



REGULAR MEETING AGENDA

CALL TO ORDER

APPROVAL OF MINUTES – 11/20/2019

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

INFORMATIONAL ITEMS

1. Monthly Financial Update – Jim Lees
2. Water Supply Update – Ryan Van Pelt

REGULAR AGENDA

3. LUC Resolution Recognizing the Market Value of One Unit of Colorado-Big Thompson Project Water – Nathan Alburn

STAFF REPORT

4. Water and Power Strategic Plan – Joe Bernosky

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”.

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

Commission Members Present: Dan Herlihey, Don Cook, Gary Hausman (Chair), Gene Packer, John Butler, Larry Roos, Randy Williams, Sean Cronin, Stephanie Fancher-English

Commission Members Absent: Richard Rhoads (excused)

Council Liaison Present: Steve Olson

City Staff Members Present: Allison Bohling, Amy Rupp, Coreen Callahan, Cree Goodwin, Derek Turner, Erica McDaniel, Jim Lees, Joe Bernosky, John Beckstrom, Kim O'Field, Larry Howard, Lynn Valdez, Michelle Erickson, Roger Berg, Ruth Hecker, Ryan Smith, Ryan Van Pelt, Tanner Randall, Tim Bohling, Tom Greene, Tracey Hewson, Travis Johnson, Yarani Vasquez, and William Ullom.

Guest Attendance: James Laferriere, Jeff Bridenbach, Jeff Couch, Ralph Mathes, Trista Fugate, Troy McWhinney

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

APPROVAL OF MINUTES: Hausman asked for a motion to approve the minutes of the October 16, 2019 meeting.

Motion: Dan Herlihey made the motion.

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

CITIZENS REPORT

James Laferriere, resident of Loveland, presented questions to the LUC and members of the audience in regards to solar electricity powering a home. Laferriere installed 5.6KW solar system on his home in 2019, and he is in the 0.4% of Loveland citizens that have solar energy. Laferriere stated that the LUC passed an aggressive policy for 2020 regarding solar systems that penalizes solar self-generators. With the new rate structure for solar, his yearly rate will see a 28-38% increase. Laferriere requested that the LUC stop the implementation of the 2020 rate structure change for the solar self-generators until the rate errors have been reviewed. Laferriere also questioned annual net metering and wholesale prices for solar buy back electricity. Joe Bernosky said our charge is to provide cost of service for each of our customer classes. We will have another rate case in three years where we will reevaluate. The completed rate study will be available at the end of January 2020. Bernosky had packets of information that were presented to City Council. City Council approved this rate structure after analysis from a hired Professional Rate Consultant.

INFORMATIONAL ITEMS

Item 1: Monthly Financial Update – Jim Lees

This item summarizes the monthly and year-to date financials for October 2019.

Information item only. No action required.

Item 2: Water Quality Services Overview – Tim Bohling

This item is to provide a brief, verbal overview of Loveland Water and Power's Water Quality Group and how they manage and oversee regulatory and non-regulatory duties in order to maintain compliance with State and Federal regulations. This group also provides process improvement guidance and ensures that water being delivered to customers and returned back to the Big Thompson River is the highest quality possible.

Information item only. No action required.

Item 3: Water Supply Update – Ryan Van Pelt

This item is to provide a brief verbal update of the City of Loveland's raw water supply.

Information item only. No action required.

Item 4: Water Leak Dashboard – Amy Rupp

This item is to provide an introduction to the Water and Power Department's new eURL dashboard that summarizes and provides historical information on work that has been done on our utility systems.

Information item only. No action required.

CONSENT AGENDA**Item 5: 2020 Annual Directional Boring Projects Contract Renewal – William Ullom**

The purpose of this item is to renew the Power Directional Bore contract with Colorado Boring, Inc. for 2020.

Recommendation: Adopt a motion to renew the 2019 Annual Directional Boring Contract to Colorado Boring, Inc. for 2020 in an amount not to exceed \$900,000.00 and authorizing the City Manager to sign the contract on behalf of the City.

Motion: Hausman made the motion.

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

Item 6: 2020 Annual Substructure Projects Contract Renewal – William Ullom

The purpose of this item is to renew the Substructure Projects Contract with G.E. Construction for 2020.

Recommendation: Adopt a motion to renew the 2019 Annual Substructure Contract to G.E. Construction for 2020 in an amount not to exceed \$1,200,000.00 and authorizing the City Manager to sign the contract on behalf of the City.

Motion: Hausman made the motion.

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

REGULAR AGENDA**Item 7: Acceptance of 4.5 Shares of Loudon Ditch into the Water Bank – Nathan Album**

This item is an application to deposit four and ½ (4.5) shares of Loudon Irrigating Canal and Reservoir Company into the City's Water Bank.

Recommendation: Adopt a motion finding that the requirements of City Municipal Code Section 19.04.080 have been met and that acceptance into the City of Loveland Water Bank of the four and ½ (4.5) shares, originating from Stock Certificate No. 3784, of Loudon Irrigating Canal and Reservoir Company is in the best interests of the City of Loveland and is hereby approved.

Motion: Herlihey made the motion.

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

Item 8: Windy Gap Firing Project Fifth Amendment to the Fifth Interim Agreement – Ryan Van Pelt

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

Recommendation: Adopt a motion recommending that City Council approve the Fifth Amendment to the Fifth Interim Agreement with the Municipal Subdistrict of Northern Colorado Water Conservancy District Windy Gap Firing Project Water Activity Enterprise for continued participation in the Windy Gap Firing Project, and authorize the City Manager to execute the agreement.

Motion: Herlihey made the motion.

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

COMMISSION/COUNCIL REPORTS

Item 9: Commission/Council Reports

Dan Herlihey: None.

Don Cook: None.

Gary Hausman: Hausman noted that the Wastewater treatment plant grand opening was an impressive project that was accomplished while still treating all of our waste. **Bernosky** noted some staff changes and new technology that assisted in this impressive project

Gene Packer: Packer mentioned that he wrote a recommendation for Dave Clark for Mayor.

John Butler: Butler discussed Colorado water for sale and noticed there is CBT water for sale that is under contract.

Larry Roos: Roos said that CSU does similar testing on their water as the City of Loveland, and he was able to see some of those models. Roos says that our historical trends should include the effects of climate change, especially when we are looking at a 30-year span. He recommends that Council direct staff to revisit this plan.

Randy Williams: None.

Sean Cronin: None.

Stephanie Fancher-English: None.

Council Report: Councilor Steve Olson said that there was no Council meeting held on October 22, 2019 or October 29, 2019. The Council election was held on November 5, 2019, so business was light. On November 12, 2019, Council held the swearing in ceremony for elected officials. The new City Council's first meeting was held on November 19, 2019, and it lasted until 11 PM. The busiest topic was on vaping, with many citizens present to speak on the matter. Citizens would like to ban vaping and raise the legal age from 18 to 21 for purchasing related products. City Council is divided on the vaping issue, so this item will be under Council discussion. **Olson** noted that most mountain communities have made changes to their vaping laws. Larimer County has the highest amount of vaping in the US. City Council will also discuss the Tactical (Strategic) Plan for the entire City. Each department will have to filter their strategic plans into this model.

DIRECTOR'S REPORT

Item 10: Director's Report – Joe Bernosky said that Loveland Water and Power is bringing back, in two phases, the Cash in Lieu in December 2019 and Native Water in January 2020. Also in December 2019, staff will bring the Strategic Plan for Loveland Water and Power for LUC to review. **Bernosky** said that Water and Power has always planned ahead, but they have not had strategies in a written document like the plan that is coming. The Strategic Plan has already been seen by the Division Managers in Water and Power and other Managers in the City. In addition, the new Water Quality shop build is going well and will be done in late May or early June. **Bernosky** referenced the issues in Flint, Michigan with lead in the water source. **Bernosky** said that the rules for lead and copper are designated from EPA; however, is very confusing and unclear. Recently, there has been a revised lead and copper rule that was published on November 11, 2019. Comments will be made back to EPA as the rule is more confusing than ever. **Bernosky** noted that we don't have lead in our water, it typically comes from fixtures in our homes and businesses. The topic will be revisited as information is available.

ADJOURN: The meeting was adjourned at **5:52 pm**. The next LUC Meeting will be December 18, 2019 at 4:00 pm.

Respectfully submitted,
Lynn Valdez
Recording Secretary
Loveland Utilities Commission /s/ Gary Hausman, LUC Chairman

ITEM TITLE:

Monthly Financial Update

DESCRIPTION:

This item summarizes the monthly and year-to date financials for November 2019.

SUMMARY:





The November 2019 financial reports are submitted for Commission review. The following table summarizes the sales and expense results for the month of November, and the November Year-To-Date results in comparison to the same periods from 2018. The summarized and detailed monthly financial statements that compare November Year-To-Date actuals to the 2019 budgeted figures are attached.

	November				November Year-To-Date			
	2019	2018	\$ Ovr/(Und) vs. 2018	% Ovr/(Und) vs. 2018	2019	2018	\$ Ovr/(Und) vs. 2018	% Ovr/(Und) vs. 2018
WATER								
Sales	\$1,045,706	\$957,369	\$88,337	9.2%	\$16,328,453	\$15,857,857	\$470,596	3.0%
Operating Expenses	\$881,083	\$830,693	\$50,391	6.1%	\$12,334,005	\$12,308,378	\$25,626	0.2%
Capital (Unrestricted)	\$164,311	\$660,929	(\$496,618)	-75.1%	\$2,707,845	\$1,497,978	\$1,209,867	80.8%
WASTEWATER								
Sales	\$1,048,053	\$964,990	\$83,064	8.6%	\$12,302,373	\$11,510,918	\$791,455	6.9%
Operating Expenses	\$617,683	\$693,548	(\$75,866)	-10.9%	\$9,370,642	\$8,146,684	\$1,223,958	15.0%
Capital (Unrestricted)	\$541,405	\$936,129	(\$394,724)	-42.2%	\$9,352,676	\$10,550,195	(\$1,197,520)	-11.4%
POWER								
Sales	\$5,309,295	\$4,735,155	\$574,141	12.1%	\$62,738,348	\$60,804,674	\$1,933,674	3.2%
Operating Expenses	\$4,431,440	\$4,011,451	\$419,989	10.5%	\$54,899,283	\$54,472,268	\$427,015	0.8%
Capital (Unrestricted)	\$583,804	\$918,903	(\$335,099)	-36.5%	\$8,179,324	\$9,459,352	(\$1,280,027)	-13.5%

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 11/30/2019

	* TOTAL BUDGET *	YTD		OVER	
	FYE 12/31/2019	ACTUAL	YTD BUDGET	<UNDER>	VARIANCE
1 REVENUES & SOURCES	*				
2 High Use Surcharge	* 73,118 *	96,559	62,868	33,691	53.6%
3 Raw Water Development Fees	* 461,836 *	348,389	428,756	(80,367)	-18.7%
4 Cap Recovery Surcharge	* 23,377 *	25,534	22,200	3,334	15.0%
5 Cash-In-Lieu of Water Rights	* 227,167 *	4,021,419	208,241	3,813,178	1831.1%
6 Native Raw Water Storage Fees	* 196,876 *	205,446	177,876	27,570	15.5%
7 Proceeds on Loan	* 37,560,000 *	0	0	0	0.0%
8 Raw Water 3% Transfer In	* 531,164 *	489,854	502,199	(12,345)	-2.5%
9 Interest on Investments	* 300,965 *	428,332	275,880	152,452	55.3%
10 TOTAL REVENUES & SOURCES	* 39,374,503 *	5,615,532	1,678,020	3,937,512	234.7%
11 OPERATING EXPENSES	*				
12 Loan to Water	* 0 *	0	0	0	0.0%
13 Windy Gap Payments	* 7,100 *	7,044	6,512	532	8.2%
14 TOTAL OPERATING EXPENSES	* 7,100 *	7,044	6,512	532	8.2%
15 NET OPERATING REVENUE/(LOSS) (excl depr)	* 39,367,403 *	5,608,488	1,671,508	3,936,980	235.5%
16 RAW WATER CAPITAL EXPENDITURES	* 59,433,300 *	4,473,583	54,781,887	(50,308,304)	-91.8%
17 BUDGET FUND BALANCE	* 6,590,587 *	27,955,749	(26,453,895)	54,409,644	10000.0%

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 265,663

Attachment B

City of Loveland
Financial Statement-Water
For Period Ending 11/30/2019

	TOTAL BUDGET FYE 12/31/2019	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**					
2 REVENUES & SOURCES					
3 Water Sales	17,705,446	16,328,453	16,739,956	(411,503)	-2.5%
4 Raw Water Transfer Out	(531,164)	(489,854)	(502,199)	12,345	-2.5%
5 Wholesale Sales	181,091	166,885	169,530	(2,645)	-1.6%
6 Meter Sales	92,269	70,555	84,579	(14,024)	-16.6%
7 Interest on Investments	120,220	62,979	110,198	(47,220)	-42.8%
8 Other Revenue	1,117,884	671,300	300,445	370,855	123.4%
9 Federal and State Grants	0	64,975	0	64,975	0.0%
10 Internal Loan Monies Received	0	0	0	0	0.0%
11 External Loan Monies Received	0	0	0	0	0.0%
12 TOTAL REVENUES & SOURCES	18,685,746	16,875,292	16,902,509	(27,217)	-0.2%
13 OPERATING EXPENSES					
14 Source of Supply	2,623,913	1,344,841	2,404,381	(1,059,540)	-44.1%
15 Treatment	3,717,194	2,849,026	3,366,278	(517,252)	-15.4%
16 Distribution Operation & Maintenance	4,000,077	2,901,781	3,655,009	(753,229)	-20.6%
17 Administration	2,764,753	689,463	1,728,390	(1,038,927)	-60.1%
18 Customer Relations	418,311	293,563	382,634	(89,071)	-23.3%
19 PILT	1,202,200	1,061,908	1,102,002	(40,094)	-3.6%
20 1% for Arts Transfer	76,788	22,026	75,238	(53,212)	-70.7%
21 Services Rendered-Other Departments	1,530,293	1,402,775	1,402,775	0	0.0%
22 Internal Loan Debt Expense	783,750	792,458	783,750	8,708	1.1%
23 External Loan Debt Expense	1,015,685	976,165	931,040	45,125	4.8%
24 TOTAL OPERATING EXPENSES	18,132,964	12,334,005	15,831,497	(3,497,492)	-22.1%
26 NET OPERATING REVENUE/(LOSS)(excl depr)	552,782	4,541,287	1,071,012	3,470,275	324.0%
27 CAPITAL EXPENDITURES	5,711,281	2,707,845	5,459,686	(2,751,841)	-50.4%
28 REVENUES LESS OPER EXP LESS CAPITAL	(5,158,499)	1,833,442	(4,388,674)	6,222,116	-141.8%
30 ENDING CASH BALANCE (53% OF OPER EXP)	3,951,317	9,657,969	4,543,641	5,114,328	112.6%
31 WATER DEBT FUNDS ENDING CASH BALANCE		380,113			
32 MINIMUM BALANCE (18% OF OPER EXP)		3,263,934			
33 OVER/(UNDER) MINIMUM BALANCE		6,394,035			
34 **RESTRICTED FUNDS**					
35 REVENUES & SOURCES					
36 SIF Collections	5,732,613	2,647,350	2,469,213	178,137	7.2%
37 SIF Interest Income	37,710	72,738	34,573	38,165	110.4%
38 SIF Federal and State Grants	0	64,975	0	64,975	0.0%
39 Internal Loan Monies Received	0	0	0	0	0.0%
40 TOTAL SIF REVENUES & SOURCES	5,770,323	2,785,063	2,503,786	281,277	11.2%
41 SIF Capital Expenditures	5,874,420	1,132,843	5,203,883	(4,071,040)	-78.2%
42 1% for Arts Transfer	40,372	8,527	37,472	(28,945)	-77.2%
43 Legal Agreements & Shared Costs	352,305	17,885	324,434	(306,549)	-94.5%
44 TOTAL SIF CAPITAL EXPENDITURES	6,267,097	1,159,255	5,565,789	(4,406,534)	-79.2%
45 SIF REVENUE LESS EXPENDITURES	(496,774)	1,625,808	(3,062,003)	4,687,811	-153.1%
46 SIF ENDING CASH BALANCE	2,709,857	4,895,061	68,821	4,826,240	7012.7%
47 TOTAL ENDING CASH BALANCE		14,553,030			
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING:		2,960,661			
48 Water Treated at WTP (in million gallons)			4,081		
49 Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales)	3,808	3,470	3,643	(172)	-4.7%

Attachment C

City of Loveland-LIVE Financial Statement-Wastewater For Period Ending 11/30/2019

	TOTAL BUDGET			OVER	
	FYE 12/31/2019	YTD ACTUAL	YTD BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*	*			
2 REVENUES & SOURCES	*	*			
3 Sanitary Sewer Charges	13,584,364	12,302,373	12,440,874	(138,501)	-1.1%
4 High Strength Surcharge	427,327	302,034	399,075	(97,041)	-24.3%
5 Interest on Investments	38,862	187,566	35,629	151,937	426.4%
6 Other Revenue	1,124,075	33,588	30,987	2,601	8.4%
7 Bond Proceeds	4,476,304	3,924,824	4,476,304	(551,480)	-12.3%
8 Federal Grants	0	0	0	0	0.0%
9 State Grants	0	0	0	0	0.0%
10 TOTAL REVENUES & SOURCES	19,650,932	16,750,385	17,382,869	(632,484)	-3.6%
11 OPERATING EXPENSES	*	*			
12 Treatment	4,277,196	3,624,389	3,883,885	(259,496)	-6.7%
13 Collection System Maintenance	3,490,346	2,538,719	3,200,712	(661,993)	-20.7%
14 Administration	1,512,390	483,765	1,461,364	(977,599)	-66.9%
15 Customer Relations	76,327	55,620	70,214	(14,594)	-20.8%
16 PILT	980,820	877,240	899,085	(21,845)	-2.4%
17 1% for Arts Transfer	167,020	84,638	164,036	(79,398)	-48.4%
18 Services Rendered-Other Departments	928,606	851,224	851,224	0	0.0%
19 Debt Service	2,063,177	855,048	974,578	(119,530)	-12.3%
20 TOTAL OPERATING EXPENSES	13,495,882	9,370,642	11,505,098	(2,134,456)	-18.6%
21 NET OPERATING REVENUE/(LOSS)(excl depr)	6,155,050	7,379,743	5,877,771	1,501,972	25.6%
22 CAPITAL EXPENDITURES	14,777,131	9,352,676	14,424,491	(5,071,815)	-35.2%
23 REVENUES LESS OPER EXP LESS CAPITAL	(8,622,081)	(1,972,933)	(8,546,720)	6,573,787	-76.9%
24 ENDING BUDGET FUND BALANCE (72% OF OPER EXP)	6,082,085	9,772,713	3,462,612	6,310,101	182.2%
25 WASTEWATER DEBT FUNDS ENDING CASH BALANCE	*	562,519			
26 MINIMUM BALANCE (18% OF OPER EXP)	*	2,429,259			
27 OVER/(UNDER) MINIMUM BALANCE	*	7,343,454			
28 **RESTRICTED FUNDS**	*	*			
29 REVENUES & SOURCES	*	*			
30 SIF Collections	2,774,324	1,224,923	1,626,471	(401,548)	-24.7%
31 SIF Interest Income	2,640	127,818	2,420	125,398	5181.7%
32 SIF Bond Proceeds	1,837,089	2,405,537	1,837,089	568,448	30.9%
33 TOTAL SIF REVENUES & SOURCES	4,614,053	3,758,278	3,465,980	292,298	8.4%
34 SIF Capital Expenditures	4,677,835	2,361,119	4,555,971	(2,194,852)	-48.2%
35 1% for Arts Transfer	92,384	20,886	91,346	(70,460)	-77.1%
36 Debt Service	591,393	524,061	542,102	(18,041)	-3.3%
37 TOTAL SIF CAPITAL EXPENDITURES	5,361,612	2,906,067	5,189,419	(2,283,352)	-44.0%
38 SIF REVENUE LESS EXPENDITURES	(747,559)	852,211	(1,723,439)	2,575,650	-149.4%
39 SIF ENDING BUDGET FUND BALANCE	3,431,413	3,254,826	2,456,282	798,544	32.5%
40 TOTAL ENDING CASH BALANCE		13,027,539			
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING		6,370,573			
Wastewater Treated at WWTP (in million gallons)	N/A	1,990	N/A		
Wastewater Billed To Customers (in million gallons)	1,778	1,586	1,628	(41)	-2.5%

Attachment D

City of Loveland
Financial Statement-Power
For Period Ending 11/30/2019

	*	TOTAL BUDGET	*	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
UNRESTRICTED FUNDS							
1 REVENUES & SOURCES:	*		*				
2 Electric revenues	*	\$68,256,630	*	\$62,738,348	\$62,907,280	(\$168,932)	-0.3%
3 Wheeling charges	*	\$265,000	*	\$255,602	\$242,917	\$12,686	5.2%
4 Interest on investments	*	\$397,580	*	\$181,240	\$364,448	(\$183,208)	-50.3%
5 Aid-to-construction deposits	*	\$1,610,000	*	\$1,537,786	\$1,475,833	\$61,953	4.2%
6 Customer deposit-services	*	\$310,000	*	\$267,288	\$284,167	(\$16,879)	-5.9%
7 Late Payment Penalty Fees	*	\$450,000	*	\$417,834	\$412,500	\$5,334	1.3%
8 Connect Fees	*	\$170,000	*	\$156,917	\$155,833	\$1,083	0.7%
9 Services rendered to other depts.	*	\$67,500	*	\$0	\$61,875	(\$61,875)	-100.0%
10 Other revenues	*	\$386,572	*	\$485,679	\$354,358	\$131,321	37.1%
11 Federal Grants	*	\$0	*	\$0	\$0	\$0	0.0%
12 State Grants	*	\$0	*	\$0	\$0	\$0	0.0%
13 Year-end cash adjustments	*	\$0	*	\$0	\$0	\$0	0.0%
14 TOTAL REVENUES & SOURCES	*	\$71,913,282	*	\$66,040,694	\$66,259,211	(\$218,517)	-0.3%
15 OPERATING EXPENSES:	*		*				
16 Hydro oper. & maint.	*	\$5,128,795	*	\$622,570	\$4,734,272	(\$4,111,703)	-86.8%
17 Solar oper. & maint.	*	\$90,000	*	\$1,800	\$83,077	(\$81,277)	-97.8%
18 Purchased power	*	\$44,761,779	*	\$41,075,291	\$41,134,332	(\$59,041)	-0.1%
19 Distribution oper. & maint.	*	\$5,316,634	*	\$4,127,546	\$4,907,662	(\$780,116)	-15.9%
21 Customer Relations	*	\$1,652,984	*	\$718,763	\$1,525,831	(\$807,069)	-52.9%
22 Administration	*	\$3,581,360	*	\$1,340,140	\$3,305,871	(\$1,965,730)	-59.5%
23 Payment in-lieu-of taxes	*	\$4,777,960	*	\$4,331,675	\$4,371,833	(\$40,158)	-0.9%
24 1% for Arts Transfer	*	\$105,703	*	\$37,923	\$96,718	(\$58,795)	-60.8%
25 Services rendered-other depts.	*	\$2,883,905	*	\$2,643,575	\$2,643,580	(\$5)	0.0%
26 TOTAL OPERATING EXPENSES (excl dephn)	*	\$68,299,120	*	\$54,899,283	\$62,803,177	(\$7,903,894)	-12.6%
27 NET OPERATING REVENUE/(LOSS) (excl dephn)	*	\$3,614,162	*	\$11,141,410	\$3,456,034	\$7,685,376	
28 CAPITAL EXPENDITURES:	*		*				
29 General Plant/Other Generation & Distribution	*	\$11,097,835	*	\$6,394,838	\$10,195,448	(\$3,800,610)	-37.3%
30 Aid-to-construction	*	\$1,400,000	*	\$1,569,668	\$1,324,615	\$245,053	18.5%
31 Service installations	*	\$310,000	*	\$214,818	\$286,154	(\$71,336)	-24.9%
32 TOTAL CAPITAL EXPENDITURES	*	\$12,807,835	*	\$8,179,324	\$11,806,217	(\$3,626,893)	-30.7%
33 REVENUES LESS OPER EXP LESS CAPITAL	*	(\$9,193,673)	*	\$2,962,086	(\$8,350,183)	\$11,312,269	
34 ENDING BUDGET FUND BALANCE (18% of Oper Ex)	*	\$10,870,411	*	\$12,066,538	\$8,187,016	\$3,879,522	47.4%
35 MINIMUM BAL. (18% of OPER EXP)	*		*	\$12,293,842			
36 OVER/(UNDER) MINIMUM BALANCE	*		*	(\$227,304)			
RESTRICTED FUNDS							
38 PIF Collections	*	\$2,743,740	*	\$2,522,543	\$2,515,095	\$7,448	0.3%
39 PIF Interest Income	*	\$37,450	*	\$169,719	\$34,329	\$135,390	394.4%
40 Water Loan Payback	*	\$783,750	*	\$792,458	\$783,750	\$8,708	1.1%
41 Federal Grants	*	\$0	*	\$0	\$0	\$0	0.0%
42 State Grants	*	\$0	*	\$0	\$0	\$0	0.0%
43 TOTAL REVENUES	*	\$3,564,940	*	\$3,484,720	\$3,333,174	\$151,546	4.5%
44 PIF Feeders	*	\$5,835,511	*	\$247,775	\$5,386,626	(\$5,138,851)	-95.4%
45 PIF Substations & Solar	*	\$2,464,418	*	\$585,453	\$2,259,050	(\$1,673,597)	-74.1%
46 TOTAL EXPENDITURES	*	\$8,299,929	*	\$833,228	\$7,645,675	(\$6,812,447)	-89.1%
47 PIF REVENUES LESS EXPENDITURES	*	(\$4,734,989)	*	\$2,651,492	(\$4,312,501)	\$6,963,994	
48 ENDING PIF BUDGET FUND BALANCE	*	\$2,978,132	*	\$10,422,302	\$4,178,871	\$6,243,431	149.4%
49 TOTAL ENDING CASH BALANCE	*		*	\$22,488,840			

NOTE: YTD ACTUAL does NOT include encumbrances totalling \$3,407,764

50 Energy Purchased (in million kWh) from PRPA	*	739	*	666	676	(10)	-1.5%
51 Energy Sold to Customers (in million kWh)	*	716	*	651	658	(7)	-1.0%



ITEM TITLE:

Water Supply Update

DESCRIPTION:

Raw water supply update.

SUMMARY:

NRCS Colorado SNOTEL Snow Water Equivalent (SWE) Map, as of December 9, 2019 (Attachment A):

- Indicates the South Platte Basin is at **130% of Median SWE** (1981-2010)
- Overall Statewide, we are currently at **125% of Median SWE**
- The Colorado SNOTEL Snowpack Update Report for the South Platte River Basin is tabulated in Attachment C.

Locations of Bear Lake & Lake Irene SNOTEL Sites:

- Bear Lake SNOTEL site is in the upper Big Thompson River Basin
- Lake Irene SNOTEL site is in the upper Colorado River Basin near the Continental Divide and is indicative of conditions in the upper Big Thompson basin.

NRCS SNOTEL Data Table for the South Platte River Basin as of December 10, 2019 (**Attachment B**):

- Bear Lake SWE at 6.7 inches
- Lake Irene SWE at 7.2 inches




Bear Lake NRCS SNOTEL Site Graph (Attachment C):

- This graph shows the current snow accumulation (purple line) and melt-off period from October through mid-June and also shows the 2002, 2017, 2018, 2019 water years, and the 30-year Median (1981-2010).
- Currently, the SWE is above the 30-year median.

RECOMMENDATION:

Information item only. No action required.

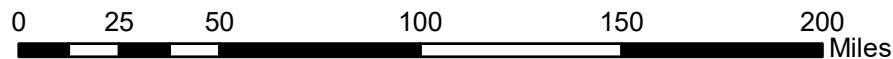
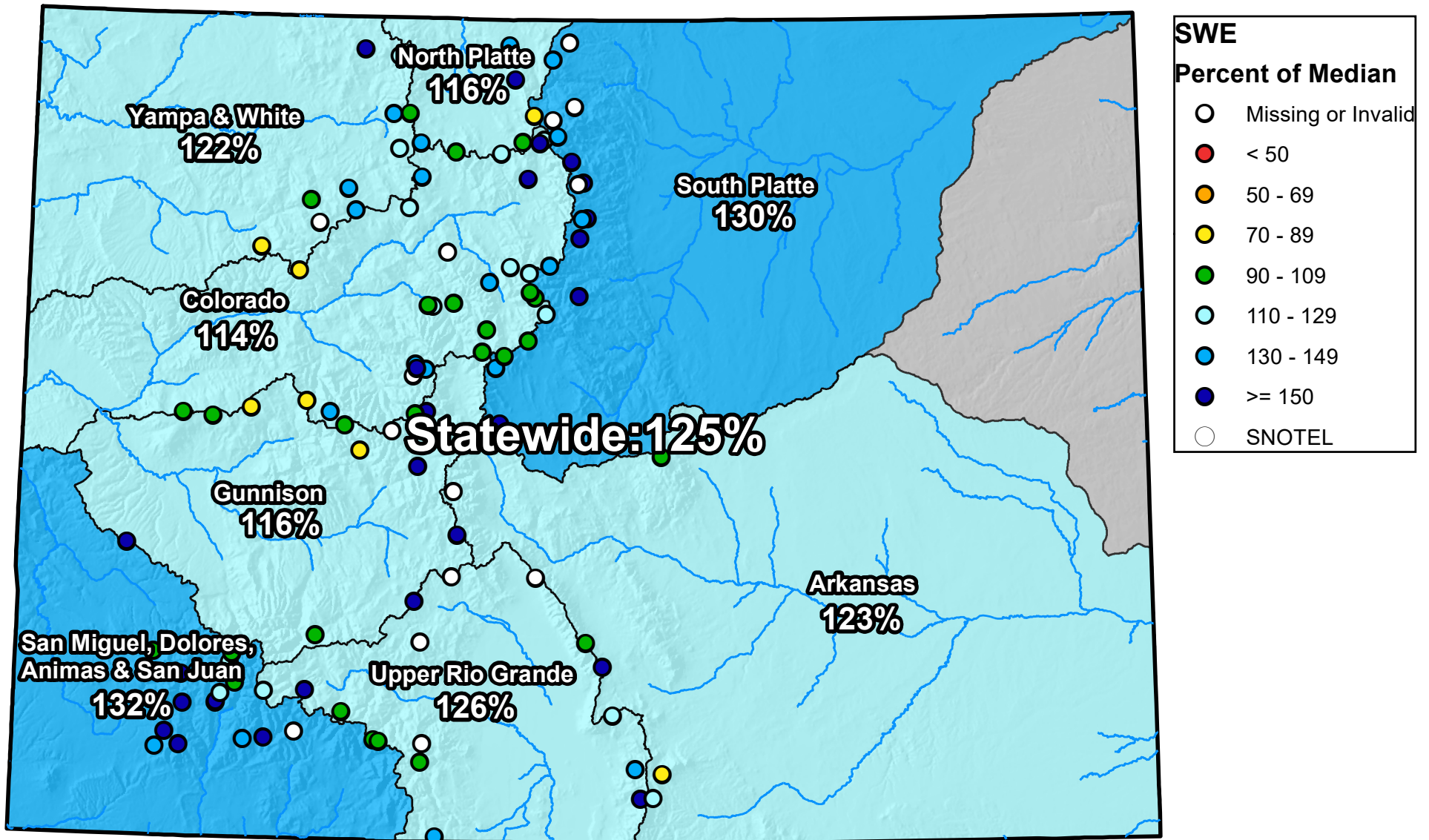
ATTACHMENTS:

-  **Attachment A** – Colorado SNOTEL SWE Update Map
-  **Attachment B** – Colorado SNOTEL Update Table for the South Platte River Basin
-  **Attachment C** – Snow-Water Equivalent Graphs at Bear Lake

Colorado SNOTEL Snow Water Equivalent (SWE) Update Map with Site Data

Current as of Dec 09, 2019

Attachment A



United States Department of Agriculture

Natural Resources Conservation Service

Attachment B

COLORADO SNOTEL SNOWPACK UPDATE REPORT South Platte River Basin

(Data based on the first reading of the day (typically 00:00) for Tuesday, December 10, 2019)

Basin Site Name	Elevation (ft)	Snow Water Equivalent				Percent of	
		Current (in)	Today's Median (in)	Median Peak (in)	Median Peak Date	Today's Median	Median Peak
Bear Lake	9500	6.7	4.1	18.6	30-Apr	163	36
Berthoud Summit	11300	6.3	4.5	21.8	29-Apr	140	29
Black Mountain	8920	5.0	N/A	N/A	N/A	*	*
Buckskin Joe	11150	3.8	3.0 _C	11.8 _C	26-Apr	127	32
Copeland Lake	8600	2.7	1.1	4.6	3-Mar	245	59
Deadman Hill	10220	7.3	5.1	19.2	3-May	143	38
Echo Lake	10600	2.8	1.8 _C	8.5 _C	26-Apr	156	33
Hoosier Pass	11400	5.4	5.0	16.0	25-Apr	108	34
Hourglass Lake	9380	5.5	N/A	N/A	N/A	*	*
Jackwhacker Gulch	10960	3.9	3.3 _C	14.1 _C	26-Apr	118	28
Joe Wright	10120	5.3	6.9	23.5	28-Apr	77	23
Lake Eldora	9700	5.0	3.3	12.2	6-Apr	152	41
Lake Irene	10700	7.2	6.3	24.9	7-Apr	114	29
Long Draw Resv	9980	6.4	N/A	N/A	N/A	*	*
Loveland Basin	11400	5.6	6.0 _C	23.2 _C	6-May	93	24
Michigan Creek	10600	3.3	3.0 _C	12.4 _C	26-Apr	110	27
Niwot	9910	5.7	3.5	12.6	28-Apr	163	45
Rough And Tumble	10360	3.2	1.8 _C	7.7 _C	26-Apr	178	42
Sawtooth	9620	8.0	N/A	N/A	N/A	*	*
University Camp	10300	5.6	4.1	19.0	2-May	137	29
Wild Basin	9560	6.8	N/A	N/A	N/A	*	*
Willow Park	10700	6.8	4.7	19.2	26-Apr	145	35
Basin Index (%)						128	32

Notes:

Based on Mountain Data from NRCS SNOTEL Sites.

Provisional data, subject to revision.

The Snow Water Equivalent (SWE) PERCENT OF Median represents the current SWE found at selected SNOTEL sites in or near the basin compared to the Median value for those sites on this day.

The SWE PERCENT OF MAXIMUM Median represents the current SWE found at selected SNOTEL sites in or near the basin compared to the maximum Median value for those sites.

The basin index is calculated as the sum of the valid current values divided by the sum of the corresponding medians (for SWE) or averages (for precipitation) and the resulting fraction multiplied by 100.

N/A = Not available.

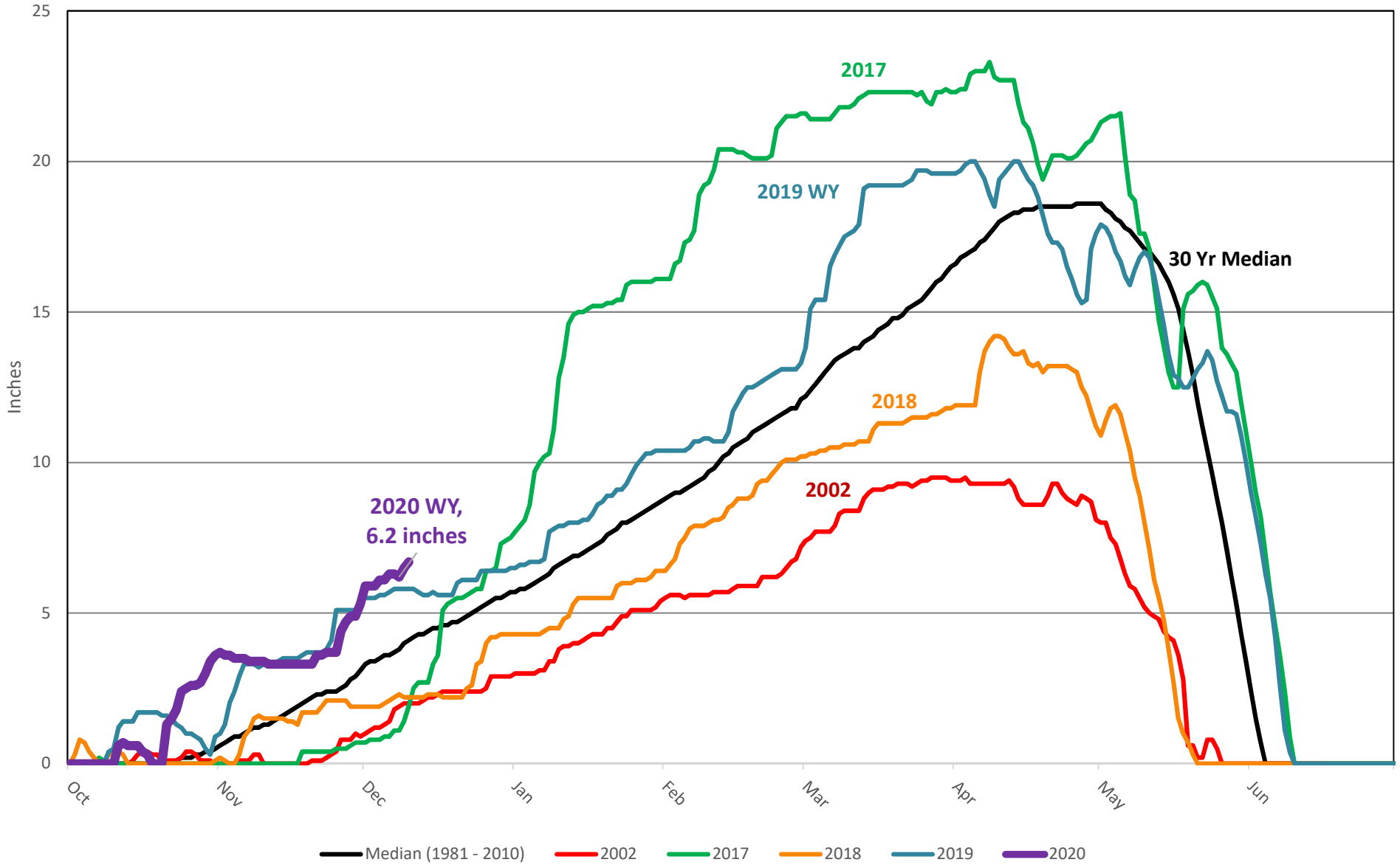
C = Conditional only 10-19 years of data available.

* = Analysis may not provide a valid measure of conditions.

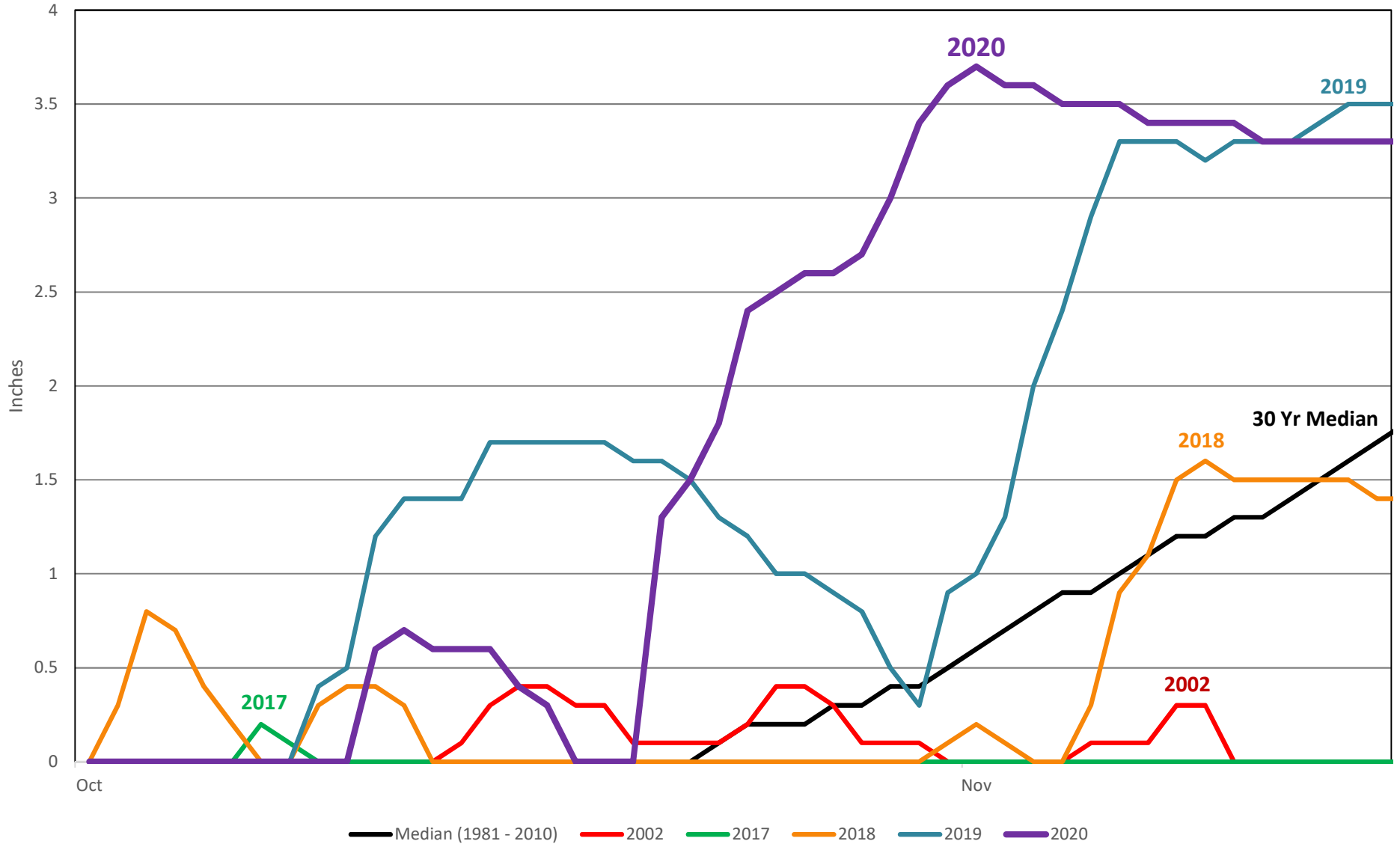
* Site - Either: (a) the current value is missing; (b) the median or average for the day is not available or is zero; or (c) for snow water equivalent the median for the day is less than 10% of the maximum median value for the year.

* Basin - More than half of the sites within the basin are flagged with * preventing the calculation of a meaningful basin index.

Snow - Water Equivalent at Bear Lake as of December 10, 2019



Snow - Water Equivalent at Bear Lake as of December 10, 2019



ITEM TITLE:

LUC Resolution Recognizing the Market Value of One Unit of Colorado-Big Thompson Project Water

DESCRIPTION:

This item presents an updated evaluation of the City of Loveland's (City's) Cash-in-Lieu price charged to satisfy water rights required for development, based on data on the market price of one Colorado-Big Thompson Project (C-BT) unit.

SUMMARY:

Section 19.04.041 of the Loveland Municipal Code authorizes the LUC to recognize by resolution the market price of one C-BT unit. The City's current Cash-in-Lieu (CIL) price of \$39,330/acre-foot is set at the LUC's recognized C-BT market price plus 5%. The current market price of \$37,453/unit was recognized by the LUC in Resolution R-3-2019U at the regular Commission meeting held on Wednesday, July 17, 2019. Previous to that, the LUC's recognized market price was \$35,444/unit (R-1-2019U).




C-BT prices rose sharply over the last several years, and the upward trend has continued throughout 2019. The trend is shown graphically in **Attachments B & C**. **Attachment B** is a chart showing the past 12 months of available data of both purchase prices and quantities. The average price for the most recent six months of data available (April 2019 through September 2019) is \$45,368/unit. The vertical bars represent individual transactions, and prices have been relatively consistent between blocks of smaller and larger sizes. The difference between \$45,368/unit and the currently recognized market price of \$37,453/unit is 21.1%, so staff requests LUC's consideration of recognizing a new price reflecting current market conditions.

Adding 5% to the current average price of \$45,368/unit, as required by Section 19.04.041 of the Municipal Code, yields a rounded CIL price of \$47,640/acre-foot should the LUC choose to recognize \$45,368/unit as the current market price. A draft of proposed Resolution #R-04-2019U is attached that would formally recognize this market price.

RECOMMENDATION:

Adopt a motion to approve Resolution #R-04-2019U (**Attachment A**), recognizing the market price of one Colorado-Big Thompson Project unit as authorized by section 19.04.041 of the Loveland Municipal Code.

ATTACHMENTS:

-  **Attachment A:** Resolution #R-04-2019U
-  **Attachment B:** Graph of Price of C-BT and Units Sold per Transaction (Oct 2018 – Sep 2019)
-  **Attachment C:** Graph of C-BT Price per Unit Over Time

Attachment A

LOVELAND UTILITIES COMMISSION

RESOLUTION #R-04-2019U

RESOLUTION RECOGNIZING THE MARKET PRICE OF ONE COLORADO-BIG THOMPSON PROJECT UNIT AS AUTHORIZED BY SECTION 19.04.041 OF THE LOVELAND MUNICIPAL CODE

WHEREAS, Section 19.04.041 of the Loveland Municipal Code authorizes the Loveland Utilities Commission to recognize by resolution the market price of one Colorado-Big Thompson Project (“C-BT”) unit; and

WHEREAS, the Loveland Utilities Commission has reviewed relevant C-BT unit market data; and

WHEREAS, the current value of C-BT units per Section 19.04.018.C of the Loveland Municipal Code is one acre-foot per unit.

WHEREAS, following said review and applying the 1.05 quotient as required in Section 19.04.041 of the Loveland Municipal Code, the Loveland Utilities Commission is of the opinion that the market price of one C-BT unit is \$45,368.

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

Section 1. That the Loveland Utilities Commission hereby recognizes that the market price of one C-BT unit as \$45,368.

Section 2. That Resolution #R-03-2019U of the Loveland Utilities Commission is hereby repealed and superseded in all respects by this Resolution.

Section 3. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 18th day of December, 2019.

Chairman, Loveland Utilities Commission

ATTEST:

Secretary, Loveland Utilities Commission

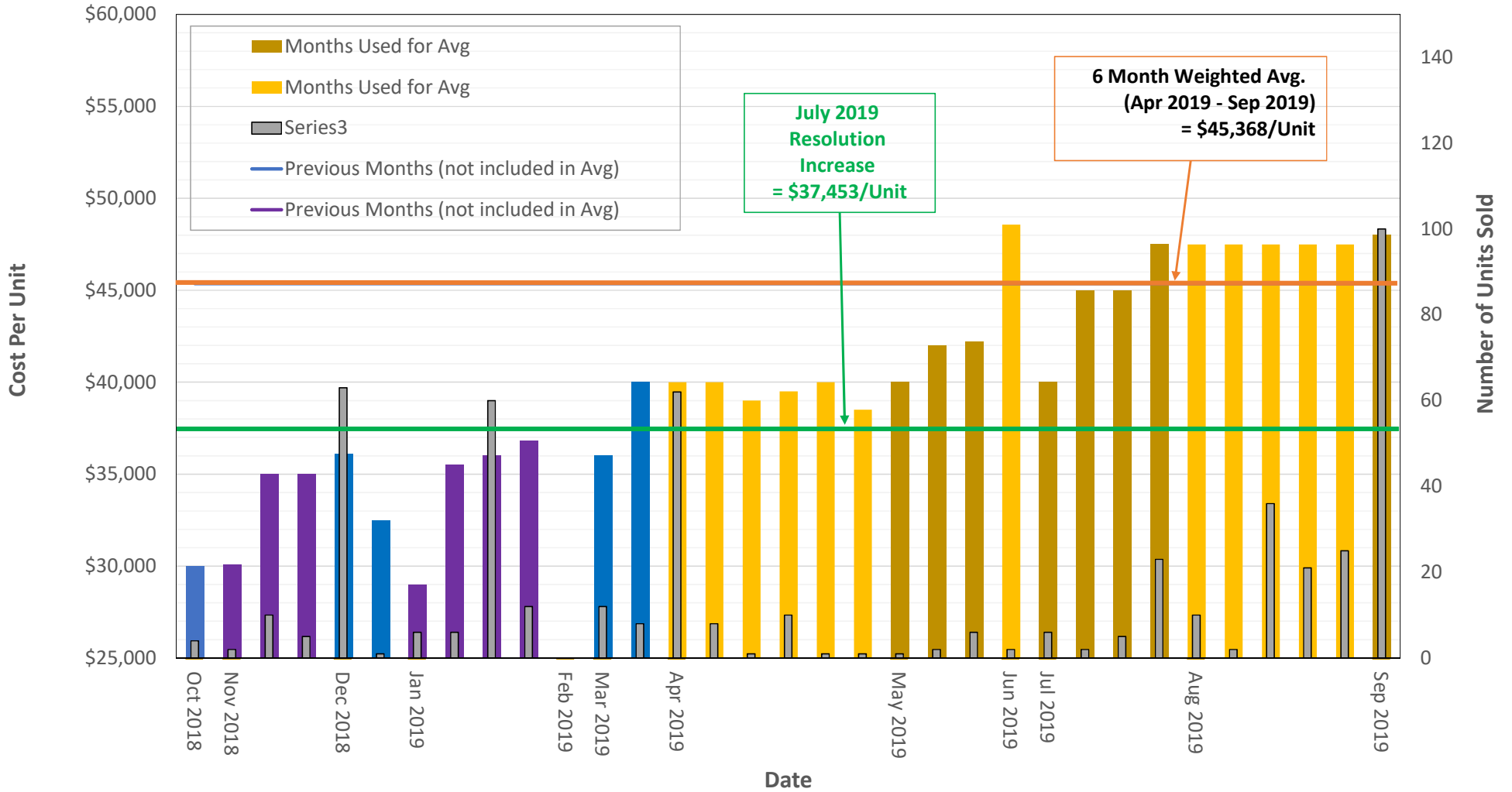
APPROVED AS TO FORM:



Assistant City Attorney

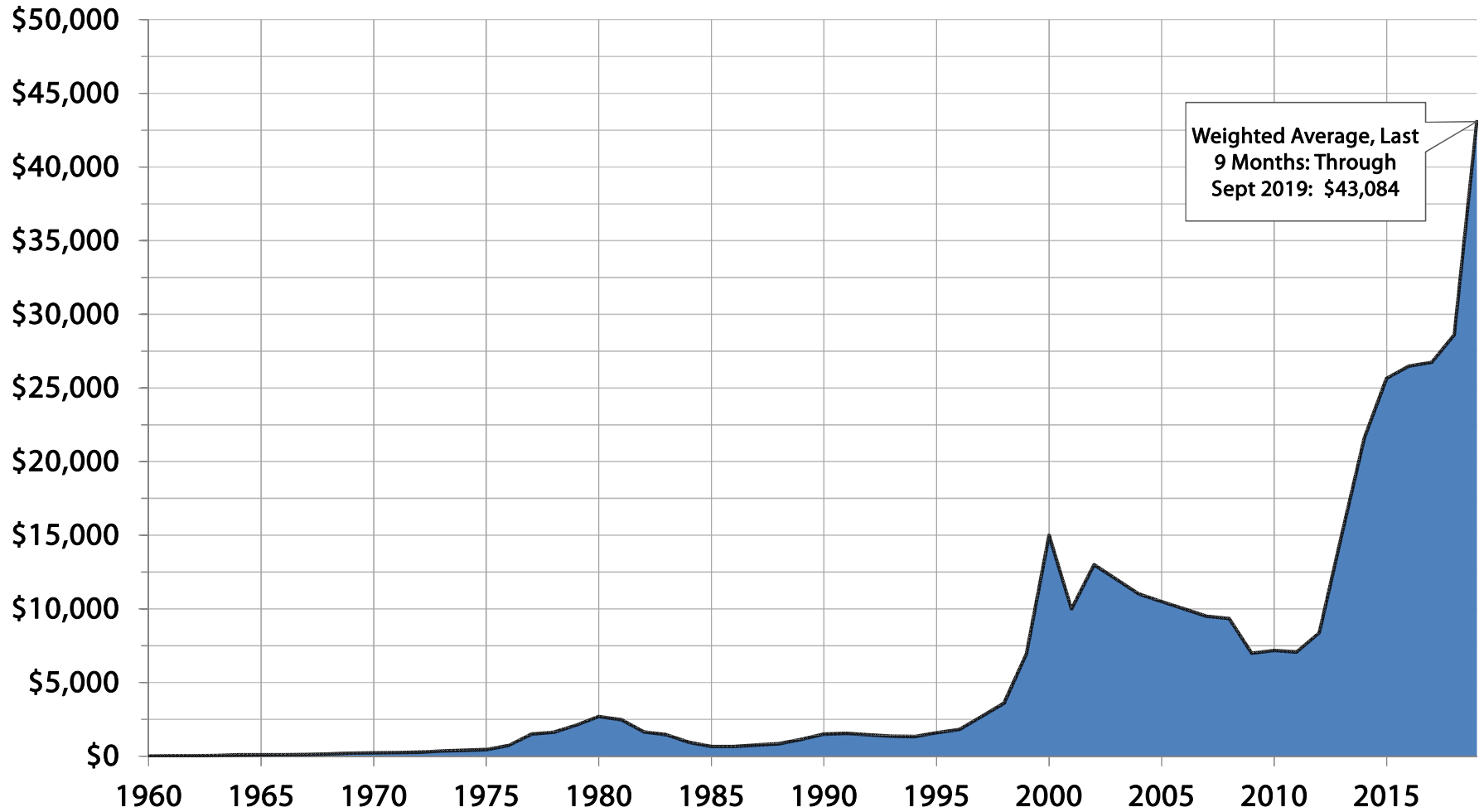
Attachment B

Price of C-BT Units Sold per Transaction (Oct 2018 through Sep 2019)



Attachment C

CB-T Historical Average Annual Prices per Unit



ITEM TITLE:

Water and Power Strategic Plan

DESCRIPTION:

The purpose of this item is to present the Department of Water and Power's Strategic Plan, and request LUC's endorsement of the plan in order to present the plan to City Council for approval.

SUMMARY:

In 2019, Loveland City Council embarked on their strategic planning process. That City Councilor/City staff collaborative process led to the development of seven *Strategic Focus* areas that reflect the Council's values and their vision for the City of Loveland. The Department's Strategic Plan is a high-level overview of the Department and is intended to provide a connection between 1) the City's and the Department's Mission and Vision Statements and 2) the Strategic Focus areas and future Department of Water and Power Initiatives.

The plan has been presented to and reviewed by the following:

- Water and Power Division Managers
- Water and Power Staff
- City of Loveland Executive Leadership Team (department Directors)

Courtesy copies were also sent to our regional partners, Northern Water and the Platte River Power Authority.

The plan was also presented to the Loveland Communications Advisory Board on December 11, 2019.

RECOMMENDATION:

Adopt a motion to endorse and forward the Water and Power Strategic Plan to City Council for approval.

ATTACHMENTS:

-  **Attachment A:** Draft Water and Power Department Strategic Plan



**City of Loveland
Department of Water and Power
Strategic Plan – 2020**



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Introduction

“In preparing for battle, I have always found that plans are useless, but planning is indispensable.”

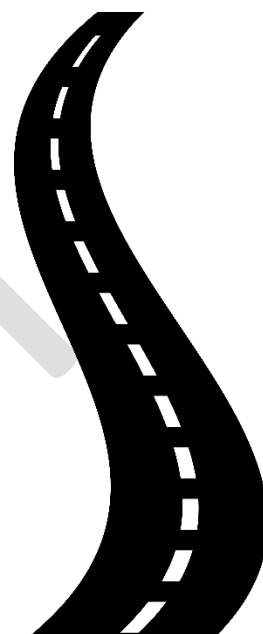
- President (and Five-Star General) Dwight D. Eisenhower

Planning is essential and the City of Loveland’s Department of Water and Power has always planned: for emergencies, for growth and development, to upgrade existing infrastructure, and for changing environmental requirements. However, these plans have not always been formalized and collected into a single published document. This Strategic Plan is that document.

In 2019, the Loveland City Council embarked on its strategic planning process. That City Councilor/City staff collaborative process led to the development of seven Strategic Focus areas that reflect the Council’s values and their vision for the City of Loveland. This Plan is a high-level overview of the Department and is intended to provide a connection between 1) the City’s and the Department’s Mission and Vision Statements and 2) the Strategic Focus areas and future Department of Water and Power initiatives.

A Strategic Plan is not a detailed document describing the size and location of the next storage tank or substation. It does not reference specific circuits to be relocated underground or miles of water pipeline to be replaced. Rather, it aims at describing the core initiatives and programs that will allow the Department to fulfill its mission and achieve its vision.

The Department of Water and Power has a rich history stretching back well over 125 years. Today’s accomplishments and tomorrow’s plans rest on that sound foundation. Together with the Loveland Utilities Commission and the Loveland Communications Advisory Board, Department staff plans for a utility that is:



Reliable – providing quality water, wastewater services, electric power, and communications services around the clock

Resilient – providing excellent service under all conditions through robust infrastructure

Responsive – to customers and environmental responsibility

The Department at a Glance



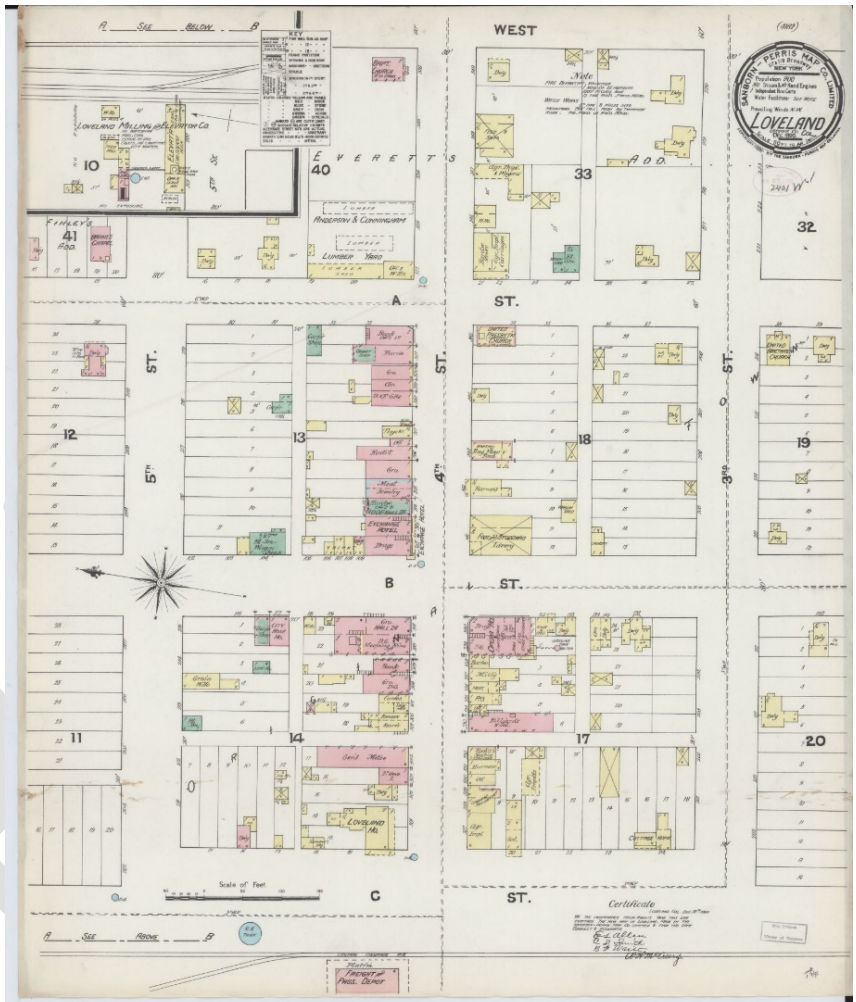
- Over 150 dedicated Water and Power Department professionals serving the citizens of Loveland.
- 38 Million Gallons Per Day Capacity Water Treatment Plant
- More than 26,000 water customers served by over 460 miles of water pipeline delivering up to 28 million gallons of water per day
- 12 Million Gallons Per Day Capacity Water Reclamation Facility
- 353 miles of wastewater collection pipelines serving over 35,000 wastewater customers
- A 74 square mile electric service area containing 8 substations that serve over 37,000 customers with reliable, competitively-priced, and environmentally responsible power provided by the Platte River Power Authority
- A municipal fiber system – *Pulse* – that will bring high-speed internet to customers throughout the City of Loveland...first light projected for 2020!



A Brief Early History...

Water & Wastewater

The origins of the Department's Water Division stretch back to the late 19th century when hauled water and an unsuccessful artesian well failed to provide a sufficient water supply for the growing town. A \$40,000 bond issuance in 1886 led to the formation of the Department of Water Works in 1887. Water from the Big Thompson River was supplied to the town via a nine-mile long wooden pipeline leading from Chasteen's Grove, near the site of the current water treatment plant. This water supply allowed the construction of a water distribution network providing water to fire hydrants, homes, and businesses. The adjacent Sanborn Fire Map illustrates downtown Loveland and dates from 1890. It references a volunteer hose company with 35 members, 13 fire hydrants, and a 6-inch diameter water supply pipe falling 286 feet from the Big Thompson River into town.



Although the town now possessed a water supply, there was little progress regarding wastewater disposal. Early residents used water closets, latrines, cesspits, and cesspools to dispose of sanitary wastes. These disposal means were clearly a source of disease and constituted a significant health hazard to the citizens of Loveland. This situation was finally remedied in 1902 when construction of a public sewer system was approved. This nascent system conveyed both wastewater and storm water to the Big Thompson without treatment. A wastewater treatment plant was not constructed until the mid-1930s with funds provided by the federal Public Works Administration.

Power

After a number of fits and starts – and legal fights – in the early 20th century, Loveland taxpayers authorized the construction of a hydroelectric power plant to be located on the Big Thompson River some fifteen miles west of the City. However, due to ongoing legal battles and material shortages caused by the Great War (World War I), the 900 kW hydroelectric plant was not completed until 1925. As the century progressed and loads increased, power from the hydroelectric plant was supplemented by diesel generating plants. Power was also obtained from federal hydropower plants located in the Colorado Rocky Mountains.

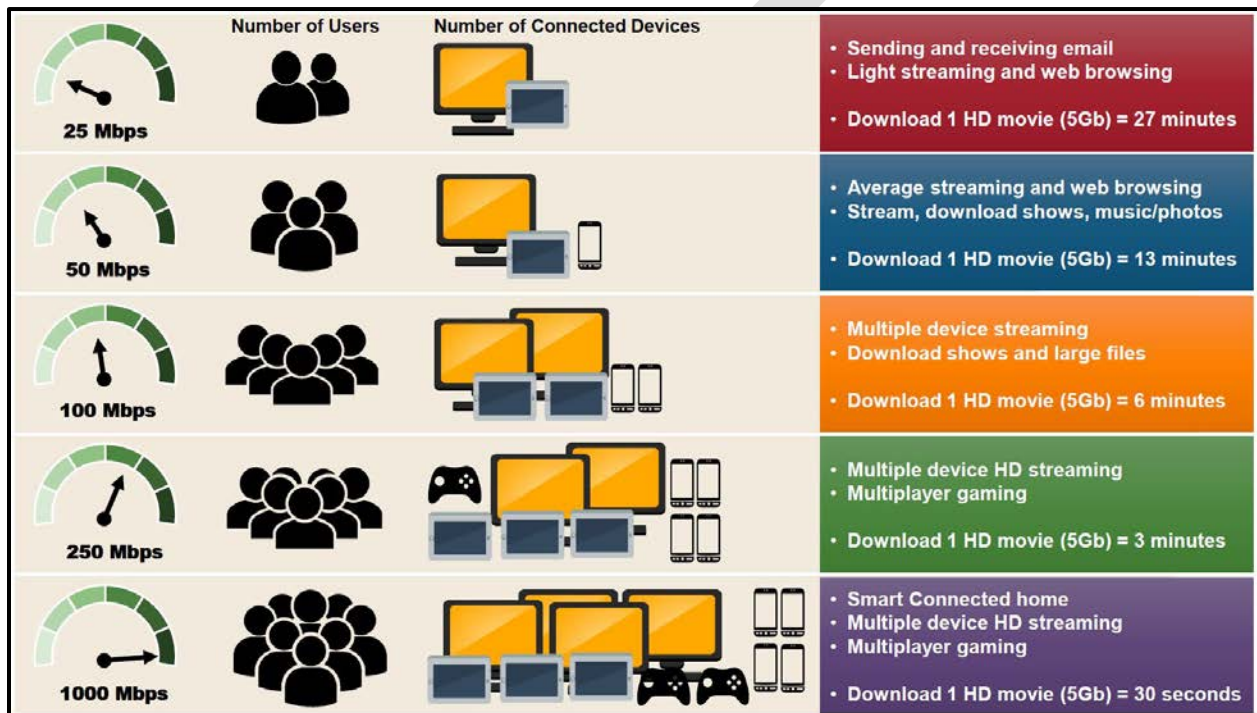
Eventually, the power demands of Loveland (and the adjacent cities of Estes Park, Fort Collins, and Longmont) grew beyond the then-existing supply and the Platte River Municipal Power Association – now the Platte River Power Authority (PRPA) – was formed. PRPA supplies reliable, environmentally responsible, and financially sustainable power from contract hydroelectric plants, coal-fired and natural gas-fired plants, wind farms, and solar facilities to the four cities.

The devastating 2013 Big Thompson River flood finally destroyed the City's venerable hydroelectric plant. Through negotiations with the Federal Emergency Management Agency or FEMA, the City was able to replace this power source with a new 3 MW solar facility located on the City's northwest side.



Pulse – Municipal High-Speed Broadband

The history of Pulse, the municipal high-speed broadband utility is far more recent than its water and power brethren. Following several years of studies, surveys, and technology investigations, on November 8, 2018, the Loveland City Council authorized the formation of the City’s newest utility. With design and organizational activities underway, nearly \$100 million in bonds were sold in April 2019 to fund the new system that is intended to provide gigabit speed fiber-to-the-premise service to every residential and business customer within the City. Design continues with construction to follow shortly – first light expected in 2020.



Mission and Vision



An organization’s mission statement focuses on today: what it does. On the other hand, a vision statement is aspirational and aimed at tomorrow: what the organization wants to become. Both are vital if an organization is to be successful, now and in the future. The Department of Water and Power’s mission and vision statements are intended to conform to and support the City’s mission and vision statements.

The City of Loveland’s Mission

Achieve Loveland’s community vision through innovation, dedication, and excellent service.

The Department of Water and Power’s Mission

Protect public health and safety by cost-effectively delivering safe and sufficient potable water, environmentally sound wastewater treatment, and reliable public power and communications services.

The City of Loveland’s Vision

Loveland: a vibrant community surrounded by beauty, where you belong.

The Department of Water and Power’s Vision

To support the City of Loveland’s Vision by providing reliable, resilient, and responsive utility services for the community now and in the future.

City of Loveland Strategic Focus Areas

Through a series of facilitated meetings, the 2019 Loveland City Council supported by Loveland City staff developed seven strategic focus areas that defined a number of attributes that are critical to the City's success now and in the future. Those focus areas and some of the elements ascribed to those areas are listed below:

Public Safety: The city endeavors to protect life and property and provide a safe, attractive, and secure city for residents, businesses, schools, and visitors.

Economic Vitality: The city promotes a healthy and vibrant economy by attracting and retaining businesses that provide quality living wage jobs. Working regionally, the city partners to ensure educational opportunities that will provide a motivated and qualified work force.

Infrastructure and Transportation: Loveland provides well maintained existing infrastructure while actively forecasting future resource needs and developing appropriate action plans. Additionally, the city actively seeks collaboration for regional benefit and cost efficiencies.

Fiscal Stability and Strength: The city desires to be a responsible steward of public resources while ensuring strong and sustainable financial conditions now and in the future.

Quality of Life: Loveland promotes well-planned, safe, and attractive development that provides diverse cultural and recreational opportunities while protecting natural resources and the environment.

Innovation and Organizational Excellence: Loveland city staff will provide excellent customer service through transparent, accountable, and continuously improving processes that leverage technology.

Outreach, Collaboration, and Engagement: City staff will continue to develop tools and processes for enhanced citizen involvement and engagement. Additionally, staff will actively seek collaboration opportunities for regional benefit and efficiency.

Department of Water and Power: Strategic Focus Areas Plans

The Department of Water and Power developed strategic plans and initiatives for each of the City's Strategic Focus Areas:

Public Safety

- ✔ Meet or exceed all regulatory requirements at the water treatment plant and water reclamation facility to protect public health.
- ✔ Meet or exceed all industry standards to provide reliable electric power.
- ✔ Develop and maintain Risk and Resiliency Plans and updated Emergency Response Plans.
- ✔ Maintain local and regional mutual aid agreements.
- ✔ Routinely test emergency plans and equipment through tabletop and field exercises.



Economic Vitality

- ✔ Maintain and expand the Department's Key Accounts program.
- ✔ Support economic development through showcasing Loveland as a gigabit city.
- ✔ Through their various strategic initiatives such as the Diversified Resource Portfolio continue to partner with PRPA to provide reliable, environmentally responsible, and financially sustainable power.
- ✔ In consort with regional partners such as the Northern Water Conservancy District, maintain and expand the City's raw water portfolio to support existing customers while planning for growth and development.



Infrastructure and Transportation

- ✔ Continue to replace aging water, wastewater, and power infrastructure to maintain resiliency and reliability.
- ✔ Continue the ongoing overhead to underground power circuit conversion to improve safety, resiliency, reliability, and aesthetics.
- ✔ Maintain and improve the existing 10-year capital improvement plans for water, wastewater, power, and municipal fiber to ensure adequate future capacity that supports growth and development.
- ✔ Build on the existing asset management program to ensure reliable, resilient, and fiscally sustainable infrastructure in the future
- ✔ Make the City of Loveland future ready to adopt and leverage new and innovate technologies in all utility sectors: water, wastewater, power, and municipal fiber.
- ✔ Evaluate and if necessary upgrade physical and cyber security for all utilities.



Fiscal Stability and Strength

- ✔ Meet adequate and fiscally responsible reserve levels for all funds.
- ✔ Annually prepare 10-year O&M and capital budgets for all divisions to understand long-term revenue and expenditure requirements.
- ✔ Conduct periodic cost-of-service studies to ensure 1) equity between customer classes and 2) an adequate and stable financial position.
- ✔ Conduct ongoing evaluation of all rates, charges, and fees to ensure appropriate and equitable cost recovery for services.
- ✔ Conduct annual water loss audits in accordance with industry standards.

Quality of Life

- ✔ Deploy, expand, and maintain a gigabit-speed municipal fiber broadband system.
- ✔ Continue to develop and enhance ongoing water and energy efficiency programs.
- ✔ Update and maintain water efficiency (conservation) and drought management plans to ensure adequate water supplies under all environmental conditions.



Innovation and Organizational Excellence

- ✔ Continue professional staff development through in-house and external training programs.
- ✔ Develop and maintain a robust succession plan.
- ✔ Develop and maintain a culture of innovation throughout the department.
- ✔ Encourage employees to acquire appropriate professional certifications and licenses.
- ✔ Continue to invest in and leverage technologies that will improve planning, decision making, service, and efficiency.



Outreach, Collaboration, and Engagement

- ✔ Provide timely, transparent, and strategic communications via diverse media platforms regarding all utility activities including projects, outages, rates, and quality of service.
- ✔ Continue to develop and deploy innovative educational materials and campaigns.
- ✔ Actively participate with stakeholder groups and civic organizations to establish and build strong, proactive, and mutually beneficial relationships.
- ✔ Partner with regional municipalities and utilities to leverage organizational synergies.



A Closing Comment

This document has described the ongoing or proposed strategic programs, plans, and projects that will allow Department of Water and Power initiatives to align with the City's seven Strategic Focus Areas. It also aligns with the Department's rolling 10-year capital/operations and maintenance budgets, which describe the individual programs, plans, and projects that will allow the department to accomplish these strategic goals. Finally, the plan aligns with the Department's Mission and Vision statements.

This Strategic Plan will be periodically revised and updated to reflect changed conditions, priorities, or fiscal constraints.

DRAFT




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

CUSTOMER RELATIONS:

Facebook Insights (November 2019):

- Reach (unique users) – 9,718 people
- Engagement (unique users) – 855 people
- Impressions (total count) – 11,101 people

Media:

- The Reporter Herald – November 16, 2019: [Big Thompson Canyon will see more traffic interruptions, power outage on Tuesday.](#)
- The Reporter Herald – November 19, 2019: [Construction begins on Platte River Power Authority's new 22- megawatt solar array.](#)
- The Reporter Herald – November 22, 2019: [Cecil Gutierrez: tacking growth the 'Sweetheart City' way](#)
- North Forty News – November 25, 2019: [Middle school students called to race.](#)
- Reporter Herald – November 27, 2019: [From frying fowl to fuel: Loveland program turns used cooking oil into biofuel.](#)