



REGULAR MEETING AGENDA

CALL TO ORDER

NEW EMPLOYEE INTRODUCTIONS

APPROVAL OF MINUTES – 10/17/2017

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

INFORMATIONAL ITEMS

1. Monthly Financial Update – Jim Lees
2. 2018 Quarterly Goals and Updates – Joe Bernosky

CONSENT AGENDA

3. Contract Change Order – Brian Gandy
4. Distribution Transformer Contract – Frank Lindauer

REGULAR AGENDA

5. PRPA Right of First Refusal – Derek Turner

STAFF REPORTS

6. Boards & Commissions Handbook Review – Gary Hausman

COMMISSION & COUNCIL REPORTS

DIRECTOR'S REPORT

ADJOURN

*** Citizens Report Procedures**

Anyone in the audience may address the LUC on any topic relevant to the commission. If the topic is a Consent Agenda item, please ask for that item to be removed from the Consent Agenda; pulled items will be heard at the beginning of the Regular Agenda. If the topic is a Regular Agenda item, members of the public will be given an opportunity to speak to the item during the Regular Agenda portion of the meeting before the LUC acts upon it. If the topic is a Staff Report item, members of the public should address the LUC during this portion of the meeting; no public comment is accepted during the Staff Report portion of the meeting.

Anyone making comment during any portion of tonight's meeting should identify himself or herself and be recognized by the LUC chairman. Please do not interrupt other speakers. Side conversations should be moved outside the Service Center Board Room. Please limit comments to no more than three minutes.

Notice of Non-Discrimination

The City of Loveland is committed to providing an equal opportunity for services, programs and activities and does not discriminate on the basis of disability, race, age, color, national origin, religion, sexual orientation or gender. For more information on non-discrimination or for translation assistance, please contact the City's Title VI Coordinator at TitleSix@cityofloveland.org or 970-962-2372. The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act (ADA). For more information on ADA or accommodations, please contact the City's ADA Coordinator at adacoordinator@cityofloveland.org or 970-962-3319.

Notificación en Contra de la Discriminación

“La Ciudad de Loveland está comprometida a proporcionar igualdad de oportunidades para los servicios, programas y actividades y no discriminar en base a discapacidad, raza, edad, color, origen nacional, religión, orientación sexual o género. Para más información sobre la no discriminación o para asistencia en traducción, favor contacte al Coordinador Título VI de la Ciudad al TitleSix@cityofloveland.org o al 970-962-2372. La Ciudad realizará las acomodaciones razonables para los ciudadanos de acuerdo con la Ley de Discapacidades para americanos (ADA). Para más información sobre ADA o acomodaciones, favor contacte al Coordinador de ADA de la Ciudad en adacoordinator@cityofloveland.org o al 970-962-3319”.

Commission Members Present: David Schneider, Gary Hausman (Chair), Gene Packer, Larry Roos, John Butler, Randy Williams, Stephanie Fancher-English

Commission Members Absent: Dan Herlihey, Sean Cronin, Tom Vail

Council Liaison: Steve Olson

City Staff Members Present: Brieana Reed-Harmel, Courtney Whittet, Daniel Daneshka, Derek Turner, Jim Lees, Joe Bernosky, Joe Creaghe, Kim Reeves, Larry Howard, Michelle Erickson, Nathan Alburn, Roger Berg, Ryan Greene, Ryan Van Pelt, Tom Greene

Guest Attendance: Greg Dewey, Gale Burnheart

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 September 19, 2018 meeting.

Motion: Dave Schneider made the motion to approve the minutes with the correction of attendance.

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

CITIZENS REPORT

CONSENT AGENDA

Item 1: 2018 Annual Directional Boring Projects Contract Renewal – Kim Reeves

The Department of Water & Power reviewed the Annual Power Directional Bore Contract. We use a Directional Bore Contractor to bore underneath canals, railroad tracks, and streets that cannot be open cut and in other inaccessible areas where we are extending underground electrical power lines. After consideration of the excellent work being done by our current contractor during 2018, the decision was made to recommend renewing this contract for calendar year 2019 which is allowed in the contract documents. The work was bid, and the original contract term began January 1, 2018 and will end December 31, 2018. This is the first renewal of this contract.

Recommendation: Adopt a motion to renew the 2018 Annual Directional Boring Contract to Colorado Boring, Inc. for 2019 in an amount not to exceed \$750,000 and authorizing the City Manager to sign the contract on behalf of the City.

Item 2: 2018 Annual Substructure Projects Contract Renewal – Kim Reeves

The annual substructure contract allows contractor augmentation of City crew efforts to install underground conduit systems, streetlight wires, streetlights and vaults. The Department of Water & Power reviewed the annual substructure contract and after consideration of the excellent work being done by our current contractor during 2018 and in prior years, the decision was made to recommend renewing this contract for a second term for calendar year 2019, which is allowed in the contract documents. The work was bid, and the original contract term began January 1, 2018 and will end December 31, 2018. This is the first renewal of the contract.

Recommendation: Adopt a motion to renew the 2018 Annual Substructure Contract to G.E. Construction for 2019 in an amount not to exceed \$1,000,000 and authorizing the City Manager to sign the contract on behalf of the City.

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

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

REGULAR AGENDA

Item 3: Agreement between Southside Ditch Company and City of Loveland concerning the O'Hara – Larry Howard
City's Golf Enterprise (Golf) owns interest in an agreement made between the South Side Ditch Company (SSDC) and Patrick O'Hara dated December 13, 1881. Golf and SSDC wish to dissolve this contract for various reasons and benefits to both parties. SSDC has presented a proposal in order to dissolve the agreement between Golf and SSDC in exchange for: (1) the City receiving two shares of SSDC stock for the benefit of Golf, and (2) a commitment that the City will accept four shares of SSDC stock into the City's Water Bank if the owners apply to the City to deposit those shares within five years.

Recommendation: Adopt a motion recommending that the City Council approve an agreement with the South Side Ditch Company concerning the conveyance of the O'Hara contract water right to South Side Ditch Company in exchange for two shares of South Side Ditch Company and additional consideration.

As a shareholder of Southside Ditch Company, Gary Hausman excused himself from the room during discussion and the motion.

Motion: Stephane Fancher-English made the motion to approve the item.

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

Item 4: Consideration of PRPA Notice of Transfer for Windy Gap Units – Proposed Executive Session pursuant to City Charter Section 4-4(c) and Section 24-6-402(4)(a)(e) & (g), C.R.S. – Derek Turner

Pursuant to the December 14, 2017 Agreement Regarding Exercise of Rights of First Refusal to Acquire Windy Gap Water Units from Platte River Power Authority, the City received on September 17, 2018 a Notice of Transfer of Windy Gap Units by PRPA, initiating a 63-day period during which the City of Loveland must exercise or waive its right of first refusal to the units proposed for transfer

Recommendation: Adopt a Motion Recommending that the City Manager waive the City's right of first refusal for the Windy Gap Units that are the subject of the September 17, 2018 Notice of Transfer.

John Butler made the motion to move to Executive Session at 4:23pm.

Dave Schneider seconded the motion, motion was approved unanimously to move to Executive Session.

John Butler made the motion to recess from Executive Session at 4:32pm.

Dave Schneider seconded the motion, motion was approved unanimously to recess from Executive Session.

Motion: John Butler made the motion to approve the item.

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

STAFF REPORTS

Item 5: Quarterly Financial Report Update – Jim Lees

This item summarizes the monthly and year-to date Preliminary financials for September 2018.

Staff Report only. No action required.

COMMISSION/COUNCIL REPORTS

Item 7: 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.

Dan Herlihey:

Dave Schneider: Gary Hausman presented Dave Schneider with a letter and a plaque of appreciation

Gene Packer:

Gary Hausman: Would like to put the mission statement and goals in the packet

John Butler: Wonderful tour up at Rawhide, hats off to the guys that put on the tour

Larry Roos:

Randy Williams:

Sean Cronin:

Stephanie Fancher-English:

Tom Vail:

Council Report: Tour of the WWTP, Tour of Rawhide, Water/Wastewater Enterprise Funding

DIRECTOR'S REPORT

Item 8: Director's Report – Joe Bernosky

ADJOURN The meeting was adjourned at 4:57pm. The next LUC Meeting will be November 28, 2018 at 4:00 pm.

Respectfully submitted,

Courtney Whittet

Recording Secretary

Loveland Utilities Commission

/s/ Gary Hausman, LUC Chairman

ITEM TITLE:

Financial Report Update

DESCRIPTION:

This item summarizes the monthly and year-to date financials for October 2018.

SUMMARY:





The October 2018 financial reports are submitted for Commission review. The following table summarizes the sales and expense results for the month of October, and the October Year-To-Date results in comparison to the same periods from 2017. The summarized and detailed monthly financial statements that compare October Year-To-Date actuals to the 2018 budgeted figures are attached.

| | October | | | | October Year-To-Date | | | |
|------------------------|-------------|-------------|--------------------------|-------------------------|----------------------|--------------|--------------------------|-------------------------|
| | 2018 | 2017 | \$ Ovr/(Und) vs. 2017 | % Ovr/(Und) vs. 2017 | 2018 | 2017 | \$ Ovr/(Und) vs. 2017 | % Ovr/(Und) vs. 2017 |
| WATER | | | | | | | | |
| Sales | \$1,789,610 | \$1,362,088 | \$427,521 | 31.4% | \$14,900,488 | \$13,236,064 | \$1,664,424 | 12.6% |
| Operating Expenses | \$1,073,629 | \$983,178 | \$90,451 | 9.2% | \$11,477,686 | \$15,002,839 | (\$3,525,153) | -23.5% |
| Capital (Unrestricted) | \$187,442 | \$202,038 | (\$14,597) | -7.2% | \$837,048 | \$1,229,598 | (\$392,550) | -31.9% |
| WASTEWATER | | | | | | | | |
| Sales | \$1,092,872 | \$969,651 | \$123,220 | 12.7% | \$10,545,928 | \$9,453,942 | \$1,091,986 | 11.6% |
| Operating Expenses | \$929,862 | \$639,297 | \$290,565 | 45.5% | \$7,453,136 | \$5,917,481 | \$1,535,655 | 26.0% |
| Capital (Unrestricted) | \$2,015,112 | \$1,028,203 | \$986,909 | 96.0% | \$9,614,067 | \$3,509,779 | \$6,104,287 | 173.9% |
| POWER | | | | | | | | |
| Sales | \$5,218,502 | \$4,668,150 | \$550,352 | 11.8% | \$56,069,519 | \$52,201,189 | \$3,868,330 | 7.4% |
| Operating Expenses | \$4,651,424 | \$4,294,407 | \$357,017 | 8.3% | \$50,460,817 | \$47,176,905 | \$3,283,913 | 7.0% |
| Capital (Unrestricted) | \$816,097 | \$1,252,930 | (\$436,833) | -34.9% | \$8,540,449 | \$11,961,942 | (\$3,421,493) | -28.6% |

RECOMMENDATION:

Staff item only. No action required.

ATTACHMENTS:

-  Attachment A: City of Loveland Financial Statement-Raw Water
-  Attachment B: City of Loveland Financial Statement-Water
-  Attachment C: City of Loveland Financial Statement-Wastewater
-  Attachment D: City of Loveland Financial Statement-Power

Attachment A

City of Loveland
Financial Statement-Raw Water
For Period Ending 10/31/2018

| | * TOTAL BUDGET * | | | | | |
|--|--------------------|-------------------|------------------|----------------|--------------|--|
| 1 REVENUES & SOURCES | * FYE 12/31/2018 * | YTD ACTUAL | YTD BUDGET | OVER <UNDER> | VARIANCE | |
| 2 High Use Surcharge | 74,667.00 | 67,159.94 | 62,220.00 | -4,939.94 | 100.00 | |
| 3 Raw Water Development Fees/Cap Rec Surcharge | 514,952 | 399,676 | 429,130 | (29,454) | -6.9% | |
| 4 Cash-In-Lieu of Water Rights | 527,084 | 481,502 | 439,240 | 42,262 | 9.6% | |
| 5 Native Raw Water Storage Fees | 31,598 | 387,489 | 26,330 | 361,159 | 1371.7% | |
| 6 Loan Payback from Water | 32,500 | 0 | 27,083 | (27,083) | -100.0% | |
| 7 Raw Water 3% Transfer In | 491,220 | 447,015 | 431,887 | 15,128 | 3.5% | |
| 8 Interest on Investments | 351,950 | 317,085 | 293,290 | 23,795 | 8.1% | |
| 9 TOTAL REVENUES & SOURCES | 2,023,971 | 2,099,927 | 1,709,180 | 390,747 | 22.9% | |
| 10 OPERATING EXPENSES | | | | | | |
| 11 Loan to Water | 0 | 0 | 0 | 0 | 0.0% | |
| 12 Windy Gap Payments | 7,100 | 7,044 | 7,100 | (56) | -0.8% | |
| 13 TOTAL OPERATING EXPENSES | 7,100 | 7,044 | 7,100 | (56) | -0.8% | |
| 14 NET OPERATING REVENUE/(LOSS) (excl depr) | 2,016,871 | 2,092,884 | 1,702,080 | 390,803 | 23.0% | |
| 15 RAW WATER CAPITAL EXPENDITURES | 5,564,900 | 1,134,970 | 4,646,900 | (3,511,930) | -75.6% | |
| 16 ENDING CASH BALANCES | | | | | | |
| 17 Total Available Funds | | 18,399,351 | | | | |
| 18 Reserve - Windy Gap Cash | | 0 | | | | |
| 19 Reserve - 1% Transfer From Rates | | 6,558,026 | | | | |
| 20 Reserve - Native Raw Water Storage Interest | | 1,640,660 | | | | |
| 21 TOTAL RAW WATER CASH | | 26,598,037 | | | | |

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: \$ 3,407,001

Attachment B

City of Loveland
Financial Statement-Water
For Period Ending 10/31/2018

| | TOTAL BUDGET | YTD ACTUAL | YTD BUDGET | OVER | VARIANCE |
|---|----------------|------------|-------------|-------------|----------|
| | FYE 12/31/2018 | | | <UNDER> | |
| 1 **UNRESTRICTED FUNDS** | * | * | | | |
| 2 REVENUES & SOURCES | * | * | | | |
| 3 Water Sales | 16,373,998 | 14,900,488 | 14,396,293 | 504,195 | 3.5% |
| 4 Raw Water Transfer Out | (491,220) | (447,015) | (431,887) | (15,128) | 3.5% |
| 5 Wholesale Sales | 161,307 | 217,047 | 134,420 | 82,627 | 61.5% |
| 6 Meter Sales | 94,722 | 73,029 | 78,940 | (5,912) | -7.5% |
| 7 Interest on Investments | 89,770 | 31,239 | 74,810 | (43,571) | -58.2% |
| 8 Other Revenue | 1,408,745 | 676,996 | 678,128 | (1,132) | -0.2% |
| 9 Federal and State Grants | 0 | 75,804 | 0 | 75,804 | 0.0% |
| 10 Internal Loan Monies Received | 750,000 | 750,000 | 750,000 | 0 | 0.0% |
| 11 External Loan Monies Received | 0 | 0 | 0 | 0 | 0.0% |
| 12 TOTAL REVENUES & SOURCES | 18,387,322 | 16,277,586 | 15,680,704 | 596,882 | 3.8% |
| 13 OPERATING EXPENSES | * | * | | | |
| 14 Source of Supply | 2,669,597 | 1,592,548 | 2,311,430 | (718,882) | -31.1% |
| 15 Treatment | 3,721,785 | 2,582,809 | 3,070,426 | (487,617) | -15.9% |
| 16 Distribution Operation & Maintenance | 4,132,648 | 2,602,323 | 3,522,078 | (919,755) | -26.1% |
| 17 Administration | 2,517,512 | 539,083 | 2,105,863 | (1,566,780) | -74.4% |
| 18 Customer Relations | 421,932 | 220,937 | 359,137 | (138,200) | -38.5% |
| 19 PILT | 1,111,790 | 1,011,743 | 967,260 | 44,483 | 4.6% |
| 20 1% for Arts Transfer | 73,314 | 5,734 | 71,639 | (65,905) | -92.0% |
| 21 Services Rendered-Other Departments | 1,480,676 | 1,234,742 | 1,234,742 | 0 | 0.0% |
| 22 Internal Loan Debt Expense | 827,500 | 795,300 | 888,330 | (93,030) | -10.5% |
| 23 External Loan Debt Expense | 1,015,150 | 892,466 | 845,960 | 46,506 | 5.5% |
| 24 TOTAL OPERATING EXPENSES | 17,971,904 | 11,477,686 | 15,376,865 | (3,899,179) | -25.4% |
| 25 NET OPERATING REVENUE/(LOSS)(excl depr) | 415,418 | 4,799,901 | 303,839 | 4,496,062 | 1479.8% |
| 26 CAPITAL EXPENDITURES | 3,525,715 | 837,048 | 3,275,491 | (2,438,443) | -74.4% |
| 27 REVENUES LESS OPER EXP LESS CAPITAL | (3,110,297) | 3,962,852 | (2,971,652) | 6,934,504 | -233.4% |
| 28 ENDING CASH BALANCE (51% OF OPER EXP) | * | 9,218,724 | * | | |
| 29 WATER DEBT FUNDS ENDING CASH BALANCE | * | 289,288 | * | | |
| 30 MINIMUM BALANCE (15% OF OPER EXP) | * | 2,695,786 | * | | |
| 31 OVER/(UNDER) MINIMUM BALANCE | * | 6,522,938 | * | | |
| 32 **RESTRICTED FUNDS** | * | * | | | |
| 33 REVENUES & SOURCES | * | * | | | |
| 34 SIF Collections | 6,168,963 | 2,433,828 | 2,848,503 | (414,674) | -14.6% |
| 35 SIF Interest Income | 51,660 | 53,935 | 43,050 | 10,885 | 25.3% |
| 36 SIF Federal and State Grants | 0 | 75,804 | 0 | 75,804 | 0.0% |
| 37 Internal Loan Monies Received | 0 | 0 | 0 | 0 | 0.0% |
| 38 TOTAL SIF REVENUES & SOURCES | 6,220,623 | 2,563,567 | 2,891,553 | (327,985) | -11.3% |
| 39 SIF Capital Expenditures | 7,527,489 | 1,715,561 | 6,335,339 | (4,619,778) | -72.9% |
| 40 1% for Arts Transfer | 38,462 | 14,992 | 29,012 | (14,020) | -48.3% |
| 41 Legal Agreements & Shared Costs | 276,440 | 17,885 | 236,335 | (218,450) | -92.4% |
| 42 TOTAL SIF CAPITAL EXPENDITURES | 7,842,391 | 1,748,438 | 6,600,686 | (4,852,248) | -73.5% |
| 43 SIF REVENUE LESS EXPENDITURES | (1,621,768) | 815,129 | (3,709,134) | 4,524,263 | -122.0% |
| 44 SIF ENDING CASH BALANCE | * | 5,112,083 | * | | |
| 45 TOTAL ENDING CASH BALANCE | * | 14,330,806 | * | | |
| NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: | * | 7,569,520 | * | | |
| 46 Water Treated at WTP (in million gallons) | * | 4,231 | * | | |
| 47 Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales) | 3,756 | 3,563 | 3,385 | 178 | 5.3% |

Attachment C

City of Loveland-LIVE Financial Statement-Wastewater For Period Ending 10/31/2018

| | TOTAL BUDGET FYE 12/31/2018 | * YTD ACTUAL | YTD BUDGET | OVER <UNDER> | VARIANCE |
|--|--------------------------------|--------------|-------------|-----------------|----------|
| 1 **UNRESTRICTED FUNDS** | * | * | | | |
| 2 REVENUES & SOURCES | * | * | | | |
| 3 Sanitary Sewer Charges | 12,620,160 | 10,545,928 | 10,545,850 | 78 | 0.0% |
| 4 High Strength Surcharge | 393,240 | 450,002 | 337,000 | 113,002 | 33.5% |
| 5 Interest on Investments | 88,800 | 146,428 | 74,000 | 72,428 | 97.9% |
| 6 Other Revenue | 763,090 | 44,847 | 635,191 | (590,344) | -92.9% |
| 7 Bond Proceeds | 15,659,620 | 10,363,186 | 15,659,620 | (5,296,434) | -33.8% |
| 8 Federal Grants | 0 | 0 | 0 | 0 | 0.0% |
| 9 State Grants | 0 | 0 | 0 | 0 | 0.0% |
| 10 TOTAL REVENUES & SOURCES | 29,524,910 | 21,550,391 | 27,251,661 | (5,701,270) | -20.9% |
| 11 OPERATING EXPENSES | * | * | | | |
| 12 Treatment | 4,355,725 | 3,223,308 | 3,659,760 | (436,452) | -11.9% |
| 13 Collection System Maintenance | 3,449,770 | 1,941,722 | 2,916,387 | (974,665) | -33.4% |
| 14 Administration | 1,734,963 | 430,580 | 1,464,736 | (1,034,156) | -70.6% |
| 15 Customer Relations | 50,855 | 29,376 | 43,070 | (13,694) | -31.8% |
| 16 PILT | 910,940 | 769,715 | 756,081 | 13,634 | 1.8% |
| 17 1% for Arts Transfer | 255,989 | 88,675 | 245,929 | (157,254) | -63.9% |
| 18 Services Rendered-Other Departments | 758,706 | 632,900 | 632,900 | 0 | 0.0% |
| 19 Debt Service | 88,819 | 336,858 | 74,020 | 262,838 | 355.1% |
| 20 TOTAL OPERATING EXPENSES | 11,605,767 | 7,453,136 | 9,792,883 | (2,339,747) | -23.9% |
| 21 NET OPERATING REVENUE/(LOSS)(excl depr) | 17,919,143 | 14,097,255 | 17,458,778 | (3,361,523) | -19.3% |
| 22 CAPITAL EXPENDITURES | 24,811,892 | 9,614,067 | 23,722,842 | (14,108,775) | -59.5% |
| 23 REVENUES LESS OPER EXP LESS CAPITAL | (6,892,749) | 4,483,188 | (6,264,064) | 10,747,252 | -171.6% |
| 24 ENDING CASH BALANCE (123% OF OPER EXP) WASTEWATER DEBT FUNDS ENDING CASH | * | 15,676,800 | | | |
| 25 BALANCE | * | 415,283 | | | |
| 26 MINIMUM BALANCE (15% OF OPER EXP) | * | 1,740,865 | | | |
| 27 OVER/(UNDER) MINIMUM BALANCE | * | 13,935,935 | | | |
| 28 **RESTRICTED FUNDS** | * | * | | | |
| 29 REVENUES & SOURCES | * | * | | | |
| 30 SIF Collections | 2,386,151 | 1,685,691 | 1,787,360 | (101,669) | -5.7% |
| 31 SIF Interest Income | 89,010 | 129,367 | 74,180 | 55,187 | 74.4% |
| 32 SIF Bond Proceeds | 8,691,380 | 6,351,630 | 8,691,380 | (2,339,750) | -26.9% |
| 33 TOTAL SIF REVENUES & SOURCES | 11,166,541 | 8,166,688 | 10,552,920 | (2,386,232) | -22.6% |
| 34 SIF Capital Expenditures | 17,573,793 | 8,059,358 | 16,402,593 | (8,343,235) | -50.9% |
| 35 1% for Arts Transfer | 177,664 | 75,687 | 166,894 | (91,207) | -54.6% |
| 36 Debt Service | 49,406 | 206,746 | 41,170 | 165,576 | 402.2% |
| 37 TOTAL SIF CAPITAL EXPENDITURES | 17,800,863 | 8,341,792 | 16,610,657 | (8,268,865) | -49.8% |
| 38 SIF REVENUE LESS EXPENDITURES | (6,634,322) | (175,104) | (6,057,737) | 5,882,633 | -97.1% |
| 39 SIF ENDING CASH BALANCE | * | 8,727,234 | | | |
| 40 TOTAL ENDING CASH BALANCE | * | 24,404,034 | | | |
| NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING | | 20,266,763 | | | |
| Wastewater Treated at WWTP (in million gallons) | N/A | 1,851 | N/A | | |
| Wastewater Billed To Customers (in million gallons) | 1,768 | 1,480 | 1,482 | (2) | -0.1% |

Attachment D

City of Loveland
Financial Statement-Power
For Period Ending 10/31/2018

| | TOTAL BUDGET | YTD ACTUAL | YTD BUDGET | OVER <UNDER> | VARIANCE |
|---|----------------------|---------------------|----------------------|----------------------|---------------|
| **UNRESTRICTED FUNDS** | | | | | |
| 1 REVENUES & SOURCES: | | | | | |
| 2 Electric revenues | \$65,421,010 | \$56,069,519 | \$55,576,420 | \$493,099 | 0.9% |
| 3 Wheeling charges | \$260,000 | \$237,432 | \$216,667 | \$20,765 | 9.6% |
| 4 Interest on investments | \$258,420 | \$186,320 | \$215,350 | (\$29,030) | -13.5% |
| 5 Aid-to-construction deposits | \$1,530,000 | \$1,423,669 | \$1,275,000 | \$148,669 | 11.7% |
| 6 Customer deposit-services | \$310,000 | \$110,302 | \$258,333 | (\$148,031) | -57.3% |
| 7 Late Payment Penalty Fees | \$450,000 | \$389,730 | \$375,000 | \$14,730 | 3.9% |
| 8 Connect Fees | \$170,000 | \$145,685 | \$141,667 | \$4,018 | 2.8% |
| 9 Services rendered to other depts. | \$0 | \$0 | \$0 | \$0 | 0.0% |
| 10 Other revenues | \$306,230 | \$453,253 | \$255,192 | \$198,062 | 77.6% |
| 11 Federal Grants | \$365,000 | \$347,755 | \$304,167 | \$43,588 | 14.3% |
| 12 State Grants | \$61,000 | \$57,959 | \$50,833 | \$7,126 | 14.0% |
| 13 Year-end cash adjustments | \$0 | \$0 | \$0 | \$0 | 0.0% |
| 14 TOTAL REVENUES & SOURCES | \$69,131,660 | \$59,421,623 | \$58,668,628 | \$752,995 | 1.3% |
| 15 OPERATING EXPENSES: | | | | | |
| 16 Hydro oper. & maint. | \$1,309,821 | \$172,800 | \$1,108,310 | (\$935,510) | -84.4% |
| 17 Solar oper. & maint. | \$90,000 | \$38,513 | \$76,154 | (\$37,641) | -49.4% |
| 18 Purchased power | \$44,079,146 | \$37,905,246 | \$37,253,269 | \$651,977 | 1.8% |
| 19 Distribution oper. & maint. | \$5,601,230 | \$4,305,576 | \$4,739,502 | (\$433,927) | -9.2% |
| 21 Customer Relations | \$1,528,241 | \$796,933 | \$1,293,127 | (\$496,194) | -38.4% |
| 22 Administration | \$3,732,454 | \$990,205 | \$3,158,230 | (\$2,168,025) | -68.6% |
| 23 Payment in-lieu-of taxes | \$4,579,440 | \$3,883,781 | \$3,842,150 | \$41,631 | 1.1% |
| 24 1% for Arts Transfer | \$83,488 | \$59,340 | \$70,046 | (\$10,706) | -15.3% |
| 25 Services rendered-other depts. | \$2,767,799 | \$2,308,424 | \$2,306,499 | \$1,925 | 0.1% |
| 26 TOTAL OPERATING EXPENSES (excl dephn) | \$63,771,619 | \$50,460,817 | \$53,847,288 | (\$3,386,471) | -6.3% |
| 27 NET OPERATING REVENUE/(LOSS) (excl dephn) | \$5,360,041 | \$8,960,806 | \$4,821,340 | \$4,139,466 | \$0 |
| 28 CAPITAL EXPENDITURES: | | | | | |
| 29 General Plant/Other Generation & Distribution | \$9,809,838 | \$6,926,940 | \$8,619,250 | (\$1,692,309) | -19.6% |
| 30 Aid-to-construction | \$1,530,000 | \$1,392,930 | \$939,231 | \$453,699 | 48.3% |
| 31 Service installations | \$310,000 | \$220,579 | \$262,308 | (\$41,729) | -15.9% |
| 32 TOTAL CAPITAL EXPENDITURES | \$11,649,838 | \$8,540,449 | \$9,820,788 | (\$1,280,339) | -13.0% |
| 33 REVENUES LESS OPER EXP LESS CAPITAL | (\$6,289,797) | \$420,356 | (\$4,999,448) | \$5,419,805 | |
| 34 ENDING CASH BALANCE (23% of Oper Exp) | | \$14,361,835 | | | |
| 35 MINIMUM BAL. (23% of OPER EXP) | | \$14,667,472 | | | |
| 36 OVER/(UNDER) MINIMUM BALANCE | | (\$305,637) | | | |
| **RESTRICTED FUNDS** | | | | | |
| 38 PIF Collections | \$3,115,400 | \$2,828,057 | \$2,596,167 | \$231,891 | 8.9% |
| 39 PIF Interest Income | \$12,350 | \$81,270 | \$10,292 | \$70,979 | 689.7% |
| 40 Water Loan Payback | \$795,000 | \$795,300 | \$795,000 | \$300 | 0.0% |
| 41 Federal Grants | \$0 | \$0 | \$0 | \$0 | 0.0% |
| 42 State Grants | \$0 | \$0 | \$0 | \$0 | 0.0% |
| 43 TOTAL REVENUES | \$3,922,750 | \$3,704,628 | \$3,401,458 | \$303,169 | 8.9% |
| 44 PIF Feeders | \$3,700,000 | \$1,386,442 | \$3,130,769 | (\$1,744,327) | -55.7% |
| 45 PIF Substations & Solar | \$1,850,000 | \$0 | \$1,541,667 | (\$1,541,667) | -100.0% |
| 46 TOTAL EXPENDITURES | \$5,550,000 | \$1,386,442 | \$4,672,436 | (\$3,285,994) | -70.3% |
| 47 PIF REVENUES LESS EXPENDITURES | (\$1,627,250) | \$2,318,186 | (\$1,270,978) | \$3,589,163 | |
| 48 ENDING PIF CASH BALANCE | | \$6,009,883 | | | |
| 49 TOTAL ENDING CASH BALANCE | | \$20,371,718 | | | |

NOTE: YTD ACTUAL does NOT include encumbrances totalling \$9,435,953

| | | | | | |
|--|-----|-----|-----|-----|------|
| 50 Energy Purchased (in million kWh) from PRPA | 744 | 623 | 624 | (0) | 3.0% |
| 51 Energy Sold to Customers (in million kWh) | 715 | 614 | 605 | 9 | 1.5% |



ITEM TITLE:

3rd Quarter 2018 Goal Update Report

DESCRIPTION:

This is a quarterly review of our progress on our 2018 utility goals.


SUMMARY:

This item is to review the attached 2018 utility goals and the 3rd quarter goal updates.

RECOMMENDATION:

Information item only. No action required.

ATTACHMENTS:

-  Attachment A: 2018 3rd Quarter Goal Update Report

Attachment A

| 2018 Goals & Quarterly Updates | Est. Completion | Actual Completion |
|--|-----------------|-------------------|
| 1 Complete a cost-of-service rate study for the Water and Wastewater Utilities whose output ensures consistency with the Department's mission. | 12/31/2018 | |
| <p>Q1 Update: Great volumes of data have been sent to Jason Mumm of FCS, our Water and Wastewater rate consultant. A rate study kickoff meeting with staff occurred in early March. Meetings with FCS, staff and LUC liaisons will be occurring on June 5th and July 9th. Jason will be presenting study results at the June and July LUC meetings and to City Council at a Study Session on August 14th.</p> | | |
| <p>Q2 Update: A presentation was made to the LUC at the June meeting that covered options for 10-year rate tracks and associated borrowing scenarios for both Water and Wastewater. Preliminary support was given to Scenario 2 for both utilities. Staff will come back in July with our consultant, FCS Group, to get recommendations from the LUC on 2019 rate increases by customer class, 10-year rate track and borrowing scenarios, an increase in the Raw Water Development Fee and a possible modified SIF fee for so-called Tiny Homes. The recommendations from LUC will be taken and presented to City Council at their August 14, 2018 Study Session.</p> | | |
| <p>Q3 Update: At the August 14, 2018 Study Session, City Council was very supportive of the recommendations from Staff and the LUC on the proposed rates for 2019, the 10-year rate tracks and the 10-year borrowing scenarios. The rates proposed for 2019, the 10-year rate tracks and the 10-year borrowing scenarios were all approved by City Council on Second Reading at their November 6, 2018 meeting. Staff will be bringing back a recommendation on a reduced Water SIF for Micro Homes and Cottage Homes to the LUC at the December meeting. The updated calculation of the Raw Water Development Fee will be presented to the LUC in the spring of next year in conjunction with other possible fee modifications and revisions to Title 19 of the City Code.</p> | | |
| 2 Participate with the City's Budget Division in the implementation of the new city-wide budgeting software, PowerPlan. | 06/30/2018 | |
| <p>Q1 Update: Staff has been attending training sessions on PowerPlan, as well as having representatives from the Budget Division come to the Service Center for some very effective hands-on training and working through submittal logistics. The 10-Year CIPs for Water, Raw Water, Wastewater and Power will be submitted in PowerPlan to the Budget Office on Friday, April 13.</p> | | |
| <p>Q2 Update: The budget was successfully submitted to the Budget Office in PowerPlan thanks to great effort by John Beckstrom, Travis Johnson and Kelly Dougherty working closely with our Budget Office staff. Fine tuning in PowerPlan is still ongoing for projected 2019 merit increases, health insurance expense and vehicle maintenance expense. The budget will be presented to City Council at a Study Session on September 11, 2018 and is scheduled for First Reading on October 2, 2018.</p> | | |
| <p>Q3 Update: The 2019 budget was approved by City Council on Second Reading at their November 6, 2018 meeting. Next step with the new PowerPlan software will be to take the information loaded into PowerPlan, download it into Innoprise and do a reconciliation between the two sets of figures. This reconciliation will require a lot of coordination with the Budget Division and will be taking place in the next few weeks.</p> | | |
| 3 Continue customer outreach regarding the following programs: <ul style="list-style-type: none"> • Zero Net Carbon • Community solar • Energy Efficiency • Demand Side Management • Water Efficiency | Ongoing | |
| <p>Q1 Update: Staff coordinated with PRPA to publish ZNC information through press releases and social media posts. Staff continues to meet about community solar with Platte River and our sister cities. Efficiency Works just launched the online store to offer residential customers opportunities to purchase energy saving items at a reduced cost.</p> | | |
| <p>Q2 Update: There has been no movement on Zero Net Carbon. However, staff continues to collaborate on the community solar task force. Staff participated in 179 commercial Efficiency Works projects, 270 residential efficiency assessments, sold more than 12,500 LEDs through the Efficiency Works store and recycled 79 refrigerators.</p> | | |
| <p>Q3 Update: Staff is working with PRPA to host a public meeting to introduce the IRP to our customers. Staff completed some framework around the structure of the community solar project and how rates will be designed. Efficiency works produced 39 commercial efficiency assessments, 4 Building Tune Ups, 23 midstream cooling projects, 207 rebates. The new multi-family program performed 4 assessment projects. We recycled 133 refrigerators.</p> | | |

| 2018 Goals & Quarterly Updates | Est. Completion | Actual Completion |
|---|-----------------|-------------------|
| <p>4 Support customer outreach in the Big Thompson Canyon as the Circuit 911 project continues to completion.</p> <p>Q1 Update: Staff continues to help customers with damage claims. We provide press releases, social media posts, emails and web postings for each planned outage. We also send regular updates to canyon customers via email.</p> <p>Q2 Update: Staff continues to do press releases, media outreach and customer care for ongoing outages during the canyon rebuild. We have increased our following on the project webpage by 27% since January.</p> <p>Q3 Update: Staff continues to meet with power operations and Power Contracting on a regular basis and manage customer outreach. Subscription to our canyon outreach email has increased to 170, which is significant as that mail only targets canyon customers. The open rate email is almost 50%. Customer calls have significantly decreased as with increased subscription to the newsletter.</p> | Ongoing | |
| <p>5 Work with the LUC's Council Liaison to determine the appropriate media to work collaboratively with the Mayor and City Council on messaging rates, efficiency programs, and growth challenges.</p> <p>Q1 Update: No progress here. This is a goal that was recently assigned to our division. We will move forward in Q2.</p> <p>Q2 Update: No progress here as we have been restaffing our division.</p> <p>Q3 Update: No progress here. We are now fully staffed and intend to make progress here this quarter.</p> | Ongoing | |
| <p>6 Support the implementation efforts an Economic Development and Customer Relations Customer Relationship Management (CRM) tool.</p> <p>Q1 Update: Staff attended five training sessions online. We are importing customer contacts and becoming familiar with the software platform.</p> <p>Q2 Update: The project manager from Economic Development left the position so we have the software and we are waiting for ED to refill that manager role.</p> <p>Q3 Update: A staff person in ED was hired and we will resume platform development in November.</p> | Q2 | |
| <p>7 Continue WWTP Expansion.</p> <p>Q1 Update: Garney Construction continues to make good progress on the WWTP improvements. Concrete work is nearing completion for the two new digester tanks. The roof deck is in place for digester 3 and concrete will be placed at the digester 4 roof deck during the week of 4/9. Under-slab mechanical and plumbing piping continues at the digester mechanical room and boiler rooms. Renovations continue inside aeration basin no. 2 which includes new fine bubble aeration equipment and a new large bubble mixing system. Excavation activities are complete and the concrete slab and wall construction continues for the new Return Activated Sludge (RAS) Anoxic tank along the northwest side of the existing aeration basins. The Package 3 contract will be presented to LUC on April 18th followed by City Council on May 1st. The project continues to be on schedule and on budget.</p> <p>Q2 Update: Both of the new digester tanks are complete. The foundations are underway for the digester mechanical, boiler, and chemical buildings. Coatings and renovation work has been completed for the third and final secondary clarifier; all secondary clarifiers are now back in operation. The new Return Activated Sludge (RAS) Anoxic tank is structurally complete with 100% of the concrete placed for that structure. Improvements to aeration basin #2 are complete including the new large bubble mixing system and the small bubble diffusers for aeration. Aeration basin #2 is back online and aeration basin #4 has been taken out of service to perform similar improvements as aeration basin #2. The contract for Package 3 has been approved by LUC and Council. The project continues to be on schedule and on budget.</p> <p>Q3 Update: The Digester Facility is taking shape with the building envelopes complete for the mechanical building and ferric chloride building. Interior piping, valves, pumps, electrical gear, etc. will begin to be installed at the Digester Facility in the near term. The Return Activated Sludge (RAS) Anoxic tank is complete and is scheduled to be brought online with wastewater flows in November. Aeration basin improvements are ongoing. Basins #1,2,4 are complete with Basin #3 recently taken offline to perform the necessary improvements. Aeration Lift Pump Station improvements are complete including the successful bypass of 100% of the City's incoming sewer flows in order to complete these pump station improvements. The project continues to be on schedule and on budget.</p> | 07/2019 | |

| 2018 Goals & Quarterly Updates | Est. Completion | Actual Completion |
|--|-----------------|-------------------|
| 8 Complete and present to LUC an updated raw water master plan. Work through any issues that come up with the engineering work on the Lawn Irrigation Return Flow (LIRF) study and see to the studies completion in the near future. | in 2018 | |
| <p>Q1 Update: Spronk Water Engineers has recently presented a draft presentation of the native raw water yield analysis. Staff plans to bring the updated model to the LUC in the near future for comment. Upon finalizing the model, staff plans to take the model results and complete the text for the updated raw water master plan.</p> | | |
| <p>Once the LIRF study is completed, the staff will be working with our legal counsel to look at the next steps involved in order to implement the study and start taking advantage of the quantified, reusable return flows.</p> | | |
| <p>Q2 Update: Staff has worked closely with SWE on the Native Raw Water Yield Analysis (NRWYA), with the goal being to present the information at the August meeting. This information becomes the technical background for the Raw Water Master Plan.</p> | | |
| <p>Engineering work is nearly complete on the LIRFs, and was reported to staff at a recent meeting. A case initiating the legal process to include these flows as an available source for the City will be filed this fall, and will go through the Water Court process.</p> | | |
| <p>Q3 Update: Work continues on the RWMP project. The LUC was given a presentation by the consultant, Spronk Water Engineers (SWE), at the regular LUC meeting in August, 2018 on the Native Raw Water Yield Analysis which is a report and modeling providing the technical underpinnings of the Raw Water Master Plan. A dedicated workshop was held for all interested LUC members on Friday, September 28. SWE is revising the model and completing their report. This will then be used to move forward with the RWMP.</p> | | |
| <p>The LIRF engineering work is nearing completion. The legal case to make these water sources available for municipal use will be filed late this fall or early in 2019.</p> | | |
| 9 Complete final design and bidding for new water quality laboratory. | Dec. 2018 | |
| <p>Q1 Update: The WWTP Water Quality Lab (WQL) Phase I conceptual design was completed in November of 2017. HDR Engineering/Architects has submitted a scope of services and fee proposal for the WQL Phase II final design and bidding service, which will be presented to LUC on April 18, 2018 for recommendation of approval allowing the City Manager to execute the contract. The WQL Phase II design contract with HDR Engineering will allow the COL team to work with the consultant to develop final/complete construction plans and specifications for the project by late November or December of 2018. Construction will start in 2019 and has a budget of \$5.0M.</p> | | |
| <p>Q2 Update: Construction in the Sylvan Dale Ranch area and Ute Pass is complete. Crews are currently working on converting a number of single phase tap lines to residences in the vicinity of the Cherry Company Store. Work in the Bartram Park neighborhood will begin within a couple of weeks. Coordination with Reclamation & WAPA regarding work at the Big Thompson Power Plant and Dille Dam is ongoing.</p> | | |
| <p>Q3 Update: The WQL has completed the 60% design and preliminary cost estimate. The project team received two costs estimates, which exceed the current project budget of \$5M. Because the current design exceeded the budget, the team removed approximately 700 sf from the design and requested the HDR engineering to complete the design based on the reduced footage. The reduced WQL size will be the base bid and the two removed modules will be listed as a bid alternate 1. Depending on the outcome of the WQL bid, the team will determine if there are available funds to add bid alternate 1 into the final project. The project is to be bid in January of 2019 and construction starting in March or April of 2019.</p> | | |
| 10 Continue aggressive algal mitigation efforts at Green Ridge Glade Reservoir. | On-going | |
| <p>Q1 Update: The Water Quality Lab is increasing its source water monitoring to prepare and monitor for algal growth. This includes utilizing new monitoring equipment that can enumerate and detect different algal species earlier than before and increasing taste and odor testing frequencies. This taste and odor data can be utilized in a newly formed carbon dosing calculator to further optimize water quality leaving the WTP.</p> | | |
| <p>At the end of 2017, an additional SolarBee mixer was installed to increase mixing efficiency to further reduce algal growth in Green Ridge Glade Reservoir (GRGR). There now is a total of five mixers to mitigate algal growth in GRGR. In addition to the physical mixing strategy Colorado Parks and Wildlife is working in conjunction with Water Quality staff to evaluate species of fish that could potentially help bio-regulate algal growth. LWP is also renewing its contract with SOLitude Lake Management for backup algaecide application if necessary.</p> | | |
| <p>Q2 Update: Water Quality staff is continuing to monitor Green Ridge Glade Reservoir for algae and parameters that influence algal growth. Currently, there is algal growth occurring, but it is about one third the level it was this time last year suggesting that the SolarBees are still doing a good job. Colorado Parks and Wildlife is still planning to evaluate new fish species to potentially bio regulate algal growth. Minimal taste and odor production is occurring, but with the carbon dosing calculator, increased river usage, and the addition of a new better performing carbon (Calgon) it is manageable. No detectable taste and odor has left the treatment plan so far in 2018.</p> | | |

| 2018 Goals & Quarterly Updates | Est. Completion | Actual Completion |
|---|-----------------|-------------------|
| <p>Q3 Update: LWP is happy to report that with a combination of reservoir management, monitoring, increased river usage, and carbon optimization, 2018 is the lowest taste and odor year on record. Since the implementation of these mitigation strategies in early 2017 there has only been one taste and odor call related to algae.</p> <p>A fifth SolarBee was installed in late 2017 and has proven to help further reduce algal bloom severity during the 2018 season. The SolarBee was purchased in October at a 50% discount from Medora Corporation.</p> <p>Colorado Parks and Wildlife is still currently working to analyze best strategies to restock Green Ridge Glade Reservoir (GRGR) with a new species of fish in 2019. Unfortunately, staff were not able to stock GRG this year due to a fish shortage.</p> <p>LWP is continuing to further improve its taste and odor treatment strategies and has begun looking into rehabilitating some preexisting reservoir bypass lines and setting up a source water use schedule to avoid having to use water that contains taste and odor entirely when a bloom does occur.</p> <p>Customer Relation's and Water Quality continue to work on outreach and educational material. Currently, staff are working on a short educational video highlighting the successes and ongoing efforts surrounding the algal mitigation strategy.</p> | | |

| | | |
|---|-----------------|--|
| <p>11 Continue refining Water Loss Audit processes and associated procedures including meter calibration, water account reconciliation, and water use estimation methods to more accurately account for true system loss and to help develop appropriate programs and projects that address non-revenue water.</p> | <p>On-going</p> | |
| <p>Q1 Update: We are in the process of finalizing the water audit for 2017 and the results will be presented at the April 2018 LUC meeting. Below is a brief summary of recent changes made to either improve the audit validity or that help to reduce non-revenue water:</p> <ul style="list-style-type: none"> • Source Meter Accuracy: We are in the process of getting contracts in place to calibrate the source water meters at the Water Treatment Plant. Staff is set to meet in April to discuss how to perform a draw down test to verify the accuracy of the WTP effluent meter. • Meter Readings: Prorated consumption that overlapped with non-audit periods. Applied the meter accuracy ratings to readings based on size and meter make and model where available. • Reducing Non-Revenue Water: Starting in 2018, Storm Water is now billed for the irrigation of 2 drainage areas off 1st Street and around the Loudon Siphon (995,151 gallons in 2017). Began billing the WWTP for water that was previously unmetered near the head of the plant that was discovered during the excavations of the WWTP expansion project (Approximately 27.7 MG in 2017). We have budgeted in 2019 to begin having the Wastewater Utility reimburse the Water Utility for sanitary sewer jetting water (Approximately 6.0 MG in 2017). <p>Q2 Update: The preliminary water audit results were present at the April LUC meeting. Staff performed a draw down test of the water distribution system source water meters at the Water Treatment Plant in April after the LUC meeting. Based on these results, we estimate the source water meter to be over registering the water entering into the distribution system by approximately 3.85%. The finalized water audit figures were submitted to the State of Colorado in June on the annual water efficiency report.</p> <p>Q3 Update: The Loveland Fire Authority compiled a list of fire pumps located in our service territory that are tested annually with unmetered water. We will estimate the water used during testing based on the gallon per minute flow rate of the pumps and include this estimated water usage in future water audits.</p> | | |

| | | |
|---|---------------|--|
| <p>12 Complete Circuit 911 (Big Thompson Canyon) upgrade work.</p> | <p>3/2019</p> | |
| <p>Q1 Update: Phase 2 is under construction with crews currently working in the Sylvan Dale Ranch area. Preparations are being made for the pole line replacement over Ute Pass with a helicopter pole set scheduled for June 14, 2018. Phase 3A (Cherry Store to Viestenz-Smith Mountain Park) is in design.</p> <p>Q2 Update: Construction in the Sylvan Dale Ranch area and Ute Pass is complete. Crews are currently working on converting a number of single phase tap lines to residences in the vicinity of the Cherry Company Store. Work in the Bartram Park neighborhood will begin within a couple of weeks. Coordination with Reclamation & WAPA regarding work at the Big Thompson Power Plant and Dille Dam is ongoing.</p> <p>Q3 Update: Phase 2 work was completed in September with the exception of the tap for the Big Thompson Power Plant near Sylvan Dale. Work on this tap will commence once BORs new transformer is delivered in mid-November. The planned power outage that took place on August 30th marked an important milestone in the project – no more 22.9kV voltage! During this extended outage, the three-phase backbone was extended across the Big Thompson River, across US Hwy 34 (twice) and connected to the temporary step-down transformer located near Bartram Park. All of the 22.9kV infrastructure was de-energized at this time and has since been removed. Phase 3 work is continuing as crews are wrapping up the conversion work in Bartram Park and will then move further west to the Cedar Cove neighborhood.</p> | | |

| | 2018 Goals & Quarterly Updates | Est. Completion | Actual Completion |
|----|--|-----------------|-------------------|
| 13 | Begin initial evaluation of new substation location (I25/402 corridor). | On-going | |
| | <p>Q1 Update: City Staff are looking into available properties in the vicinity of 402 and I-25. There is a 90 acre property at the southwest corner of this intersection that the City currently owns. We are evaluating the properties based on accessibility, visual security, proximity to electrical transmission, and safety from flood zones. We have spoken with Parks and Rec about the properties that they are interested in purchasing just to the north of this intersection and are working with them to identify possibilities.</p> <p>Q2 Update: Due to the value of this parcel and the fact that it is not ideal for a substation, the city has decided that they would prefer to not use a portion of this property for the substation.</p> <p>Q3 Update: Staff worked with Economic Development to determine if they had any resources that could aid in finding available land in the area. Recently determined that, after exhausting their resources, ED was not able to aid in our search. Currently working with a Real Estate Broker to locate vacant land for this purpose.</p> | | |
| 14 | Support the City's municipal broadband effort. | On-going | |
| | <p>Q1 Update: City Staff have been working to implement the items identified by City Council in Resolution #R-15-2018 on February 6, 2018. These actions include a RFP for a build-ready network design, a detailed business implementation plan, evaluate financing options, and implement a community outreach and education effort. During the first quarter of 2018, the RFP for the build-ready network design was prepared and released. Planning for community outreach and education has also started with planning and structuring of a communications plan for City staff and the community.</p> <p>Q2 Update: A Notice of Award was issued to Nokia of America for the build-ready network design. We anticipate having a high-level network design completed in the Fall of 2018, along with construction cost estimates to build into bond and financial documents. An RFP for an underwriter/investment banker for the revenue bonds was prepared and released in May. An aggressive engagement and public outreach campaign was launched. Informational presentations have been given to internal city staff and multiple community stakeholder groups. City Staff have attended multiple events throughout the community, launched a new broadband website and held multiple Facebook Live sessions. A recruitment process and interviews were held for the Loveland Communications Advisory Board (LCAB) and nine members were identified and recommended to Council to serve on this advisory board.</p> <p>Q3 Update: On October 23, 2018 city staff presented to City Council the final findings from the items identified in Resolution #15-2018. This included an updated on further due diligence investigation for a public-private partnership, the education and outreach efforts to the community, an update on the design and costs, a thorough business plan for a retail model with regional collaboration, and the financing options. City Council was also presented with a recommendation from LCAB on how to proceed forward. Ultimately, City Council voted on a resolution to send the issue back to the citizens of Loveland for consideration and vote during a special election to be held in February 2019.</p> | | |
| 15 | Evaluate power asset ages and conditions to support a replacement schedule. | On-going | |
| | <p>Q1 Update: The Power Division is in process of correlating the outage database to the asset age database. This will allow staff to start evaluating trends of equipment failures based on asset type, age, location and other data points to start determining a asset management and replacement plan and schedule.</p> <p>Q2 Update: The power division is continuously tracking power outages and causes through our Outage Management System. Once peak season is finished a system failure map will be updated that combines age of assets with outages. This map and outage information will then be used in the budget process to help budget planned replacements of assets.</p> <p>Q3 Update: The power division has reviewed our archive of power outages and separated outages that were related to aging infrastructure. This information is in the process of being mapped for better system maintenance and evaluation for capital projects.</p> | | |
| 16 | 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. | On-going | |
| | <p>Q1 Update: Contract negotiations with the CIS vendor are being wrapped up now. Schedule shows project kick off on 6/1.</p> <p>Q2 Update: Contract has been awarded and with the project kick of the first week on July. Initial training sessions with the vendors starts on 7/17.</p> <p>Q3 Update: We are in the discovery portion of the project where we are fine tuning our expectations in the new software</p> | | |
| 17 | Expand use of Cityworks and related platforms into all Utility Department Divisions. | On-going | |
| | <p>Q1 Update: We are getting a 30 day license from Cityworks to use the mobile app out in the field. This will be used by the Electric trouble truck, Electric Meter shop, and technical services.</p> <p>Q2 Update: Starting June 1, 2018 we rolled out the Cityworks Mobile to a subset of users including the Electric Trouble Truck, Electric Meter Shop and Electric Designers. This trial period will be over July 16, 2018.</p> <p>Q3 Update: We are having SSP come perform interviews of the individual work groups to help identify weaknesses in our current asset management program</p> | | |

| | 2018 Goals & Quarterly Updates | Est. Completion | Actual Completion |
|----|--|-----------------|-------------------|
| 18 | Collaborating with the Water Division, deploy new leak detection hardware and implement formal leak detection and valve exercising programs. | On-going | |
| | Q1 Update: Leak detection hardware has been deployed, and the software is up and running. Program is in place and collecting data. The Valve exercising program is waiting for IT to help with local install. | | |
| | Q2 Update: The Valve exercising program is installed and running. We are waiting for a new usb port for data collection from the valve exerciser and an activation code from the vendor. | | |
| | Q3 Update: The Valve exercising program and leak detection programs are up and running. We are on maintenance and support mode. | | |
| 19 | LUC GOAL - Develop and transmit a letter to Platte River supporting their efforts to participate in a regional transmission organization (RTO). | Q2 | Q2 |
| | Q1 Update: This letter has been prepared and staff is working to finalize and send. | | |
| | Q2 Update: The letter was signed by the LUC Chairman and sent. - Complete | | |
| 20 | LUC GOAL - Submit a letter to the Colorado Water Conservation Board supporting the ongoing efforts of the state's water plan and pledging the Department of Water and Power's commitment to those goals. | Q2 | Q2 |
| | Q1 Update: This letter has been prepared and staff is working to finalize and send. | | |
| | Q2 Update: The letter was signed by the LUC Chairman and sent. - Complete | | |
| 21 | LUC GOAL - The Zero Net Carbon (ZNC) model/study recently completed by Platte River was just that: a model to determine if, under certain conditions, Platte River could achieve ZNC status by 2030. Platte River staff will continue to run a series of portfolio models based on technologies, costs, and reliability impacts. LUC wishes to express support for Platte River's continued efforts as they develop their next Integrated Resource Plan. | Q2 | Q2 |
| | Q1 Update: This letter has been prepared and staff is working to finalize and send. | | |
| | Q2 Update: The letter was signed by the LUC Chairman and sent. - Complete | | |



ITEM TITLE:

WWTP - Water Quality Lab Phase II – Additional Design Services, Contract Amendment (#3) for HDR Engineering

DESCRIPTION:

This item is for the approval for the contract amendment to HDR Engineering for the WWTP Water Quality Lab (WQL) Phase II, project number W1702H.

SUMMARY:

As part of the Phase II design and subsequent completion of the 60% design milestone, a third party cost estimate was prepared based on the 60% design documents. The cost estimate revealed that the project construction cost exceeded the City’s budgeted funds. In order to complete the design, meet the needs of the Water Quality Staff, and preserve the main project initiatives, changes to the design are necessary to accomplish this. With a slight rearrangement in lab modules, in addition to including a base bid and bid alternate concept, the City is provided with options depending on the bid day results.

The base bid concept reduces the overall building envelope by two lab modules, while maintaining the majority of the design intent of the lab space and associated lab processes. The bid alternate concept adds back the two lab modules to the building envelope in which aligns with the original design intent and satisfies all of the required lab processes. Depending upon bids, the City will look to maximize the lab based on available budgets.

The current WQL Phase I/II design contract is \$546,326. We will amend the existing contract to include the additional design services in the amount of \$64,927.

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 recommending that the LUC approve the change order to the contract for *Final Design of the WWTP Water Quality Lab Phase II* with HDR to increase the not-to-exceed amount to \$611,253 and authorize the City Manager to sign the change order on behalf of the City.

ATTACHMENTS:

-  Attachment A: Water Quality Lab Phase II – Additional Design Services – Scope and Fee

Attachment A



November 14, 2018

Mr. Brian Gandy CCM
Special Projects Manager
City of Loveland, Water, & Power Department
200 N Wilson Avenue
Loveland, Colorado 80537

Dear Brian,

As requested we are submitting the attached additional service proposals for the **City of Loveland Water Quality Lab**. We appreciate the opportunity to work with the City of Loveland Water Quality Lab Staff, and look forward to assisting you in the completion of your project goals.

The following is a brief description of scope and services provided for these add services:

- Task Series 1.1 – Lab Rotations: As discussed with the Owner the Lab Rotations are required as an enabling project to facilitate Task Series 2.1. Rotating the Labs per the A101r2 layout, shifts the Environmental Compliance and Shell Space labs to the far north side of the building and also sets up preferred adjacencies for the Owner for the remaining labs. Refer to Task Series 1.1 for specific tasks associated with this deliverable. Based on approval of this additional service the design team will precede with these plan adjustments which will be reflected in the 90% & Final Design Packages.
- Task Series 2.1 – Lab Expansion Alternate: As discussed with the Owner the Lab Expansion Alternate in the form of a Base Bid/ Add Alternate arrangement, provides the Owner with a potential exit ramp should future bids exceed their target budget. With the adjustments provided in Task Series 1.1, the Environment Compliance and Shell Space labs are to be considered an Add-Alternate. If accepted by the Owner during the bid phase, this would “add back” these two lab spaces into the building envelope. The bid documents will be updated and modified to reflect this change. Refer to Task Series 2.1 for specific tasks associated with this deliverable. Based on approval of this additional service the design team will precede with these plan adjustments which will be reflected in the 90% & Final Design Packages.

HDR Architecture

Andrew Schwabe
Senior Project Manager

hdrinc.com

1670 Broadway, Suite 3400, Denver, CO 80202-4824
(303) 764-1520

| CITY OF LOVELAND WATER AND POWER WATER QUALITY LAB FINAL DESIGN - ADDITIONAL SERVICES AMENDMENT | | HDR | | | | | | | | | | | | | | | Sub-Consultants | | Total Fee (With Subconsultants) | | | | | |
|--|--|------------------------------|---------------------------|-------------------------|---------------------|--|------------------------|----------------|----------------------|------------------------------|-----------------|----------------------------|------------------------|-----------------------|-----------------------|--------------------|--|------------------|---------------------------------|------------------|------------------|-----------------|------------------|---------|
| | | Architectural Lead - Schwabe | Project Architect - Owens | Project Manager - Gough | Architectural QA/QC | Mechanical, Plumbing, Electrical QA/QC | Plumbing Lead - Beadle | Plumbing CAD | Lab Planner - Hunter | Mechanical Lead - Wurmlinger | Mechanical CAD | Electrical Lead - Martinez | Electrical CAD - Lynch | Civil Lead - Humphrey | Civil Engineer - Race | Civil CAD - Austin | Accounting - Fuller | Hours | | Labor | Total Expenses | HDR Fee | Structural | Geotech |
| | | \$ 165 | \$ 141 | \$ 258 | \$ 205 | \$ 225 | \$ 229 | \$ 92 | \$ 165 | \$ 184 | \$ 150 | \$ 118 | \$ 106 | \$ 146 | \$ 101 | \$ 115 | \$ 116 | | | | | | \$ 125 | |
| Task Description | | | | | | | | | | | | | | | | | | | | | | | | |
| WATER QUALITY LAB DETAILED DESIGN | | | | | | | | | | | | | | | | | | | | | | | | |
| Task Series 1.1 - Additional Services - Lab Rotations | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1 | Updated Lab Rotation Layout Development & Confirm | 2 | | | | | | 1 | | | | | | | | | 3 | \$ 495 | \$ - | \$ 495 | | | \$ 495 | |
| 1.2 | Update Backgrounds (walls, doors, wdws, rooms, equip) | | 10 | | | | | 4 | | | | | | | | | 14 | \$ 2,070 | \$ - | \$ 2,070 | | | \$ 2,070 | |
| 1.3 | Update Room # and Sched. (Interior, Door, Equip, MEP, etc.) | 1 | 8 | | | | | 2 | | | | | | | | | 11 | \$ 1,623 | \$ - | \$ 1,623 | | | \$ 1,623 | |
| 1.4 | Update Sheets (Floor, Ceiling, Finish, MEP, Equipment, etc.) | | 4 | | | 3 | 6 | 20 | 2 | 8 | 32 | 16 | 28 | | | | 119 | \$ 15,911 | \$ - | \$ 15,911 | | | \$ 15,911 | |
| 1.5 | Update Elevations & Sections (Interior, Equipment, Mechanical) | | 8 | | | | | | 2 | | 4 | | | | | | 14 | \$ 2,058 | \$ - | \$ 2,058 | | | \$ 2,058 | |
| 1.6 | Update Plan Dimensions | | 2 | | | | | 1 | | | | | | | | | 3 | \$ 447 | \$ - | \$ 447 | | | \$ 447 | |
| 1.7 | Post Models and Coordinate Revised Views/Templates | | 2 | | | | | 1 | | | | | | | | | 3 | \$ 447 | \$ - | \$ 447 | | | \$ 447 | |
| 1.8 | QA/QC | | | | 1 | 3 | | | 1 | | | | | | | | 5 | \$ 1,045 | \$ - | \$ 1,045 | | | \$ 1,045 | |
| 1.9 | Management & Procurement | 5 | | 1 | | | | | | | | | | | | | 5.5 | \$ 1,001 | \$ - | \$ 1,001 | | | \$ 1,001 | |
| | Sub-total | 8 | 34 | 1 | 1 | 6 | 6 | 20 | 14 | 8 | 36 | 16 | 28 | 0 | 0 | 0 | 178 | \$ 25,097 | \$ - | \$ 25,097 | \$ - | \$ - | \$ 25,097 | |
| Task Series 2.1 - Additional Services - Lab Expansion Alternate | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.1 | Update Backgrounds (walls, doors, wdws, rooms, equip) | | 13 | | | | | 2 | 4 | | | 4 | | 2 | 1 | | 26 | \$ 3,640 | \$ - | \$ 3,640 | \$ 125 | | \$ 3,771 | |
| 2.2 | Update Room # and Sched. (Interior, Door, Equip, MEP, etc.) | 1 | 10 | | | 2 | | | 1 | | | | | 2 | 2 | 1 | 19 | \$ 2,799 | \$ - | \$ 2,799 | | | \$ 2,799 | |
| 2.3 | Update Sheets (Floor, Ceiling, Finish, MEP, Equipment, etc.) | | 12 | | | | | 5 | | | | | | 4 | 1 | | 22 | \$ 3,036 | \$ - | \$ 3,036 | \$ 125 | | \$ 3,167 | |
| 2.4 | Separate Components by "Alternate" Phase & New Const. | | 4 | | | | 10 | 28 | 5 | 16 | 48 | 19 | 38 | | | | 171 | \$ 22,986 | \$ - | \$ 22,986 | \$ 125 | | \$ 23,117 | |
| 2.5 | Generate "Alternate" Views/Templates/Sheets | | 8 | | | | | 2 | | | | | | 2 | 1 | | 13 | \$ 1,775 | \$ - | \$ 1,775 | \$ 125 | | \$ 1,906 | |
| 2.6 | Update Plan Dimensions | | 4 | | | | | 1 | | | | | | 1 | 1 | | 7 | \$ 945 | \$ - | \$ 945 | \$ 125 | | \$ 1,076 | |
| 2.7 | Post Models and Coordinate Revised Views/Templates | | 4 | | | | | 1 | | | | | | 1 | | | 6 | \$ 830 | \$ - | \$ 830 | \$ 125 | | \$ 961 | |
| 2.8 | QA/QC | | | | 1 | 3 | | | 1 | | | | | 2 | | | 7 | \$ 1,337 | \$ - | \$ 1,337 | \$ 125 | | \$ 1,468 | |
| 2.9 | Management & Procurement | 5 | | 1 | | | | | | | | | | | | | 7.5 | \$ 1,233 | \$ 200 | \$ 1,433 | \$ 125 | | \$ 1,564 | |
| | Sub-total | 6 | 55 | 1 | 1 | 5 | 10 | 28 | 18 | 20 | 48 | 19 | 42 | 4 | 14 | 6 | 279 | \$ 38,581 | \$ 200 | \$ 38,781 | \$ 1,000 | \$ - | \$ 39,831 | |
| Hours | | 13 | 89 | 2 | 2 | 11 | 16 | 48 | 32 | 28 | 84 | 35 | 70 | 4 | 14 | 6 | 2 | 456 | | | | | | |
| Fee | | \$2,145 | \$12,549 | \$516 | \$410 | \$2,475 | \$3,664 | \$4,416 | \$5,280 | \$5,152 | \$12,600 | \$4,130 | \$7,420 | \$584 | \$1,414 | \$690 | \$232 | | \$ 63,677 | 200 | \$ 63,877 | \$ 1,000 | | |
| TOTAL FEE (ROUNDED) | | | | | | | | | | | | | | | | | Total Fee (rounded) = \$ 64,927 | | | | | | | |



ITEM TITLE:

Distribution Transformer Contract

DESCRIPTION:

Award of a one-year contract to Border States Electric / Howard Industries for Distribution Transformers, including single-phase overhead, single-phase pad-mounted and three-phase pad-mounted types.

SUMMARY:

On October 11, 2018, the City of Loveland received sealed bids for Distribution Transformers, Bid 2018-68. It shall be noted that the City of Loveland evaluates transformer bids on Total Ownership Cost (TOC) that takes into account the initial purchase price as well as the total operating expense (losses) of the transformer over the projected 40-year life cycle in addition to other criteria such as lead time, warranty, and ergonomic and safety enhancements.

After a comprehensive evaluation, the City of Loveland Electrical Specification Committee, has agreed that a contract should be awarded to Border States Electric / Howard Industries in an amount not to exceed \$1,163,019.62. This contract amount encompasses our total estimated yearly usage of 239 transformers. Although Border States Electric / Howard Industries was not the lowest bidder, justification for this recommendation for award is due in part to the ergonomically enhanced design of the Howard Industries single-phase pad-mounted cabinet which will reduce strains and injuries for operations staff. In addition to TOC and ergonomics, City evaluation committee assessed and scored all bids based on warranty, adherence to City specification, safety enhancements, references, and past experience with the City of Loveland. The bid presented by Border States Electric / Howard Industries received the highest score from the evaluation committee based on the above criteria.

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 recommending that LUC award the contract for Distribution Transformers, Bid 2018-68 to Border States Electric / Howard Industries in an amount not to exceed \$1,163,019.62 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.



ITEM TITLE:

Consideration of PRPA Notice of Transfer for Windy Gap Units with possible Executive Session pursuant to City Charter Section 4-4(c) and Section 24-6-402(4)(a)(e) & (g), C.R.S.

DESCRIPTION:

Pursuant to the December 14, 2017 Agreement Regarding Exercise of Rights of First Refusal to Acquire Windy Gap Water Units from Platte River Power Authority, the City received on October 25, 2018 a Notice of Transfer of Windy Gap Units by PRPA, initiating a 63-day period during which the City of Loveland must exercise or waive its right of first refusal to the units proposed for transfer.

SUMMARY:

Pursuant to the Agreement between PRPA, Loveland, Fort Collins, and Estes Park, the material terms of the proposed Notice of Transfer involve confidential matters subject to ongoing negotiation required to be kept confidential, including consideration of the purchase, acquisition, lease, transfer or sale of any real, personal, or other property interest. For these reasons, counsel requests discussion of the Notice of Transfer occur only in Executive Session pursuant to section 24-6-402(4)(a), (e), and (g), Colorado Revised Statutes.

RECOMMENDATION:

Adopt a Motion Recommending that the City Manager waive the City's right of first refusal for the Windy Gap Units that are the subject of the October 25, 2018 Notice of Transfer.

ITEM TITLE:

Boards & Commissions Handbook Review

DESCRIPTION:

The Commission will review Roles and Duties according to Loveland Municipal Code.

SUMMARY:

Background

The Commission, created by City Council on March 16, 1999, (Ord. #4409), was originally made up of two separate advisory bodies created by City Council; The Water board, established on December 16, 1980 (Ord. #1942) and the Loveland Utility Advisory Commission established on July 19, 1994 (Ord. #4021). On April 7, 2009, City Council gave the LUC additional procurement contract approval authority (Ord. #5401).

Roles and Duties of the Commission

The duties are established by Municipal Code 2.60.180, as follows:

Loveland utilities commission.

- a) There is established a Loveland utilities commission consisting of nine members appointed by the city council. Any person who is a customer of the city's water, waste water, or electric utility, or who is an authorized representative of such a customer, shall be eligible for appointment to the commission. The term of office of each member shall be three years.
- b) The purpose of the Loveland utilities commission shall be to serve as an advisory body to the city council on all matters pertaining to the water, waste water, and electric utility operations and services provided by the city. In addition to any other duties as may be delegated to it by the city council, the commission shall:
 - a. advise the city council on matters pertaining to rates, charges, and fees for water, waste water, and electric services provided by the city;
 - b. approve procurement contracts, and change orders to procurement contracts, pursuant to Section 3.12.060;
 - c. develop, approve, and adopt policies, practices, and guidelines to assist the water and power department in the efficient operation of the city's water, waste water, and electric utilities, and in the event a change to the municipal code is required in order to effectuate policies to be adopted by the commission, to recommend such changes to the city council;
 - d. review the proposed annual budget for the water and power department;
 - e. conduct public hearings on issues of policy concerning all water, waste water, and electric utility matters within the jurisdiction of the commission; and
 - f. provide policy recommendations to the city manager and the director of the water and power department, consistent with any previously adopted city council policies, concerning all water, waste water, and electric utility matters within the jurisdiction of the commission. (Ord. 5401 § 1, 2009)

Attendance Policy

The effective operation of a board depends upon regular attendance of the members at meetings.

A commission, committee, or board member shall be required to attend 70 percent of scheduled meetings during a fiscal year.

Boards and Commissions Handbook

The City of Loveland publishes a Boards and Commissions Handbook, which contains further detail about the operations of commissions. Among other things, the Handbook provides for officers as follows:

Chair: Serve as presiding officer over all meetings. Sign all documents on behalf of the board, see that all of the decisions of the board are carried out properly, and perform any other duties and functions request-ed by the board. Working with the recording secretary, preparing an agenda for each meeting.

Vice Chair: Perform the duties of the chairperson in the absence of the chairperson; perform any other duties assigned to his office by the board.

Recording Secretary/ Office Support: If a City Staff person is not made available to serve as recording secretary, a board shall also choose a recording secretary. The Recording Secretary keeps the record of the board, is responsible for the minutes of the meeting, and keeps a record of the proceedings of the board. The secretary also performs any additional duties or functions that the board may assign. Ensures all meetings are posted according to statutory requirements.

Council Liaison: Communicate with the board or commission when City Council communication is needed and to serve as the primary two-way communications channel between the City Council and the board or commission; participate in filling vacancies, reviewing applications, and interviewing candidates for the board or commission; serve as the primary informal City Council contact; help resolve questions the board or commission may have about the role of the City Council, municipal government, and the board or commission; establish formal or informal contact with the chairperson of the board or commission and effectively communicate the role of the liaison. Provide procedural direction and relay the City Council's position to the board or commission, and to communicate to the board or commission that the liaison's role is not to direct the board in its activities or work; serve as City Council contact rather than an advocate for or ex-officio member of the board or commission.

Training Board Members:

Recognizing that a newly appointed board or commission member will need a basic foundation of knowledge concerning the subject matter having to do with the particular board or commission, the City will provide informal and/or formal training opportunities for each newly appointed member.

Direction to Boards:

Matters upon which a board makes recommendations can come from the City Council, from city staff, the citizens of Loveland, and from the board members themselves. The City Council does not wish to impose a rigid structure upon the thoughts and ideas of any board or commission, but instead believes that creative and innovative ideas can come from many different sources. Often, however, ideas will originate with the consideration and adoption of goals by the City Council, and boards and commissions will be asked to consider such goals. The normal channels for communication between the City Council and the boards and commissions are through the City Council liaison to the board and city staff in the affected department. Such persons will report to the Council the deliberations and recommendations of the board. The boards and commissions, and their individual members, are always free to communicate directly with the City Council on any matter concerning their areas of responsibility.

3.12.060 Procurement authority.

A. All contracts of \$500,000 or more shall be submitted to city council for approval. If sufficient funds for any such contract have previously been budgeted and appropriated by city council in the water and power department budget, such contract may be submitted to the Loveland utilities commission for approval. All contracts of \$499,999 or less may be approved by the city manager or his designee.

B. 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 twenty percent of the original contract amount shall be submitted to city council for approval. If sufficient funds for any such change order have previously been budgeted and appropriated by city council in the water and power department budget, such change order may be submitted to the Loveland utilities commission for approval. All other change orders may be approved by the city manager or his designee.

C. Notwithstanding anything herein to the contrary, all contracts for construction in local improvement districts of which city council is the governing board shall be submitted to city council for approval as required in Section 3.12.160. (Ord. 5401 § 2, 2009)

RECOMMENDATION:

Staff item only. No action required.




ITEM TITLE:

Commission & Council Report

SUMMARY:

Discuss events that the Loveland Utility Commission Board members attended, special topics and any City Council items related to the Water and Power Department from the past month.

 City Council Report

RECOMMENDATION:

Commission/Council report only.

ITEM TITLE:

Director's Report

EVENTS:

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

RMEL Introduction to the Electric Utility Workshop: January 17, 2019, Denver Marriott South at Park Meadows in Lone Tree. This one-day course is designed to acquaint non-technical utility employees and board members with the basics of their industry from the generation to the distribution of electricity. Please contact Courtney Whittet for more information or registration.

Colorado Water Congress 2019 Annual Convention: January 30 – February 1 at The Westin Westminster. 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.

OPERATIONS:**Water Operations:**

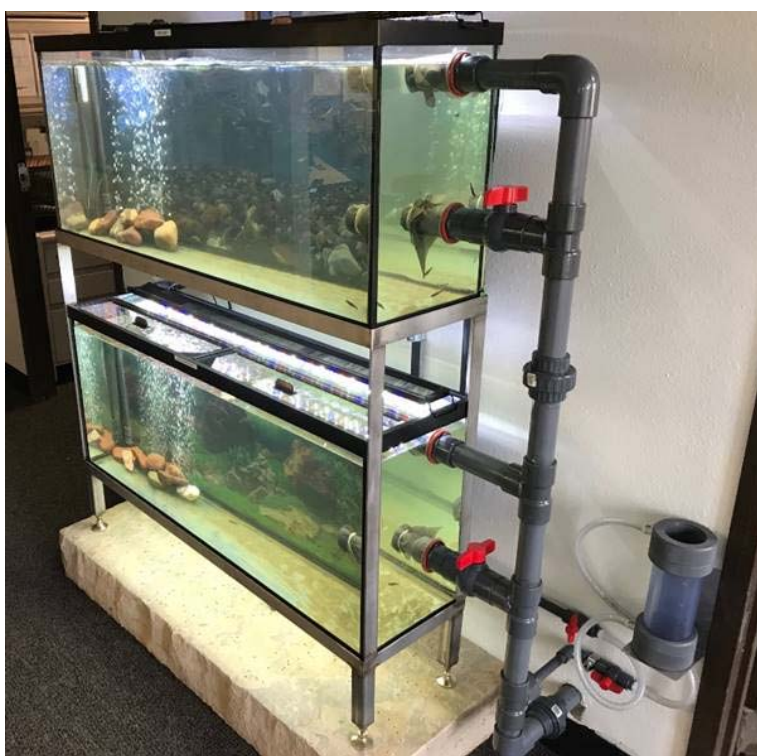
Wastewater Treatment Plant Biological Nutrient Removal and Digester Project: Garney Construction recently began construction on a critical element of the project known as Manhole –A replacement (pictured left). Manhole-A is a series of underground junction boxes where the City's entire incoming sewer flows enter the wastewater treatment plant. Through an iterative and innovative re-design effort leading up to construction, the project team was able to minimize risk and significantly reduce the amount of bypass pumping of all incoming sewer flows around the structure during construction

activities. This effort will save the project over \$300,000 in bypass pumping costs.

The new digester facility is taking shape including the mechanical building interior (pictured below right) as well as the new ferric chloride building and new tanks (pictured below left). For the next several months, Garney will begin to outfit the new digester mechanical room with the various pumps, piping, valves, and electrical / controls equipment necessary to operate the digesters. Other noteworthy construction activities include the ongoing mixing and aeration improvements to the existing aeration basins. Garney is nearing completion of the fourth out of the six basins. The return activated sludge (RAS) anoxic tank at the head of the aeration basins is complete and is scheduled to be brought online mid-November. It will be at this time that the plant will begin to see biological nutrient removal (BNR) in action for the first time!



New Fish Tank System at the Water Treatment Plant: The City of Loveland Water Treatment Plant Staff, with assistance from Tech Services, Water Quality, and WTP Operators, have installed a new fish tank system in the plant foyer to replace the old tank system. In addition to being the favorite feature of children who take the water treatment plant tour, these tanks serve another, very important purpose. Each tank is dedicated to one of our water sources (one tank has Big Thompson River Water flowing through it, the other has Green Ridge Glade Reservoir water running through it). The Rainbow Trout that are stocked in the tanks (courtesy of the State Fish Hatchery) serve as “Canaries in a Coal Mine.” The fish serve to alert water quality and water treatment plant staff if there is an immediate problem with our source water (pH, temperature, turbidity, or other contamination). This low-tech indicator system could mean the difference between very high quality water entering the water plant versus low quality water entering the plant. Water Quality and Tech Services staff have installed a new feature on the updated system that allows the lab to insert their water quality, which is Sonde. This Sonde device reads several water quality parameters that give the lab and the water treatment plant staff additional insight into our source water quality. Good job team!



Raw Water Bypass: Included in the Namaqua Hills Pump Station Improvement Project is the installation of a raw water bypass at the Water Treatment Plant (WTP). This work includes the installation of a raw water bypass pipe, valve, meter, and appurtenances to allow raw water to bypass the WTP and flow back into the Big Thompson River. This bypass project will allow for the City to meet augmentation requirements. The City has contracted with Lillard and Clark to perform this work in the sleeve valve vault structure at the WTP. The work was successful completed in October 2018.

2018 South Platte Forum: Four Water Division staff and three Loveland Utilities Commission members attended the 2018 Annual South Platte Forum held at the Embassy Suites on October 24th and 25th. The South Platte Forum was initiated in 1989 to provide an avenue for a timely, multi-disciplinary exchange of information and ideas important to resource management in the South Platte River Basin. This year’s forum addressed the following topics in relation to water: women in water careers, environmental justice of providing clean water, stream health, reducing contaminants of emerging concern, agriculture water use and conservation, 2013 flood recover updates, and an update on the Platte River Recovery & Implementation Program.

30" Morning Drive Waterline Extension: Construction began September 10, 2018, on the 30" Morning Drive Water Main Extension. This new water main will provide redundancy as well as be utilized to meet high flow demands in the P1 pressure zone. The contractor, Connell Resources, has completed the installation of 5,100 linear feet of 30" PVC main from Foothills Baptist Church to the 29th Street Tank. The next phase of the project will be the installation of new valving and cross connections to the existing piping at the 29th Street Pump Station. These connections and valves are necessary to maintain service from the pump station during the construction process. This project will also be installing new piping and valves to accommodate the future P2 pump station that will be installed adjacent to the P1 pump station. Connell will be working closely with our Water Operations crews to close and open existing valves in the distribution system during this process to make sure any customer outages are minimized. The construction is estimated to be completed by January 2019.



30" PVC water main



Water main being installed uphill toward the 29th Street Tank

Power Operations:

On September 20th, it was reported that up to three inches of rain fell around the area of County Road 3 and Highway 34 in a twenty-minute period. Just north of this intersection is Loveland's Airport Substation. On September 30th, Water and Power Dispatch received a call from Public Works that County Road 3 had been washed out around Airport Substation and there was substantial erosion and debris in and around the substation. The next morning, a Line Crew did a site visit to the substation discovering that the perimeter around the west, north and east sides of the yard had areas that were washed out up to 18 inches in depth and straw from the area fields clung to the chain link fence, indicating that a large flow of water had passed in and around the station. Inside the substation control building, the crew found evidence that at least two inches of water had passed through the substation building, leaving a fine layer of silt on the floor. This silt also entered the base of the substation control panels. The fine silt in the control panels was of main concern as the partials had potential to cause failure with the electrical control system.



As arrangements were made to cleanup and restore the perimeter of the substation, Power Operations staff were also arranging to clean the control building. A flood mitigation contractor



was contracted to clean the inside of the control building, but they were not able to do the cleaning inside of the control panel due to the exposure to the electrical components inside the panels. It was determined that to safely clean the inside of the control panels, the substation would have to be off-loaded. This meant that customers served from this substation had to be moved to other Loveland substations. For this to be done, the Distribution System Operators, Engineering and Operations Crews had to perform one of the longest and most detailed switching orders to date - 136 steps. The writing of this order took an extreme amount of time and system review. To maintain electrical service to all customers, which included commercial/residential customers and medical facilities was a priority to the department. Power Operations completed the off-loading of Airport Substation, clean-up of the control building, panels, and restoration of the perimeter of the yard with not a single glitch. Once the station cleanup was completed, customer load was returned to Airport Substation. Power Operations will be meeting with Public Works to discuss short-term preventative measures that can be taken to eliminate a similar event from hitting Airport Substation. For the long-

term, future development of the area to the west of the station will mean that County Road 3 will be paved and drainage will be engineered that should prevent any future flooding events to happen.

More photos on next page.



UTILITY APPLICATION SERVICES:

Job Cost Accounting Software: On November 1, Innoprise will be performing a webinar for the expanded group showcasing the work order and warehouse functionality.

Meter Data Management System (MDMS): We have selected our vendor and are beginning the contract negotiations stage.

Mobile Mapping: We are complete with our GPS evaluation and are excited by the findings. Ready for the 2019 budget season to start the upgrade. Our mobile applications have migrated their way over to the development team of the fire department. We couldn't be more happy with how well this has caught on!

Prepping for Upgrade: We are planning a major version upgrade to GIS and all of our GIS associated software. We will be going from version 10.2.1 to 10.6.1 and we are planning this for the beginning of December. More to come.

Project & Request Tracking: One of the Technology Roadmap recommendations was to establish a tracking system for our team's work. Since the beginning of 2017 we have configured Cityworks for this purpose. The big projects, tracked as work orders, are reported to be approved and prioritized by our division's team. There are currently 24 approved projects in our queue, 13 of which currently have the status of "In Progress". The smaller, maintenance type jobs are tracked as service requests. So far this year we have completed 174 requests within an average of 6.98 days. These are the numbers broken down by type:

Application Requests – 2.77 days

Application Support – 9.75 days

Data Requests – 7.36 days

Hardware Support – 9.00 days

Map Requests – 5.00 days

Report Requests – 8.00 days

UTILITY ACCOUNTING:

Power Peak Demand and Energy Up in September: We saw a moderate increase in peak demand and a slight uptick in power usage in September compared to a year ago. Loveland's share of PRPA's peak for September was 131,930 kW, up 4.1% from September of last year. The 131,930 kW peak is also up 4.6% from the average of the last 5 years' peaks in September. Purchased energy was up 1.2% vs. September of 2017. Overall, in comparing the year-to-date total of the January-September monthly peak demands to the same period in 2017, this year is up 4.3%, and purchased energy is up 2.7% year-to-date.

Water Sales Update: With three-fourths of the year now accounted for, the average water usage per customer has seen a small increase in comparison to recent years. This year's YTD average usage through September is 12,668 gallons per customer. The 12,668 gallons is 1.2% higher than the September YTD average usage of the past five years. With this fairly average usage, water sales are ahead of budget by \$288,000 through September.

CAMU Update: The Colorado Association of Municipal Utilities (CAMU) has published their most recent survey of typical electric bills, and Loveland is in the lower 40% or better among electric utility bills in the state. This survey is updated twice a year, and the most recent survey is based on rates effective on July 1, 2018. The survey includes responses from 46 utilities from throughout the state, and includes municipally-owned utilities, co-ops and investor-owned utilities. Of the 46 utilities that responded, Loveland had between the 7th lowest and 18th lowest typical bill for all of the categories surveyed (Residential, Small Commercial, Large Commercial and Industrial).

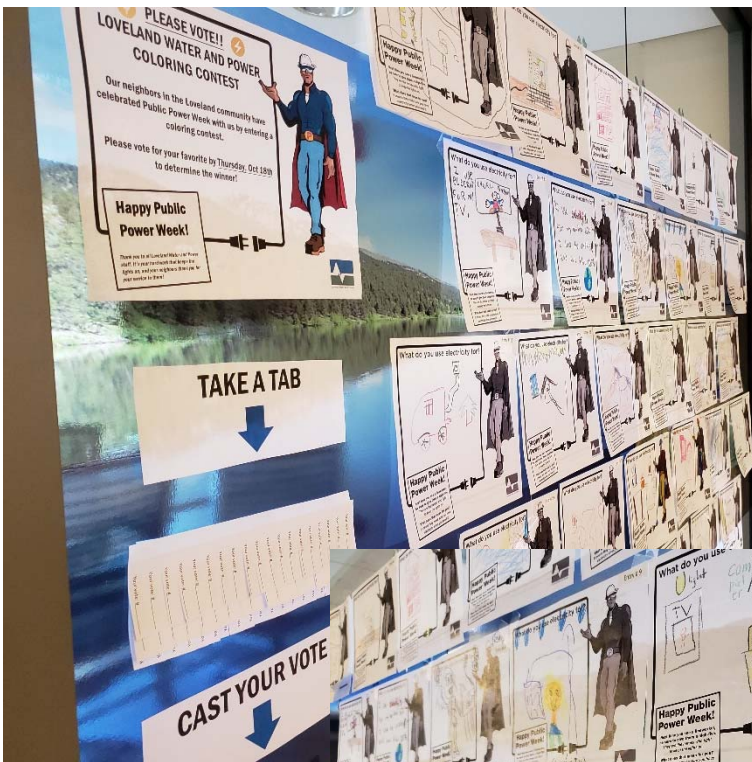
**CUSTOMER RELATIONS:
CUSTOMER RELATIONS DIVISION**

A Day in the Life of a Lineman: Customer Relations finalized their work with Shadow Play Films to release the “Loveland Linemen” video. This video highlights the great efforts of our linemen and demonstrates our core values of providing quality customer service, reliable service, planning for the future, being environmentally sensitive, and offering safe and secure utilities. The video caps with the message “Proud to be a public utility. Powering a strong community.” Video available here:



www.youtube.com/watch?v=r_UGIFkDSc&t

Public Power Week: During Oct 7th- 13th, LWP celebrated Public Power Week. The Customer Relations team engaged with the public and our internal staff throughout this week to celebrate being a publically-owned utility. A coloring contest was held in partnership with the Loveland Public Library; Service Center staff voted on the winners. Power crews also enjoyed some popcorn while watching the new “Loveland Linemen” video, produced to celebrate this week.



E-Source Forum 2018: Customer Relations represented LWP last month at the Annual E-Source Forum. The team used this opportunity to network with other service providers, learn about new offerings from vendors, and attend seminars.

Key Account Visits: Customer Relations has been scheduling individual visits with all Key Accounts to continue to develop meaningful, quality relationships. This is an opportunity to introduce new staff roles and discuss anything City related thoughts, issues or concerns. . Economic Development will also be providing their expertise by joining us in these meetings. The first “Meet and Greet” will take place Oct 23rd and will continue for the next several months as every account is given some individual time with the team.

Video Project with Platte River: “From Source to Switch”: Platte River has been working with LWP staff to produce videos highlighting the valuable relationship with each partnered city. LWP has begun the filming with Platte River’s video team.

Community Solar: Staff continues work with Platte River Power Authority and the four cities to develop a community solar offering. Staff are working to develop program design, rate-structure and coordinating marketing and administration.

Imagine a Day Without Water: Oct 10th was acknowledged on social media to highlight the importance of water. Several informational posts emphasized the value of this essential resource, followed up by a fun post in partnership with Parks and Recreation.

 LovelandWater&Power @LovelandWP · Oct 10
#Water isn't just for practical uses. Loveland families use water to float down the Chilson Center Lazy River. Thanks @LovelandParks for cranking up the FUN!
#ValueWater



Regional Low-Income Energy Efficiency and Rehabilitation Workshop: LWP hosted representatives from various state and local agencies representing low-income programs and services. The workshop facilitated discussions that ranged from emergency assistance, home repair, free or low-cost energy efficiency retrofits, bill pay assistance, to improved indoor air quality.

Upcoming Events:

- **Integrated Resource Plan (IRP) Meeting with Platte River:** LWP will be hosting this community listening session on Nov 15th, 6-9 p.m. at the Embassy Suites. Platte River will be providing the public an opportunity to provide input on Loveland’s energy future. Platte River has a host of valuable information about the IRP at www.prpa.org/irp
- **Praxair Annual Meeting:** Staff have preparations in place for the annual Praxair meeting, which will take place on Nov 7th.
- **Key Accounts Meeting:** The Customer Relations team is preparing for the annual Key Accounts meeting, which will take place Jan 18th at the Budweiser Events Center.
- **Community Stewardship Lecture Series: Raptors of Northern Colorado:** Staff are working with the High Plains Environmental Center to provide the public an opportunity to learn all about eagles, hawks, falcons and owls in Northern Colorado. In this presentation attendees hear about the Raptors’ natural history, abundance, and survival, and also the importance of conserving habitat for these birds. This session will take place on Nov 13th.

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

- Winder Wonderlights – [November 16, 2018](#)

Facebook Insights (October 2018):

- Reach (unique users) – 2,803 people
- Engagement (unique users) – 300 people
- Impressions (total count) – 10,243 people

Media:

- Estes Park Trail Gazette – October 12, 2018: [Our future electricity production](#)
- The Reporter Herald – October 15, 2018: [Loveland council to take initial vote Tuesday on 2019 city budget](#)
- Times Call Local News – October 16, 2018: [Platte River Power Authority holding town halls in member cities to talk integrated resource plan](#)
- North Forty News – October 17, 2018: [Platte River Power Authority hosts community listening sessions to map energy future](#)
- The Reporter Herald – October 21, 2018: [Loveland council to vote on bond issue, business plan for municipal broadband](#)
- The Reporter Herald – October 23, 2018: [RH Line calls published Tuesday, Oct. 23](#)
- The Reporter Herald – October 24, 2018: [Voters to decide on Loveland broadband utility](#)
- The Reporter Herald – October 24, 2018: [Loveland announces plan for Madison Avenue work](#)
- The Reporter Herald – October 26, 2018: [Ken Davidson: Loveland voters already said yes to broadband](#)
- The Denver Post – October 29, 2018: [Can Colorado get to 100 percent renewable energy? It's complicated, utilities say](#)
- The Reporter Herald – November 6, 2018: [Loveland council to vote again on budget, development code, broadband](#)
- The Reporter Herald – November 7, 2018: [Loveland council re-votes on broadband, will build network without public vote](#)
- The Reporter Herald – November 8, 2018: [Loveland city attorney: No conflict for Fogle on municipal broadband](#)
- The Reporter Herald – November 9, 2018: [RH Line calls printed Nov. 10, 2018](#)
- The Reporter Herald – November 10, 2018: [Editorial: Loveland should move forward with broadband](#)