as recommended.
2. Deny the action. A denial would result in City's share remaining at 7000 acre-feet
3. Refer back to staff for further development and consideration. Any delay would likely result in loss of opportunity to acquire this storage space.

**SUMMARY:**

This is an administrative action item. The City of Loveland has the immediate opportunity to acquire an additional 2,000 acre-feet of storage space in the Windy Gap Firming Project, which would increase the city's full participation in the Windy Gap Firming Project from its current subscription of 7,000 acre-feet to 9,000 acre-feet of storage. The City may seek other opportunities to increase the participation up to 10,000 acre-feet of storage.

The LUC at its meeting on July 27, 2016 unanimously approved this item.

**BUDGET IMPACT:**

- Positive
- Negative
- Neutral or negligible

Acquiring additional storage has a negative financial impact on the City. Acquisition of each 1,000 acre-feet of storage space would require an immediate payment to Northern Water of \$159,851 and an addendum to the *March 1, 2016 Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and City of Loveland for Participation in the Windy Gap Firming Project* to reflect the increased storage capacity. This would adjust Loveland's proportional share on the ongoing Windy Gap Firming Project expenses for permitting and mitigation. Money is available in the 2016 budget for this purpose.

**BACKGROUND:**

The City of Loveland has the immediate opportunity to acquire an additional 2,000 acre-feet of storage in the 90,000 acre-foot Windy Gap Firming Project, as the City of Longmont has reduced its participation in the Windy Gap Firming Project by that amount. This would increase Loveland's full participation in the Windy Gap Firming Project from its current subscription of 7,000 acre-feet to 9,000 acre-feet of storage. Modeling indicates that this storage acquisition would increase the



City's overall firm yield value, available during drought conditions, by 500 acre-feet. At the currently estimated cost of approximately \$4,635 per acre-foot of storage this would increase the city's estimated Windy Gap Firming Project costs by \$9,270,000, or \$18,540 per acre-foot of firm yield. By comparison, an acre-foot of firm yield from the Colorado-Big Thompson Project currently costs about \$26,000.

The City's current total Windy Gap Firming Project cost for 7,000 acre-feet of storage, based on a February 9, 2016 estimate from Northern Water, is \$32,866,434, including \$2,084,608 already expended. Adding 2,000 acre-feet for a total of 9,000 acre-feet, thereby creating a total of 3,610 acre-feet of firm yield from the Project, would make the City's portion of the total estimated Project cost \$42,136,434.

Twice during 2008, City Council approved resolutions directing Loveland Water & Power staff to pursue negotiations intended to lead to an increase in the City's participation level in the project. The first was Resolution R-50-2008, authorizing an increase from 6,000 acre-feet to 8,000 acre-feet. The second Resolution R-67-2008 (*Attachment B*) refined that increase and authorized up to 8,400 acre-feet, as that was the number of acre-feet which City staff identified as being available. The storage acquisition opportunities then potentially available were 1,000 acre-feet from Platte River Power Authority (PRPA) and 1,400 acre-feet from the City of Lafayette. The 1,000 acre-feet acquisition from PRPA was completed, but negotiations on the 1,400 acre-feet from Lafayette were not successful. During those discussions, Council members expressed interest in having up to 10,000 acre-feet of storage in the Project, and requested that staff bring before them future opportunities for discussion and consideration.

Increasing the storage from 9,000 acre-feet to 10,000 acre-feet, would add an increment of 240 acre-feet to the City's firm yield, thereby creating a total of 3,850 acre-feet of firm yield from the Windy Gap Firming Project. This is reflected in *Attachment C*, as are the City's firm yield estimates for various City subscription amounts in the Windy Gap Firming Project. Using the currently estimated cost of approximately \$4,635 per acre-foot of storage, this would increase the city's estimated Project costs by \$4,625,000.

The attached resolution supports city staff efforts to acquire up to 10,000 acre-feet of storage in the Windy Gap Firming Project. A draft resolution for City Council consideration was provided at the July 27, 2016 LUC meeting, and the LUC unanimously supported this resolution.

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**REVIEWED BY CITY MANAGER:**

SCA

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**LIST OF ATTACHMENTS:**

1. Resolution for Consideration
2. Resolution R-67-2008
3. Graphical Representation of Increased Firm Yield

# Attachment E

FIFTH INTERIM AGREEMENT BETWEEN THE  
MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER CONSERVANCY DISTRICT  
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,  
AND  
CITY OF LOVELAND  
FOR PARTICIPATION IN THE  
WINDY GAP FIRING PROJECT

This Agreement is made and entered into as of March 1, 2016, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise"), and the City of Loveland, whose address is 500 East 3<sup>rd</sup> Street, Loveland, CO 80537 ("Participant").

## Recitals

- A. The WGF Enterprise is developing a water storage project (the "Project") for the purpose of storing water produced by the Windy Gap Project, or other water that is physically and legally capable of being introduced into the Project from the facilities of the Colorado-Big Thompson Project.
- B. Overall Project costs will be divided among the entities which participate in the Project.
- C. The First Phase of the Project consisted of preliminary studies to evaluate potential reservoir sites. The First Phase has been accomplished and there appear to be a number of potential reservoir sites that may serve the needs of the Project.
- D. The Second Phase of the Project consisted of engineering work, environmental studies, alternatives analysis and related work. The Second Phase is complete.
- E. The Third Phase of the Project, consisted of environmental and other permitting, further engineering studies, and preliminary design work, but not land acquisition.
- F. The Fourth Phase of the Project consisted of a continuation of the activities started in the Third Phase, plus land acquisition, and is complete.
- G. The Fifth Phase of the Project consists of continuation of work to obtain local, state and federal permits and approvals required for the Project; detailed engineering design including preparation of plans and specifications for contractor procurement; additional land acquisition; planning and implementation of required mitigation and enhancement measures; development of contracts and other agreements that will be required to



integrate the Project with the Windy Gap Project; development of alternatives for financing the Project; and related activities ("the Fifth Phase"). Completion of the Fifth Phase of the Project on behalf of the Participants will require additional funding.

#### Agreement

1. Participant agrees to participate in the Fifth Phase of the Project under and pursuant to the terms and conditions of this Agreement. Participation in the Fifth Phase of the Project in no way obligates Participant to subsequent phases of the Project or to continue involvement in the Project in any manner.
2. Participant's storage capacity allocation in the Project shall be 7,000 acre-feet of water. Participant may request a change in allocated storage capacity for the Project. The change will be implemented by the WGFP Enterprise only if it will not adversely affect local, state, and federal permits and approvals for the Project, so long as any increased costs are paid by the Participant. In addition, Participant may increase its allocated storage capacity only if there is sufficient unallocated storage capacity in the Project to accommodate the increase. In the event that more than one participant seeks to increase its allocated storage capacity, and there is not sufficient unallocated storage capacity in the Project to accommodate all requested increases, the unallocated Project storage capacity shall be allocated to each participant seeking an increase pro rata based on such participant's capacity allocation in the Fifth Phase of the Project. If a change in Participant's capacity is made, the formula for allocation of costs among the participants shall be changed accordingly so that each participant pays a share of the Fourth and Fifth Phase costs of the Project after the change equal to the participant's share of the final allocation of storage capacity in the Project.
3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fifth Phase of the Project. The WGF Enterprise estimates that Participant's pro rata share of the costs of the Fifth Phase of the Project is \$1,118,956 for the 2016 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2016 calendar year costs on or before March 1, 2016. This estimated cost will not be increased or exceeded without the prior written approval of Participant. However, if the Fifth Phase of the Project cannot be completed within this estimated cost, the WGF Enterprise is not obligated to complete the Fifth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibit A is a table showing the pro rata share of the costs of the Fifth Phase of the Project for each Participant based upon current allocations of capacity in the Project.
4. In the event that Participant fails to make any of the payment set forth above at the specified time, the WGF Enterprise shall have the right to terminate this Agreement and cease all work on the Project for the benefit of Participant. The WGF Enterprise shall give Participant thirty (30) days' advance written notice of its intention to terminate this Agreement and cease work on the Project for Participant's benefit under this paragraph.



Participant shall have until the end of said 30-day period in which to make all past due payments in full in order to cure its default hereunder. Participant shall in any event be responsible for its pro rata share of costs of the Fifth Phase of the Project actually incurred by the WGF Enterprise up to the date of termination of this Agreement.

5. The WGF Enterprise agrees to diligently pursue the Fifth Phase of the Project in good faith to the extent that funds therefor are provided by the Participant under this Agreement and by other Participants under similar agreements. By entering into this Agreement and accepting payments from Participant, the WGF Enterprise does not obligate itself to, nor does the WGF Enterprise warrant, that it will proceed with construction of the Project beyond the Fifth Phase or that it will construct or operate the Project. At the end of the Fifth Phase, the WGF Enterprise will determine after consultation with the participants whether to proceed with the Project. The WGF Enterprise agrees that, if the participants provide all required funding, if the WGF Enterprise has the ability, and if the Project is feasible and practical, it will pursue the construction and operation of the Project if requested to do so by sufficient participants to fully fund the Project. In such event, the Participant shall have the right to participate in the funding, construction and operation of the Project in the amount of storage capacity allocated to Participant in paragraph 2 above, so long as the Project as finally configured is sufficiently large to accommodate the total amount of storage capacity allocated to all participants in the Fifth Phase of the Project. If the Project as finally configured is not sufficiently large to accommodate the total amount of storage capacity allocated to all participants in the Fifth Phase of the Project, the available storage capacity in the Project shall be allocated to each participant pro rata based on such participant's capacity allocation in the Fifth Phase of the Project. In the event that the WGF Enterprise decides not to proceed with the Project, it will so notify Participant and this Agreement will immediately and automatically terminate upon the giving of such notice.
6. In the event of termination of the Project, Participant shall not be entitled to any return of funds paid to the WGF Enterprise for the Project, unless payments by Participants exceed the WGF Enterprise's costs, in which case a pro rata refund will be made. In the event of such termination, Participant shall be entitled to receive copies of any work products developed by the WGF Enterprise or its consultants on behalf of Participant, and WGF Enterprise shall convey to Participant, as a tenant in common with all other Participants who have not been terminated under paragraph 4 above, a pro rata interest in all real and personal property acquired by the WGF Enterprise for the Project with funds provided under this Agreement or similar agreements with other Participants.
7. Participant shall have the right to assign this Agreement and Participant's rights hereunder, with the written consent of the WGF Enterprise, which consent shall not be unreasonably withheld, to any person or entity that is eligible to receive water deliverable through the Project and that is financially able to perform this Agreement.
8. In the event that this Agreement is terminated for any reason, Participant shall not be entitled to any return of any funds paid to the WGF Enterprise for the Project, and the



WGF Enterprise shall have no further obligations to Participant, except as provided in Paragraph 6 above for those Participants who have not been terminated under paragraph 4 above.

9. This Agreement is the entire agreement between the WGF Enterprise and Participant regarding participation in the Project and shall be modified by the parties only by a duly executed written instrument approved by Participant and the WGF Enterprise's Board of Directors.
10. This Agreement is subject to approval by the WGF Enterprise's Board of Directors and shall become binding on the WGF Enterprise only upon such approval.
11. This Agreement is for the 2016 Fiscal Year. Expenditures for subsequent fiscal years will be the subject of Amendments to this Agreement.

TJB

MUNICIPAL SUBDISTRICT,  
NORTHERN COLORADO WATER  
CONSERVANCY DISTRICT, ACTING  
BY AND THROUGH THE WINDY GAP  
FIRMING PROJECT WATER ACTIVITY  
ENTERPRISE

KA  
L. 88.

By: *William D. Cahill*  
Name: William D. Cahill  
Title: City Manager

By: *Eric W. Wilkinson*  
Name: ERIC W. WILKINSON  
Title: GENERAL MANAGER

APPROVED AS TO FORM  
BY: *Olivia D.*  
ASSISTANT CITY ATTORNEY



ATTEST:

*[Signature]*  
Deputy City Clerk

## EXHIBIT A

### Windy Gap Firing Project Allocation of Costs for Fifth Interim Agreement (Phase 5)

Estimated NEPA Costs due **March 1, 2016**: \$ 13,775,950

Participant	Requested Storage Volume (af)		Share of Phase 5 Cost
Broomfield	25,200	\$	4,028,243
CWCWD	330	\$	52,751
Erie	6,000	\$	959,105
Evans	1,750	\$	279,739
Fort Lupton	1,050	\$	167,843
Greeley	7,000	\$	1,118,956
Lafayette	1,800	\$	287,732
Little Thompson WD	4,850	\$	775,277
Longmont	12,000	\$	1,918,211
Louisville	2,700	\$	431,597
<b>Loveland</b>	<b>7,000</b>	<b>\$</b>	<b>1,118,956</b>
PRPA	12,000	\$	1,918,211
Superior	4,500	\$	719,329
TOTAL	86,180	\$	13,775,950




**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

**RECOMMENDATION:**

Commission/Council report only.



**ITEM TITLE:**

Director's Report

**GENERAL & PREVIOUS LUC MEETING FOLLOW UP ITEMS:**

**EVENTS:**

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

**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.

**Colorado Communities Symposium:** January 31-February 2 at Hyatt Regency Aurora-Denver Conference Center. Join Governor John Hickenlooper, Lt. Gov. Donna Lynne and dozens of elected officials and community and business leaders from throughout Colorado to participate in visioning workshops and educational programs related to climate preparedness and clean energy development in Colorado. More information at [www.coloradocommunities.org](http://www.coloradocommunities.org). 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, 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](mailto:mike.scholl@cityofloveland.org) with which tour date you are interested in attending.

**OPERATIONS:**

**Water Operations:**

**Grants to Test Lead in Local Elementary Schools:** Loveland Water and Power staff helped Loveland's school district compile and submit 21 grant applications from the Colorado Department of Public Health & Environment to receive up to \$5,000 per school to test for lead in the drinking water. The testing entails collecting and analyzing water samples from each plumbing fixture where a student is likely to obtain drinking water. Grant applications were submitted on the oldest elementary schools in the Thompson School District. The highest priority in grant funding will go toward the oldest public elementary schools, then the oldest public schools that are not elementary schools, and then all other public schools. Loveland



Water and Power will be partnering with the school district to provide the analysis of the water samples in our state certified laboratory.

**Wastewater Treatment Plant Biological Nutrient Removal and Digester Project:** Garney Construction has taken advantage of the warm and dry weather over the last two months; the two new digester tanks are beginning to take shape. The wall forms, rebar, and post-tensioning installation are ongoing for both new tanks. Concrete has been placed in three out of the four wall segments on the east digester (pictured below left).

While Garney continues to progress on the new digester facility, the crews have begun to focus on the Biological Nutrient Removal (BNR) portion of the project. Preparation work recently completed for the new Return Activated Sludge (RAS) anoxic tank included the relocation of several underground utilities.

These utility relocations included an existing 8-inch water line, 8-inch sewer force main, and 20-inch sewer force main. All relocations were completed ahead of schedule and prompted an early re-opening of South Boise Avenue.



**Water Master Plan:** In order to best serve existing and future customers, make sound engineering decisions, and properly formulate a budget, the Water Division is working on an update to the Water Master Plan. Assisting staff in this endeavor is the consultant CH2M, who also has recently completed an update to the hydraulic model. The master plan takes a comprehensive look at the existing system and future growth projections and plans improvements to the existing system along with sizes and locations of future pipes, pump stations, and tanks to be built to meet future demand. Results of the master planning form the framework for the capital improvement plan and budgets in upcoming years. The master plan is anticipated to be complete in the summer of 2018.

#### Power Operations:

**Generator:** This month Water and Power has commissioned a new emergency generator to support the facility in the event of an interruption of utility power. In 2016, the Chilson Recreation Center applied for a grant to install a new emergency generator in order to support their facility. Due to location issues, Water and Power gained the opportunity to use the grant in

order to supply full redundant power to our facility. The new generator is ten times the size of the existing one at 600 kW of generating power. This is enough to supply the entire administration building as well as operations out of the warehouse. This is in contrast to the old 60 kW generator that supported the Water SCADA, Power operations center and the City IT servers located in the warehouse. Another turn of events benefiting the department is that the existing generator can be relocated to another facility, currently planned to be placed at Namaqua Hills Lift Station. In



cooperation with Samuel Engineering and Faith Enterprises Inc. the new generator was installed and is ready to operate in December, 2017.

**Electric Line Crew Activity:** As the widening of N. Taft Avenue, north of W. 8th Street continues, the Line Crews have been working to install the new underground power and removing the overhead lines and poles. The process to wreck-out the overhead power lines is accomplished by using equipment like bucket trucks, cranes and diggers, or by just good old man power. The pictures below show one of the first step line apprentices atop of a pole. The apprentice is taking the cross arms apart and will then lower the parts to the ground to be hauled away. Some of the many benefits our line apprentice program offers is the exposure of both overhead and underground construction. This variety gives the apprentice a well-rounded education, and experience that will remain with them for their career.



**Electric Metering News:** During the month of December, the Electric Metering group has stayed very busy on multiple projects including power quality issues, new commercial service installations and wiring, diversion investigations, building permit reviews, and shop testing of retired meters. So far in the month of December, the meter shop staff has reviewed and approved 22 new commercial building permits and worked with electrical contractors to assure that all new electric service installations meet and adhere to City of Loveland's current Requirements for Electric Service Standards.



With ever-changing technology in the electric meter industry, it is important for our shop to keep up with new and improved equipment. To the left is a photo of a new piece of equipment that helps to determine if there is a possible power quality issue on the City of Loveland side of the distribution system. The device pictured will deliver a phantom load (current draw) through the metering point of the electric service so that the meter technician can troubleshoot the service and the customer's concern. It helps to determine if there is a possible loose connection between the transformer and the metering point located on the customer's house. In most cases, it helps to verify a loose connection but sometimes it will indicate that the transformer is undersized and will need to be replaced for a larger, more capable one.



Early in the month, the Electric Meter group received assistance from the Line Crew trouble truck to cut and remove the electric service drop to the dwelling pictured below. In this particular situation, the customer's power was disconnected. Then several days later, it was found that motor vehicle jumpers had been installed to re-energize the service. The service was not being metered for consumption and due to the hazardous safety concerns, the trouble truck crew removed the service drop. The customer is required to pay all associated fees and fines for service tampering and energy theft before the service will be re-energized.

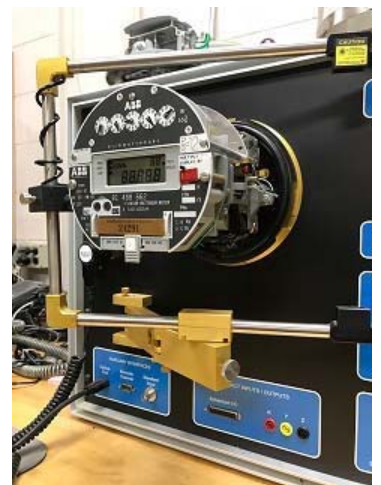


To the left is a picture of a retired meter that was removed from the City of Loveland Warehouse after a new electric service feed was installed and connected to the main service, which was recently upgraded and installed at the Service Center. This meter will be tested and saved for future training in the apprenticeship program, as it dates back to the late 1980's when electro-mechanical meters were used and solid state (no moving parts) meters were introduced. It is important to remember and reflect on dated metering equipment when learning the trade.



The old 277/480 volt metering equipment that was removed from the City of Loveland Warehouse is pictured on the left. It is now metered from the Service Center.

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.



To the right is the picture of a meter socket on a local home that had reported a power quality problem and flickering lights. It was determined that the electric service was being overloaded and causing the insulation to melt on the service conductors.

## GENERATION, TRANSMISSION & NORTHERN COLORADO UTILITY REPORTS:

**Northern Water Conservancy District:** The minutes from the January 11, 2018 board meeting have not been posted yet. The next board meeting will be held on Thursday, February 8, 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 December 7, 2017 meeting have not been posted yet. There is no meeting scheduled for January. The next board meeting will be the Annual Meeting held on Thursday, February 22, 2018 at 9 am at PRPA headquarters located at 2000 E. Horsetooth Rd, Fort Collins, CO 80525.

**Fort Collins Energy Board:** The minutes from the January 11, 2018 meeting have not been posted. The next board meeting will be held on Thursday, February 8, 2018 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 Down Slightly and Energy Up Slightly In November:** November was a rather unremarkable month for peak demand and energy in comparison to a year ago. This year, Loveland's share of PRPA's November peak was 91,224 kW, down 2.7% from the 93,803 kW of November, 2016, and down 5.4% from the average of the past five November peaks.

Purchased energy was up 0.9% vs. November of 2016. Overall, in comparing the year-to-date total of the January-November monthly peak demands to the same period in 2016, this year is up 0.8%, and purchased energy is down 1.0% year-to-date.

**Water Sales Continue to Decline:** Water usage for November decreased substantially from November of a year ago and marked the fifth consecutive month of lower water usage compared to the same months from 2016. The average usage per customer for November was 5,909 gallons, which is 28.4% lower than last November and 20.1% lower than the average of the past five Novembers. This year's YTD average through November is 12,138 gallons per customer. The 12,138 gallons is 4.7% lower than the November YTD average usage of the past five years. In spite of this marked drop-off in November, water sales are still ahead of budget by \$386,000 through November.

**Coincident Peak Demand Rate Update:** We are nearing the end of the fourth year of our Coincident Peak (CP) rate design. Our rate consultant has developed 2018 rates for the six CP customers, and those were delivered to the customers the week of December 18. For 2017 through November, two customers have been able to take advantage of the CP rate structure to lower their bills significantly, and the other four have been able to lower their bills slightly in comparison to what their bills would have been if they were still on the rate they were prior to converting to the CP rate. We did away with the revenue-neutral guarantee for 2017 that was in place for the first three years of the CP rate. With the rate increases for 2018, the CP class will be at cost-of-service.

## CUSTOMER RELATIONS:

**Canyon Customer Communications:** Staff continues to field calls, emails and walk-ins from canyon customers affected by our rebuild project. We have established relationships with many of the customers and also put in place a mode of communication that reaches many of the customers. They are beginning to use our single point of contact system.

**EPO Residential Portal Training and Update:** Schneider demonstrated the upgraded version of the Energy Profile Online that our Key Accounts use and a new residential application that will be useful to us in the future.

**ATC Billing:** Staff is collaborating on the team that is trying to collect old aid-to-construction bills.

**Community Stewardship Lecture Series:** Staff has been planning the 2018 series in partnership with High Plains Environmental. Five events have been scheduled and marketing materials updated for promotion in January, 2018.

**Larimer County Conservation Corps (LCCC):** The LCCC Water and Energy Assessment Program kicked-off this month. Staff provided training to the 2018 corps members including a facility tour of the Foothills Solar site. The LCCC group offers free home energy assessments and direct install of water and energy products for Loveland customers.

**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 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 CLEARResult to bring the program and trade ally management and day-to-day administrative duties in-house. Staff positions and advisors have been filled. We continue to work with CLEARResult on a transition plan for the remainder of the program.

**iEnergy:** The demand side management program tracking software has successfully integrated with the CIS system and the refrigerator and freezer recycling program had a successful cut-over to production this month. Staff has been working on testing and developing training materials. Work also continues on developing the Efficiency Works – Home program into the platform.

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

- Zero Net Carbon Community Meeting – January 10, 2018

**Facebook Insights** (December 2017):

- Reach (unique users) – 1,565 people
- Engagement (unique users) – 86 people
- Impressions (total count) – 4,738 people

**Media:**

- The Reporter Herald – January 6, 2018: [Power outage planned in Big Thompson Canyon Jan. 11.](#)
- The Coloradoan – January 8, 2018: [Huge wind farm could reduce Fort Collins electricity rates, tripe wind power](#)