

CALL TO ORDER

Mayor Gutierrez called the regular meeting of the Loveland City Council to order on the above date at 6:30 PM.

PLEDGE OF ALLEGIANCE**ROLL CALL**

Roll was called and the following responded: Gutierrez, Taylor, Farley, Klassen, Shaffer, Trenary, McKean, McEwen and Fogle.

PROCEDURAL INFORMATION

Mayor Gutierrez made the following procedural announcement: Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. You will be given an opportunity to speak to the item before the Council acts upon it. Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items. Anyone making a comment during any portion of tonight's meeting should come forward to a microphone and identify yourself before being recognized by the Mayor. Please do not interrupt other speakers. Side conversations should be moved outside the Council Chambers. Please limit your comments to no more than three minutes.

CONSENT AGENDA

Mayor Gutierrez asked if anyone in the audience, Council or staff wished to speak on any of the items or public hearings listed on the Consent Agenda. Item 8 was removed from the consent agenda. Councilor McEwen moved to approve the Consent Agenda with the exception of Item 8. The motion was seconded by Councilor Shaffer and a roll call vote was taken with all councilors present voting in favor thereof.

1. CITY CLERK**Approval of Council Minutes
Motion**

Administrative Action: A motion approving Council minutes from December 13, 2011 study session and December 20, 2011 regular meeting was approved.

2. CITY MANAGER**Board & Commission Appointments****Motion**

Administrative Action: City Council approved the following appointments:
Citizens' Finance Advisory Commission: John Case and Jason Napolitano were appointed, each for three year terms effective until December 31, 2014.
Golf Advisory Board: James Corlett, Jim Thompson, and Robert Walkowicz were reappointed, each for terms effective until December 31, 2014. Thomas O'Gorman and Jan Wall were appointed as Alternate members, each for a term effective until December 31, 2012.
Historic Preservation Commission: Laura McGinley was appointed for a partial term effective until June 30, 2012.
Parks and Recreation Commission: Twyla Dennis and Neil Spooner were reappointed, each for terms effective until December 31, 2014. Kerry Brooks was appointed for a term effective until December 31, 2014. Margo Ervin was appointed as an Alternate member for a one-year term effective until December 31, 2012.

Planning Commission: Troy Krenning, Buddy Meyers, and Rob Molloy were reappointed, each for terms effective until December 31, 2014.

Senior Advisory Board: Lynn Hayden-Ugarte was reappointed and Carol Rehme appointed for three year terms effective until December 31, 2014. Angie Sawtelle, Richard Hedlund, and Richard Zlamany were appointed as Alternate Members, each for one year terms effective until December 31, 2012.

Visual Arts Commission: Angela Canada-Hopkins and Nancy Jakobsson were reappointed, each for terms effective until December 31, 2014. MaryJo Morgan was appointed for a term effective until December 31, 2014. Greg Hoff was appointed as an Alternate for a one-year term effective until December 31, 2012.

3. CITY CLERK

Posting Location for City of Loveland Meeting Notices

Resolution #R-1-2012 Administrative Action: Resolution #R-1-2012 establishing the location for the posting of City of Loveland notices was approved.

RESOLUTION #R-1-2012

A RESOLUTION ESTABLISHING THE LOCATION FOR THE POSTING OF CITY OF LOVELAND NOTICES

WHEREAS, City Charter Section 4-4(b) requires that the notice of each regular and special City Council meeting shall be posted at least twenty-four hours in advance of the meeting; and

WHEREAS, under C.R.S. Section 24-6-402(2)(c) a local public body is deemed to have given full and timely notice of its meetings if the meeting notice is posted in a designated public place within the local public body's boundaries no less than twenty-four hours prior to the holding of the meeting; and

WHEREAS, C.R.S. Section 24-6-402 (2)(c) further provides that the public place for posting such notice shall be designated annually by the local public body at its first regular meeting in each calendar year; and

WHEREAS, City Council meetings are held in the Council Chambers located at 500 E. 3rd St, immediately adjacent to the City Clerk's Office.

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

Section 1. The City Council hereby designates the place for the posting of all meeting notices for the Loveland City Council and Loveland's Boards and Commissions to be the bulletin board immediately adjacent to the Loveland City Council Chambers located at 500 East 3rd Street, City of Loveland, Colorado.

Section 2. This Resolution shall go into effect on the date of its adoption.

ADOPTED this 3rd day of January, 2012.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

4. PUBLIC WORKS

Meeting Location Change – Transportation Advisory Board

Resolution #R-2-2012 Administrative Action: Resolution #R-2-2012 amending the scheduled meeting place of the City of Loveland Transportation Advisory Board was approved.

RESOLUTION #R-2-2012

A RESOLUTION AMENDING THE SCHEDULED MEETING PLACE OF THE CITY OF LOVELAND TRANSPORTATION ADVISORY BOARD

WHEREAS, on December 6, 2011, City Council adopted Resolution #R-81-2011 setting forth the 2012 meeting dates, times, and places for the City's boards and commissions, including the City of Loveland Transportation Advisory Board ("Board"); and

WHEREAS, the Board meeting place is currently set as the City Council Chambers, 500 East Third Street, Loveland, Colorado; and

WHEREAS, due to holidays, special meetings, and other scheduling conflicts, the Board had to move its meeting place several times during 2011 to the Emergency Operations Center, Fire Administration Building, 410 East Fifth Street, Loveland, Colorado; and

WHEREAS, on December 5, 2011, the Board adopted a motion recommending that City Council change the Board meeting place to the Emergency Operations Center in order to avoid future scheduling conflicts.

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

Section 1. That Resolution #R-81-2011 is hereby amended to change the Board's meeting place from the City Council Chambers, 500 East Third Street, Loveland, Colorado, to the Emergency Operations Center, Fire Administration Building, 410 East Fifth Street, Loveland, Colorado. The Board meeting dates and times shall remain the same.

Section 2. That except as amended herein, Resolution #R-81-2011 shall remain in full force and effect.

Section 3. That this Resolution shall take effect as of the date of its adoption.

ADOPTED this 3rd day of January, 2012.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

5. WATER & POWER

Amendment to the Agreement for the Windy Gap FIRMING Project

Resolution #R-3-2012

Administrative Action: Resolution #R-3-2012 approving the Fifth Amendment to the Fourth Interim Agreement with Northern Colorado Water Conservancy District was approved.

RESOLUTION #R-3-2012

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A FIFTH AMENDMENT TO THE FOURTH INTERIM AGREEMENT WITH THE MUNICIPAL SUBDISTRICT, NORTHERN COLORADO WATER CONSERVANCY DISTRICT WINDY GAP FIRMING PROJECT WATER ACTIVITY ENTERPRISE, FOR PARTICIPATION IN THE WINDY GAP FIRMING PROJECT

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

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

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

WHEREAS, the Subdistrict and participants have been seeking ways to improve the reliability and yield of Windy Gap Project units (the "Windy Gap FIRMING Project"); and

WHEREAS, the City has been involved in the Windy Gap FIRMING Project, which has identified a possible reservoir site at Chimney Hollow; and

WHEREAS, the City has reserved 7,000 acre-feet of storage in the Windy Gap FIRMING Project; and

WHEREAS, the Subdistrict requested a further commitment from all participants, including the City, to make possible the completion of environmental and other permitting, environmental studies, further engineering studies, preliminary design work, and land acquisition for the Project ("the Fourth Phase") by way of a Fourth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap FIRMING Project Water Activity Enterprise, and City of Loveland, Colorado for Participation in the Windy Gap FIRMING Project ("Agreement"), which was signed on February 16, 2006; and

WHEREAS, the Agreement was amended on December 11, 2007 ("First Amendment") to provide additional funding to complete the Fourth Phase; on August 18, 2008 ("Second Amendment") to increase the City's storage capacity in the Project; on June 10, 2009 ("Third Amendment") to provide additional funding to complete the Fourth Phase; and on July 15, 2010 to provide additional funding to complete the Fourth Phase ("Fourth Amendment"); and

WHEREAS, the Subdistrict needs additional funds to complete the Fourth Phase and is requesting that all participants, including the City, execute another amendment to the Agreement committing additional monies proportionate to their commitment to the Project; and

WHEREAS, the Loveland Utilities Commission recommends that the City enter into an amendment to complete the Fourth Phase of the Project; and

WHEREAS, the City Council finds that participation in the Project will benefit the Utility's ratepayers and is in the best interests of Loveland's citizens; and

WHEREAS, the City Council desires to enter into an amendment to complete the Fourth Phase of the Project.

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

Section 1. That the "Fifth Amendment to Fourth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise, and the City of Loveland for Participation in the Windy Gap Firming Project" ("Fifth Amendment"), attached hereto as Exhibit A and incorporated herein by reference, is approved, and the Mayor and City Clerk are authorized to execute and enter into the Fifth Amendment on behalf of the City of Loveland.

Section 2. That the Mayor is authorized, following consultation with the City Manager and the City Attorney, to approve changes to the form of the Fifth Amendment, in form or in substance, as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

Section 3. That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this 3rd day of January, 2012. Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

Exhibit A is available in the City Clerk's Office

6. FINANCE

2012 Supplemental Appropriation – Financial Administrative Changes

1st Rdg Ord & P.H.

Administrative Action: A public hearing was held and "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET TO REORGANIZE THE UTILITY BILLING, CUSTOMER SERVICE AND METER READING FUNCTIONS WITHIN THE GENERAL FUND UNDER THE FINANCE DEPARTMENT-REVENUE DIVISION" was approved and ordered published on first reading.

7. FINANCE

2011 Supplemental Appropriation - Special Improvement District #1

1st Rdg Ord & P.H.

Administrative Action: A public hearing was held and "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 LOVELAND SPECIAL IMPROVEMENT DISTRICT #1 BUDGET AND RATIFYING DISTRICT BOND PREPAYMENT" was approved and ordered published on first reading.

8. DEVELOPMENT SERVICES

Mariana Butte 23rd Subdivision – Findings and Conclusions

This item was removed from the consent agenda.

9. CITY MANAGER

2012 Legislative Policy Agenda

Motion

Administrative Action: A motion approving the 2012 Loveland City Council Legislative Policy Agenda was approved.

END OF CONSENT AGENDA

CITY CLERK READ TITLES OF ORDINANCES ON THE CONSENT AGENDA.

CITY COUNCIL

a) Citizens' Reports

Ed Klen, Loveland resident, stated he disagreed with the City Manager's findings regarding the building at 209 E. 4th Street. Mr. Klen indicated that he had conducted his own investigation and was requesting this matter be set to a future agenda for further discussion. The Mayor asked Mr. Klen to provide him with a copy of the materials he wanted Council to review.

b) Business from Council

Trenary

Councilor Trenary thanked staff for their response to Saturday's high winds, emphasizing the positive impact to local businesses.

McKean

Councilor McKean stated he would like to hear more about Mr. Klen's concerns. Councilor Fogle stated the City Manager should be present at any future discussions with Mr. Klen, since his findings were being challenged. Council requested the Mayor forward Mr. Klen's materials to the rest of Council. Council Shaffer requested staff comments be included on the material they receive.

Shaffer

Councilor Shaffer commented on the 75th anniversary of the Loveland Museum, encouraging the public to attend the events planned for the year 2012. She also invited Council to attend two events with Congressman Polis both on Friday, January 6th. At 2:00 pm, there will be a walk-through of the Rocky Mountain Center for Innovation and Technology at 915 SW 14th St. S.E. and a reception at 218 E. 6th from 5:00 to 6:30 p.m.

c) City Manager Report

None

d) City Attorney Report

None

PROCEDURAL INFORMATION

Anyone who wishes to address the Council on any item on this part of the agenda may do so when the Mayor calls for public comment. All public hearings are conducted in accordance with Council Policy. When Council is considering adoption of an ordinance on first reading, Loveland's Charter only requires that a majority of the Council present vote in favor of the ordinance for it to be adopted on first reading. However, when an ordinance is being considered on second or final reading, at least five of the nine members of Council must vote in favor of the ordinance for it to become law.

REGULAR AGENDA

CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

8. DEVELOPMENT SERVICES

Mariana Butte 23rd Subdivision – Findings and Conclusions

Resolution #R-4-2012

Administrative Action: City Councilor Farley recused himself due to his relationship with John Baxter, manager of B&B I LLC. Development Services Director Greg George introduced this item to Council. Councilor McEwen made a motion to approve Resolution #R-4-2012 adopting findings and conclusions regarding denial of an amendment to a Preliminary Development Plan and Preliminary Plat for Lots 1-5, Block 1 and Outlots A, B, C and D of Mariana Butte 23rd Subdivision located within the Mariana Butte Planned Unit Development (#P-8), City of Loveland, Larimer County, Colorado. Councilor Shaffer seconded the motion and a roll call vote was taken with all Councilors present voting in favor thereof, and Councilor Farley recusing himself.

RESOLUTION #R-4-2012

A RESOLUTION ADOPTING FINDINGS AND CONCLUSIONS REGARDING DENIAL OF AN AMENDMENT TO A PRELIMINARY DEVELOPMENT PLAN AND PRELIMINARY PLAT FOR LOTS 1-5, BLOCK 1 AND OUTLOTS A, B, C AND D OF MARIANA BUTTE 23RD SUBDIVISION LOCATED WITHIN THE MARIANA BUTTE PLANNED UNIT DEVELOPMENT (#P-8), CITY OF LOVELAND, LARIMER COUNTY, COLORADO

WHEREAS, on June 11, 2007, the Planning Commission for the City of Loveland approved Resolution #07-04 PDP approving a Preliminary Development Plan for PUD #P-8, for Tract A Mariana Butte PUD, Tenth Subdivision; and

WHEREAS, a proposed Amendment to the Preliminary Development Plan for PUD #P-8 for that portion of the Mariana Butte PUD #P-8 known as Lots 1-5, Block 1 and Outlots A, B, C and D of Mariana Butte PUD 23rd Subdivision and referred to herein as the "Amended PDP", was submitted to the Loveland Planning Commission for consideration pursuant to Chapter 18.41 of the Loveland Municipal Code; and

WHEREAS, the Mariana Butte 26th Subdivision Preliminary Plat (the "Preliminary Plat") for the same portion of the Mariana Butte PUD #P-8 was also submitted to the Planning Commission for consideration, pursuant to Code Section 16.20.060; and

WHEREAS, the applications for the Amended PDP and the Preliminary Plat were considered as a joint application under Code Section 18.41.080; and

WHEREAS, pursuant to Code Section 18.41.050.E.2 and after due notice had been given, the Planning Commission held a public hearing on August 22, 2011 regarding said Amended PDP and Preliminary Plat; and

WHEREAS, at said hearing the recommendations of the Current Planning Division as set forth in the Planning Staff Report dated August 22, 2011 and all attachments thereto (the "Staff Report") were received and duly considered by the Commission, as was testimony from the applicant, John Baxter on behalf of B & B I, LLC, the applicant's representative, Ken Merritt of Landmark Planning and Engineering, and the public; and

WHEREAS, the Planning Commission considered the application for approval of the Amended PDP in light of the intent and objectives of Chapter 18.41 of the Loveland Municipal Code, and more specifically the factors set forth in Code Sections 18.41.050.E.2.a-c, which expressly require consideration of the factors set forth in sections 18.41.050.D.4.b and c, and determined that the Amended PDP does not satisfy these factors and must be denied; and

WHEREAS, on August 22, 2011 the Commission took no action on the Preliminary Plat as it could not be approved since the Amended PDP was not approved; and

WHEREAS, on September 12, 2011 the Planning Commission approved Resolution #11-01 PDP setting forth its written findings and conclusions and denying approval of the Amended PDP (the "Commission's Final Decision"); and

WHEREAS, pursuant to Code Section 18.18.050, an appeal of the Commission's Final Decision was received by the Current Planning Division within ten (10) days of the effective date of the Final Decision; and

WHEREAS, pursuant to Code Section 18.80.030.D and after due notice had been given, the City Council held a public hearing on December 6, 2011 regarding said appeal; and

WHEREAS, at said hearing, the decision of the Planning Commission as set forth in Resolution #11-01 and recommendations of the Current Planning Division as set forth in the City Council staff memorandum dated December 6, 2011 and all attachments thereto (the "City Council Staff Report") were received and duly considered by the City Council, as was testimony from the applicant, John Baxter on behalf of B & B I, LLC, the applicant's representatives, Ken Merritt of Landmark Planning and Engineering and Tim Goddard of Hasler, Fonfara and Goddard LLP, and the public; and

WHEREAS, the City Council considered the application for approval of the Amended PDP in light of the intent and objectives of Chapter 18.41 of the Loveland Municipal Code, and more specifically the factors set forth in Code Sections 18.41.050.E.2.a-c, including the factors set forth in sections 18.41.050.D.4.b and c, and determined that the Amended PDP does not satisfy these factors and must therefore be denied; and

WHEREAS, City Council also considered the application for approval of the Preliminary Plat as a joint application under Code Section 18.41.080 and in light of the factors set forth in Code Section 16.20.030, and determined that the Preliminary Plat does not satisfy these factors and must therefore be denied.

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

Section 1. That the City Council hereby finds that the Amended PDP and Preliminary Plat pertain to 5.3 acres, more or less, being that portion of the Mariana Butte Planned Unit Development General Development Plan (#P-8) more particularly described as follows:

LOTS 1-5, BLOCK 1 AND OUTLOTS A, B, C AND D OF MARIANA BUTTE 23RD SUBDIVISION, MARIANA BUTTE PUD, City of Loveland, Larimer County, Colorado,
is on file in the office of the City of Loveland Planning Division, and is incorporated herein by this reference.

Section 2. That the City Council hereby finds that the Amended PDP does not meet the requirements of Code Section 18.41.050.E.2, and more specifically the requirement in Code Section 18.41.050E.2.b that the Amended PDP must satisfy both of the following factors set forth in Sections 18.41.050.D.4.b and c:

a. Section 18.41.050.D.4.b: Whether the proposed development [permitted by the Amended PDP] will ... have a detrimental impact on property that is in sufficient proximity to the proposed development to be affected by it.

b. Section 18.41.050.D.4.c: Whether the proposed development [permitted by the Amended PDP] will be complementary to and in harmony with existing development and future development plans for the area in which the proposed development is to take place by:

i. Incorporating natural physical features into the PDP design and providing sufficient open spaces considering the type and intensity of proposed land uses.

ii. Incorporating site planning techniques that will foster the implementation of the Loveland Comprehensive Master Plan.

iii. Incorporating physical design features that will provide a transition between the project and adjacent land uses through the provisions of an attractive entryway, edges along public streets, architectural design, and appropriate height and bulk restrictions on structures.

iv. Incorporating an overall plan for the design of the streetscape within the project, including landscaping, auto parking, bicycle and pedestrian circulation, architecture, placement of buildings and street furniture.

The Council finds that the character of the area in which the development proposed by the Amended PDP is located is unique and that density of the development proposed by the Amended PDP will have detrimental impacts on the property in sufficient proximity to the proposed development to be affected by it.

The Council further finds that the density of the proposed development of eleven (11) residential lots on the site included in the Amended PDP will not be complementary to and in harmony with the existing development and future development plans for the area in which the proposed development is to take place.

Section 3. That the City Council also finds that the Preliminary Plat does not meet the requirement set forth in Code Section 16.20.030.A that the "subdivision does not create, or mitigates to the extent possible, negative impacts on the surrounding property."

The Council finds that the density of the development proposed by the Preliminary Plat creates negative impacts on the surrounding property and that mitigation of such negative impacts has not, or cannot, be accomplished.

Section 4. That the City Council has concluded, on the basis of the findings set forth herein, that the application for approval of the Amended PDP and Preliminary Plat is therefore denied.

Section 6. That as of the date set forth below and in accordance with Code Section 18.80.050.D, this Resolution shall constitute the written findings and conclusions and final decision of the City Council with respect to the application for approval of the Amended PDP and Preliminary Plat for purposes of any appeal of the City Council's decision to the Larimer County District Court under Rule 106(a)(4) of the Colorado Rules of Civil Procedure.

Section 7. That this Resolution shall be effective as of the date of its adoption.

Adopted this 3rd day of January, 2012.
Cecil A. Gutierrez, Mayor
Attest: Teresa G. Andrews, City Clerk

10. FINANCE

No Action Required

This is an information only item. Acting Finance Director, Bonnie Steele gave Council a summary of the City's financial position. The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue, health claims and cash reserves for the eleven months ending November 30, 2011.

11. CITY MANAGER

No Action Required

This is an information only item. Chief Executive Financial Advisor, Alan Krcmarik gave Council a summary of the City's investment position. The budget estimate for investment earnings for 2011 is \$3,163,130. For the first eleven months of 2011, the amount posted to the investment account is \$3,251,372 including realized gains. Actual year-to-date earnings are *higher* than the year-to-date projection by \$351,689. Based on November's monthly statement, the estimated annualized yield on the U.S. agencies and corporates was up to 1.76%, under the annual target rate of 2% but higher than recent months. Reinvestment rates are still significantly lower than the first-half of 2011.

ADJOURNMENT

Having no further business to come before Council, the January 3, 2012 Regular Meeting was adjourned at 7:30 p.m.

Respectfully Submitted,

Teresa G. Andrews, City Clerk

Cecil A. Gutierrez, Mayor



CITY OF LOVELAND
CITY MANAGER'S OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2303 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 2
MEETING DATE: 1/17/2012
TO: City Council
FROM: Bill Cahill, City Manager
PRESENTER: Bill Cahill

TITLE:

Appoint members to Cultural Services Board and Library Board

RECOMMENDED CITY COUNCIL ACTION:

Adopt a motion to appoint Louise Kauffman and Ginger Klein to the Cultural Services Board, each for a term effective until December 31, 2015.

Adopt a motion to appoint Amy Cohen to the Library Board for a five year term effective until December 31, 2016. Adopt a motion appointing Louise Lucke as an alternate member of the Library Board for a one year term effective until December 31, 2012.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action

DESCRIPTION:

This is an administrative item appointing members to the Cultural Services Board, and one regular member and one alternate member to the Library Board.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

SUMMARY:

Three applicants were interviewed for two vacancies on the Cultural Services Board. The committee recommends the appointment of Louise Kauffman and Ginger Klein to the Cultural Services Board, each for a term effective until December 31, 2015.

Interviews were held with the two applicants for one vacancy on the Library Board. Amy Cohen has served as an alternate member to the Library Board in 2011. Ms. Cohen is recommended for

appointment as a regular member of the Library Board for a five year term effective until December 31, 2016. Louise Lucke is recommended for reappointment as an alternate member of the Library Board for a one year term effective until December 31, 2012.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

None



CITY OF LOVELAND
FIRE & RESCUE DEPARTMENT

Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537
 (970) 962-2471 • FAX (970) 962-2922 • TDD (970) 962-2620

AGENDA ITEM: 3
MEETING DATE: 1/17/2012
TO: City Council
FROM: Merlin D. Green, Loveland Fire & Rescue
PRESENTER: Merlin D. Green / Fire Marshal

TITLE:

An ordinance repealing and reenacting Chapter 15.28 of the City of Loveland Municipal Code regarding the Fire Code and adopting by reference thereto the International Fire Code, 2009 Edition.

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and adopt a motion to approve the ordinance on second reading

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION:

This is a legislative action to adopt the International Fire Code, 2009 Edition. This replaces the previous adopted International Fire Code, 2006 Edition. City Council unanimously approved the ordinance on first reading on December 20, 2011.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

SUMMARY:

Adoption of the International Fire Code, 2009 Edition will provide the city with the most current and comprehensive fire code and allow design professionals to incorporate current construction technologies, methods and materials into building designs. The code includes updated building design features related to fire safety, building structural elements and exiting requirements. This

code does not include the provision to require residential sprinkler systems in **all** new single family dwelling units.

The Loveland Fire & Rescue staff has worked in a collaborative effort with the City of Loveland Building Department to incorporate into the city code the international codes that are of common interest and provide for the protection and safety of citizens.

City staff recommends adoption of the International Fire Code, 2009 Edition as presented in the ordinance.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

Ordinance

First Reading December 20, 2011
 Second Reading January 17, 2012

ORDINANCE _____

AN ORDINANCE REPEALING AND REENACTING CHAPTER 15.28 OF THE CITY OF LOVELAND MUNICIPAL CODE REGARDING THE FIRE CODE AND ADOPTING BY REFERENCE THERETO THE INTERNATIONAL FIRE CODE, 2009 EDITION

WHEREAS, on June 5, 2007, pursuant to Ordinance 5189, the City of Loveland adopted by reference the International Fire Code, 2006 Edition, as its fire code with certain amendments thereto to guard the health, safety and general welfare of the public and to regulate conditions hazardous to life and property; and

WHEREAS, in order to maintain the most current and comprehensive fire code standards for protecting the public welfare, the City desires to repeal Municipal Code Chapter 15.28, International Fire Code, 2006 Edition, including amendments thereto and to replace it with the International Fire Code, 2009 Edition, including amendments thereto; and

WHEREAS, pursuant to Section 4-12 of the Charter of the City of Loveland, the City Council is authorized to adopt, by ordinance, any code by reference in accordance with procedures established by state law; and

WHEREAS, the City Council has received the recommendation of the Fire & Rescue Advisory Commission, the Construction Advisory Board and the Planning Commission recommending the adoption of the International Fire Code, 2009 Edition, and certain appendices, amendments and modifications thereto; and

WHEREAS, the City Council has conducted a public hearing pursuant to Section 31-16-203, C.R.S. concerning the adoption of the International Fire Code, 2009 Edition, by reference and finds and determines that it is necessary to the health, safety and general welfare of the public that the City regulate conditions hazardous to life and property by the adoption of the International Fire Code, 2009 Edition, and certain appendices, amendments and modifications thereto.

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

Section 1. That Loveland Municipal Code Chapter 15.28 is hereby repealed and re-enacted to read as follows:

Chapter 15.28 – Fire Code

Sections:

- 15.28.010 International Fire Code – Adopted**
- 15.28.020 Modifications to International Fire Code – 2009 Edition**
- 15.28.030 Violations and Penalties**

Section 15.28.010 International Fire Code-Adopted.

The International Fire Code 2009 Edition, issued and published by the International Code Council, 4501 West Flossmoor Road, Country Club Hills, IL 60478-5795, including appendices B, C, D, I and J, is hereby adopted by reference as the fire code of the city. The purpose of the fire code is to provide minimum standards to safeguard life and limb, health, property and the public welfare by regulating fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises; and to provide for the issuance of permits and collection of fees therefore. At least one copy of the International Fire Code, 2009 Edition, which has been certified by the mayor and city clerk, shall be on file in the office of the city clerk, and may be inspected during regular business hours.

Section 15.28.020 Modifications to International Fire Code – 2009 Edition

The International Fire Code, 2009 Edition, adopted in this chapter, is modified as follows:

- A. Subsection 101.1 of Section 101 is amended to read in full, as follows:

101.1 Title. These regulations shall be known as the City of Loveland Fire Code hereinafter referred to as “the fire code”.

- B. Subsection 108.1 of Section 108 is amended to read in full, as follows:

108.1 Appeals. Appeals arising from the application of the International Fire Code, 2009 Edition, shall be pursuant to Sections 15.04.150 and 15.04.152 of the Loveland Municipal Code.

- C. Subsection 108.2 of Section 108 is deleted in its entirety.

- D. Subsection 108.3 of Section 108 is deleted in its entirety.

- E. Subsection 109.3 of Section 109 is deleted in its entirety.

- F. Subsection 111.4 of Section 111 is deleted in its entirety.

- G. Subsection 113 of Section 113 is amended to read in full, as follows:

113.2 Schedule of Permit Fees. Fees for any permit, inspections, and services authorized by the fire code shall be assessed in accordance with the fee schedule established by resolution of the city council.

H. Subsection 113.5 of Section 113 is amended to read in full, as follows;

113.5 Refunds. The fire code official shall be permitted to authorize a refund of not more than fifty percent (50%) of the permit fee when no work has been done under a permit issued in accordance with this code. This refund shall only be redeemable within twelve months, (12) of issuance of the permit.

The fire code official shall not be permitted to authorize refunding of any fee paid except upon written application filed by the original applicant not later than sixty (60) days after the date of fee payment.

I. Section 308 is amended in part by the addition of a new subsection 308.5 to read in full as follows:

308.5 Open Flames. Sky Lanterns. The lighting of, and the release of, Sky Lanterns shall be prohibited.

J. Subsection 311.5 of Section 311 is deleted in its entirety.

K. Subsection 503.2.5 of Section 503 is amended to read in full as follows:

503.2.5 Dead Ends. Dead-end fire apparatus access roads in excess of one hundred-fifty (150) feet in length shall be provided with an approved area for turning around fire apparatus. Dead-ends in excess of one thousand (1,000) feet are not allowed.

L. Subsection 503.6 of Section 503 is amended to read in full as follows:

503.6 Security Gates. The installation of security gates across a fire apparatus access road shall be *approved* by the fire code official. Where security gates are installed, they shall have an *approved* means of emergency operation. The security gates and the emergency operation shall be maintained operational at all times. Electric gate operators, where provided, shall be *listed* in accordance with UL 325. Gates intended for automatic operation shall be designed, constructed and installed to comply with the requirements of ASTM F 2200.

Exception: Private driveways serving a single-family residence.

M. Subsection 505.1 of Section 501 is amended to read in full as follows:

505.1 Premises Identification. New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in

a position that is plainly legible and visible from the street or road fronting the property. The color of these numbers shall contrast with their background. Address numbers shall be Arabic numerals. New residential buildings that contain not more than two dwelling units shall have minimum 4-inch high numbers, with a minimum stroke width of ½ inch. Individual suite or unit addresses shall be displayed with minimum 4-inch high numbers, with a minimum stroke width of ½ inch. New multiple-family or commercial buildings shall have minimum 6-inch high numbers, with a minimum stroke width of ½ inch. New buildings three or more stories in height or with a floor area of 15,000 to 100,000 square feet, shall have minimum 8-inch high numbers, with a minimum stroke width of 1 inch. Buildings with a total floor area of 100,000 square feet or greater shall have minimum 12-inch high numbers, with a minimum stroke width of 1½ inches. Where building setbacks exceed 100 feet from the street or access road, additional numbers shall be displayed at the property entrance. The fire code official may require address numbers to be displayed on more than one side of the building, if primary vehicle access is not from the street or road fronting the property.

N. Subsection 507.3 Section 507 is amended to read in full as follows:

507.3 Fire Flow. Fire flow requirements for buildings or portions of buildings and facilities shall be determined in accordance with Appendix B.

O. Subsection 507.5 of Section 507 is amended to read in full as follows:

507.5 Fire Hydrant Systems. Fire hydrant systems shall comply with Sections 507.5.1 through 507.5.6 of this fire code.

P. Subsection 507.5.1 of Section 507 is amended to read in full, as follows:

507.5.1 Where Required. Fire hydrants shall be spaced six hundred (600) feet apart for Group R-3 occupancies and three hundred-fifty (350) feet apart for all other occupancies.

Q. Subsection 507.5 of Section 507 is amended in part by the addition of a new Section 507.5.7 to read in full, as follows:

507.5.7 Fire Department Connections. A fire hydrant shall be located within one hundred-fifty (150) feet of a fire department connection, using an approved route without obstacles.

R. Section 510 is amended in part by the addition of a new Section 510.4 to read in full as follows:

510.4 Where required. Where adequate radio coverage cannot be established within a building, as defined by the fire code official, public safety radio amplification systems shall be installed in the following locations:

1. New buildings with a total building area greater than fifty thousand (50,000) square feet. For the purpose of this section, fire walls shall not be used to define separate buildings.
2. All new basements larger than ten thousand (10,000) square feet.
3. Existing buildings meeting the criteria of item 1 or 2 of this section undergoing alterations or additions exceeding fifty percent (50%) of the existing aggregate area of the building as of the date of this ordinance.

Exceptions:

1. One and two-family dwellings and townhouses.
2. If approved by the fire code official, buildings that provide a documented engineering analysis indicating the building is in compliance with radio reception levels in accordance with Section 510.4.1 and final fire department testing.

510.4.1 Design and Installation Standard. Public safety radio amplification systems shall be designed and installed in accordance with the criteria established by the fire code official based on the capabilities and communication features of emergency services.

510.4.2 Maintenance. Public safety radio amplification systems shall be tested annually and maintained in an operative condition at all times and shall be replaced or repaired where defective.

S. Subsection 901.1 of Section 901 is amended to read in full as follows:

901.1 Scope. The provisions of this chapter shall specify where fire protection systems are required and shall apply to the design, installation, inspection, operation, testing and maintenance of all fire protection systems. When the requirements of this code and the adopted building code are in conflict, the more restrictive shall apply.

T. Subsection 903.1.1 of Section 903 is amended to read in full as follows:

903.1.1 Alternative Protection. Alternative automatic fire-extinguishment systems complying with Section 904 shall be permitted in lieu of automatic sprinkler protection where recognized by the applicable standard and approved by the building code official and fire code official.

U. Part (4) of subsection 903.2.7 of Section 903 is amended to read in full as follows:

(4) A group M occupancy used for the display and sale of upholstered furniture which does not exceed six thousand (6,000) square feet.

- V. Section 903 is amended in part by the addition of a new Section 903.2.12, to read in full as follows:

903.2.13 Dead-end Roadways. An automatic fire sprinkler system shall be installed in all Group R fire areas, including single family detached residences, when the residential structure is located beyond four hundred, (400) feet of the entrance to a dead-end roadway.

- W. Subsection 903.3.1.3 of Section 903 is amended to read in full as follows:

Section 903.3.1.3 NFPA 13D Sprinkler Systems. Automatic sprinkler systems shall not be required in one- or two-family dwellings including townhouses that are located within six hundred (600) feet of a fire hydrant meeting minimum flow and pressure requirements and located within four hundred (400) feet from the entrance on a dead-end roadway. All other one- and two-family dwellings including townhouses shall have automatic sprinkler systems installed in accordance with NFPA 13D.

- X. Subsection 903.4.3 of Section 903 is amended to read in full as follows:

Section 903.4.3 Floor Control Valves. Approved supervising indicating control valves shall be provided at the point of connection to the riser on each floor in all multi-story structures.

- Y. Section 903 is amended in part by the addition of a new Section 903.3.5.1 to read in full as follows:

903.3.5.1 Backflow Protection. All fire sprinklers systems undergoing modification, unless exempt by the Director of the City of Loveland Water and Power Department, shall be isolated from the public water system by a backflow prevention device meeting the requirements of the Loveland Municipal Code.

- Z. Subsection 907.2.11.2 of Section 907 is amended in part by the addition of a new Paragraph 4 to read in full as follows:

Groups R-2, R-3, R-4 and I-1:

4. In Groups R-2, R-3, R-4 and I-1 occupancies, and, in all attached garages, an interconnected heat detector shall be installed.

- AA. Section 907 is amended in part by the addition of a new Section 907.2.11.5 to read in full as follows:

907.2.11.5 Exterior Strobe. An exterior strobe shall be provided on the exterior of all R-1 and R-2 occupancies in a location readily visible from the roadway

- fronting the structure. This strobe shall alarm upon activation of any smoke or heat detection.
- BB. Section 1004 is amended in part by the addition of new Section 1004.10 to read in full as follows:
- 1004.10 Design.** Buildings and facilities shall be designed and constructed to be accessible in accordance with this code; the ICC A117.1, most current edition; and the Colorado Revised Statutes Title 9 Article 5, 9-5-101, et seq., as amended.
- CC. Subsection 2403.2 of Section 2403 is amended to read in full as follows:
- 2403.2 Approval Required.** Tents/Canopies and membrane structures in excess of seven hundred (700) square feet shall not be erected, operated or maintained for any purpose without first obtaining a permit and approval from the fire code official.
- DD. Subsection 3301.1.3 of Section 3301 is amended to read in full as follows:
- 3301.1.3 Fireworks.** The possession, manufacture, storage, sale, handling and use of fireworks are prohibited unless permitted by state and local laws.
- EE. Exception 4. of subsection 3301.1.3 of Section 3301 is amended to read in full as follows:
4. The possession, storage, sale, handling and use of permissible fireworks in accordance with the criteria established by the fire code official.
- FF. Section 3302 is amended by the addition of a new definition to read as follows:
- 3302 Permissible Fireworks.** As defined by the Colorado Revised Statutes §12-28-101.
- GG. Chapter 33 is amended by the addition of a new Section 3310 to read in full as follows:

Section 3310
Permissible Fireworks

- 3310.1 General.** Permissible fireworks use shall be as detailed in this section and in accordance with state and local laws.
- 3310.2 Use of Fireworks.** The use of permissible fireworks shall be in accordance with Sections 3310.2.1 through 3310.2.4.

3310.2.1 It shall be unlawful for any person to possess, store, offer for sale, expose for sale, sell at retail, or use, or discharge any fireworks, other than permissible fireworks.

3310.2.2 It shall be unlawful for any person to knowingly furnish to any person under the age of sixteen (16) years of age, by gift, sale, or any other means, any fireworks, or permissible fireworks.

3310.2.3 It shall be unlawful for any person under sixteen (16) years of age to purchase fireworks, including permissible fireworks.

3310.2.4 It shall not be unlawful for a person under sixteen (16) years of age to possess and discharge permissible fireworks if such person is under adult supervision throughout the act of possession and discharge.

HH. Subsection 3404.2.9.6.1 of Section 3404 is amended to read in full as follows:

3404.2.9.6.1 Location where above-ground storage tanks are prohibited.

Storage of Class I and II liquids in above-ground storage tanks outside of buildings is prohibited within the city limits.

Exceptions:

1. Above-ground tank storage of aviation fuels at the Fort Collins-Loveland Airport fuel farm.
2. Protected above-ground tank storage (UL 2085) not exceeding one thousand (1,000) gallons in size per tank or two thousand (2,000) gallons per site.
3. Above-ground storage tanks not exceeding 500 gallons for supply of emergency generators or fire pumps when approved by the fire code official.

II. Subsection 3404.2.13.1.4 of Section 3404 is deleted in its entirety.

JJ. Subsection 3406.2.4 of Section 3406 is amended to read in full as follows:

3406.2.4 Permanent and temporary tanks. The capacity of permanent aboveground tanks containing Class I or Class II liquids shall not exceed five hundred (500) gallons. The capacity of temporary aboveground tanks containing Class I or Class II liquids shall not exceed two thousand (2,000) gallons unless a larger amount is approved in writing by the fire code official. Tanks shall be of single-compartment design.

KK. Subsection 3406.2.4.4 of Section 3406 is deleted in its entirety.

LL. Subsection 3804.2 of Section 3804 is amended to read in full, as follows:

3804.2 Maximum capacity within established limits. Within the limits established by law restricting the storage of liquefied petroleum gas for the protection of heavily populated or congested areas, the aggregate capacity of any one installation shall not exceed a water capacity of five hundred, (500), gallons.

Section 15.28.030 Violations and Penalties.

- A. No person who operates, occupies or maintains a premises or vehicle subject to the provisions of this chapter shall allow a fire hazard to exist, nor shall fail to take immediate action to abate a fire hazard when ordered or notified to do so.
- B. Any person who shall violate any of the provisions of this chapter or who shall violate or fail to comply with any orders made hereunder or who shall act in any way in violation of any permits issued hereunder shall, severally and for each and every violation in noncompliance respectively, be guilty of a misdemeanor punishable by the penalty set forth in Section 1.12.010 of the Loveland Municipal Code. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue, and all persons shall be required to correct or remedy the violations or defects within a reasonable time, and when not otherwise specified, each day that prohibited conditions are maintained shall constitute a separate offense. The application of any penalty pursuant hereto shall not be held to prevent the forced removal of prohibited conditions nor the suspension or removal of a permit or license issued hereunder.

Section 2. That the City Council has introduced the adopting ordinance and shall schedule a public hearing on January 17, 2012. The City Clerk shall publish notice of such hearing twice in a newspaper of general circulation in the City of Loveland, once at least fifteen days preceding the hearing, and once at least eight days preceding it. Upon passage of this ordinance the City Clerk shall have at least one copy of the International Fire Code, 2009 Edition available for inspection by the public during regular business hours.

Section 3. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect ten (10) days after its final publication as provided in the City Charter Section 4-8(b).


ADOPTED this ____ day of _____, 2012.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:


Assistant City Attorney

AN ORDINANCE REPEALING AND REENACTING CHAPTER 15.28 OF THE CITY OF LOVELAND MUNICIPAL CODE REGARDING THE FIRE CODE AND ADOPTING BY REFERENCE THERETO THE INTERNATIONAL FIRE CODE, 2009 EDITION

**CITY OF LOVELAND**
FINANCE DEPARTMENT

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2695 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 4
MEETING DATE: 1/17/2012
TO: City Council
FROM: Bonnie Steele, Finance Department
PRESENTER: Jim Wedding, Revenue Manager

TITLE:

Consideration of an ordinance on second reading enacting a supplemental budget and appropriation to the 2012 City of Loveland budget to reorganize the utility billing, customer service and meter reading functions within the General Fund under the Finance Department-Revenue Division

RECOMMENDED CITY COUNCIL ACTION:

Approve the ordinance on second reading

OPTIONS:

1. Adopt the action as recommended
 2. Deny the action
 3. Adopt a modified action (specify in the motion)
 4. Refer back to staff for further development and consideration
 5. Adopt a motion continuing the item to a future Council meeting
-

DESCRIPTION:

This is an administrative action. The ordinance moves the budget for three functions managed by the Finance Department to the General Fund. The budgets for these three functions were originally within the Water, Wastewater, and Power Enterprise Funds. City Council unanimously approved the ordinance on first reading on January 3, 2012.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

These functions were originally budgeted within three enterprise funds. The amount of these budgets is transferred to the General Fund. No additional revenue or fund balance is needed for this action.

SUMMARY:

The utility billing, customer service and meter reading functions have been historically budgeted within the Utility Enterprise budgets. The management and supervision of these functions are the responsibility of the Finance Department/Revenue Division. For management purposes it is better to have all the functions of the Revenue Division in one fund and charge Enterprise Funds for the services provided, similar to other internal service transfers for functions such as information technology, human resources, facility maintenance and finance.

REVIEWED BY CITY MANAGER:

**LIST OF ATTACHMENTS:**

Ordinance

FIRST READING January 3, 2012

SECOND READING January 17, 2012

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET TO REORGANIZE THE UTILITY BILLING, CUSTOMER SERVICE AND METER READING FUNCTIONS WITHIN THE GENERAL FUND UNDER THE FINANCE DEPARTMENT-REVENUE DIVISION

WHEREAS, the City has received or has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2012; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2012, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That revenues in the amount of \$2,022,380 from transfers to the General Fund 100 from the Water Fund 300, Wastewater Fund 315, and Power Fund 330 are available for appropriation. Revenues in the total amount of \$2,022,380 are hereby appropriated for personnel and operating costs and transferred to the funds as hereinafter set forth. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
General Fund 100**

Revenues

100-00-000-0000-37300	Transfers From Water	419,550
100-00-000-0000-37315	Transfers From Wastewater	167,090
100-00-000-0000-37330	Transfers From Power	1,435,740

Total Revenue**2,022,380****Appropriations**

100-15-135-0014-41011	Salaries-Benefited Emp	316,030
100-15-135-0014-41021	Overtime-Benefited Emp	2,940
100-15-135-0014-41543	Insurance Benefits	81,850
100-15-135-0014-41544	F.I.C.A. Taxes	24,400
100-15-135-0014-41545	General Pension & Retirement	24,900

**Supplemental Budget
General Fund 100**

Appropriations (cont'd)

100-15-135-0014-42011	Office Supplies	2,900
100-15-135-0014-42015	Computer Supply & Equipmt	400
100-15-135-0014-42033	Tools/Equip (Non-Cap)	250
100-15-135-0014-42071	Warehouse Withdrawals	27,800
100-15-135-0014-42899	Other Supplies	500
100-15-135-0014-43265	Mileage Reimbursement	2,200
100-15-135-0014-43270	Travel/Meetings/Schooling	9,600
100-15-135-0014-43569	Repair & Maintenance	4,940
100-15-135-0014-43711	Postage	169,800
100-15-135-0014-43775	Equipment Lease	1,290
100-15-135-0014-43895	Monetary Awards & Recgntn	450
100-15-135-0014-43899	Other Services	103,950
100-15-135-0014-48247	Office Furn/Eq (Capital)	5,000
100-15-135-0015-41011	Salaries-Benefited Emp	398,500
100-15-135-0015-41021	Overtime-Benefited Emp	2,870
100-15-135-0015-41543	Insurance Benefits	99,220
100-15-135-0015-41544	F.I.C.A. Taxes	30,720
100-15-135-0015-41545	General Pension & Retirement	29,410
100-15-135-0015-42011	Office Supplies	3,100
100-15-135-0015-42014	Books & Periodicals	50
100-15-135-0015-42015	Computer Supply & Equipmt	1,650
100-15-135-0015-42033	Tools/Equip (Non-Cap)	300
100-15-135-0015-42071	Warehouse Withdrawals	1,450

Appropriations (cont'd)

100-15-135-0015-43021	Printing	2,800
100-15-135-0015-43043	Collection Fees	12,400
100-15-135-0015-43270	Travel/Meetings/Schooling	1,470
100-15-135-0015-43569	Repair & Maintenance	400
100-15-135-0015-43711	Postage	46,000
100-15-135-0015-43895	Monetary Awards & Recgntr	600
100-15-135-0015-43899	Other Services	14,400
100-15-135-0016-41011	Salaries-Benefited Emp	392,440
100-15-135-0016-41021	Overtime-Benefited Emp	10,530
100-15-135-0016-41543	Insurance Benefits	82,830
100-15-135-0016-41544	F.I.C.A. Taxes	30,820
100-15-135-0016-41545	General Pension & Retirement	30,640
100-15-135-0016-42011	Office Supplies	630
100-15-135-0016-42025	Clothing	1,500
100-15-135-0016-42032	Parts & Supplies	500
100-15-135-0016-42033	Tools/Equip (Non-Cap)	1,650
100-15-135-0016-42071	Warehouse Withdrawals	1,000
100-15-135-0016-42097	Safety Supplies	360
100-15-135-0016-42422	Food	50
100-15-135-0016-43021	Printing	700
100-15-135-0016-43265	Mileage Reimbursement	20
100-15-135-0016-43270	Travel/Meetings/Schooling	1,190
100-15-135-0016-43534	Veh & Eq Maint-Internal Svc	30,960
100-15-135-0016-43569	Repair & Maintenance	9,600
100-15-135-0016-43645	Telephone	1,850
100-15-135-0016-43711	Postage	70
100-15-135-0016-43895	Monetary Awards & Recgntr	500
Total Appropriations		2,022,380

**Supplemental Budget
Water Fund 300**

Appropriations

300-45-301-0000-47100	Trf To General Fund	419,550
300-45-300-2913-43270	Travel/Meetings/Schooling	(350)
300-45-300-2914-42015	Computer Supply & Equipmt	(120)
300-45-300-2914-43270	Travel/Meetings/Schooling	(1,050)
300-45-300-2915-43270	Travel/Meetings/Schooling	(1,010)
300-45-303-2913-41011	Salaries-Benefited Emp	(94,810)
300-45-303-2913-41021	Overtime-Benefited Emp	(880)
300-45-303-2913-41543	Insurance Benefits	(24,560)
300-45-303-2913-41544	F.I.C.A. Taxes	(7,320)
300-45-303-2913-41545	General Pension & Retirement	(7,470)
300-45-303-2913-42011	Office Supplies	(870)
300-45-303-2913-42015	Computer Supply & Equipmt	(120)
300-45-303-2913-42033	Tools/Equip (Non-Cap)	(80)
300-45-303-2913-42071	Warehouse Withdrawals	(8,340)
300-45-303-2913-42899	Other Supplies	(150)
300-45-303-2913-43265	Mileage Reimbursement	(660)
300-45-303-2913-43569	Repair & Maintenance	(1,480)
300-45-303-2913-43711	Postage	(50,940)
300-45-303-2913-43775	Equipment Lease	(390)
300-45-303-2913-43895	Monetary Awards & Recgntn	(140)
300-45-303-2913-43899	Other Services	(31,180)
300-45-303-2914-41011	Salaries-Benefited Emp	(31,880)
300-45-303-2914-41021	Overtime-Benefited Emp	(230)
300-45-303-2914-41543	Insurance Benefits	(7,940)
300-45-303-2914-41544	F.I.C.A. Taxes	(2,460)
300-45-303-2914-41545	General Pension & Retirement	(2,350)
300-45-303-2914-42011	Office Supplies	(250)
300-45-303-2914-42014	Books & Periodicals	(10)
300-45-303-2914-42015	Computer Supply & Equipmt	(10)
300-45-303-2914-42033	Tools/Equip (Non-Cap)	(20)
300-45-303-2914-42071	Warehouse Withdrawals	(110)
300-45-303-2914-43021	Printing	(230)
300-45-303-2914-43569	Repair & Maintenance	(30)
300-45-303-2914-43711	Postage	(3,680)
300-45-303-2914-43895	Monetary Awards & Recgntn	(50)
300-45-303-2914-43899	Other Services	(1,150)
300-45-303-2915-41011	Salaries-Benefited Emp	(90,260)
300-45-303-2915-41021	Overtime-Benefited Emp	(2,420)

Appropriations (cont'd)

300-45-303-2915-41543	Insurance Benefits	(19,050)
300-45-303-2915-41544	F.I.C.A. Taxes	(7,090)
300-45-303-2915-41545	General Pension & Retirement	(7,050)
300-45-303-2915-42011	Office Supplies	(140)
300-45-303-2915-42025	Clothing	(350)
300-45-303-2915-42032	Parts & Supplies	(110)
300-45-303-2915-42033	Tools/Equip (Non-Cap)	(380)
300-45-303-2915-42071	Warehouse Withdrawals	(230)
300-45-303-2915-42097	Safety Supplies	(90)
300-45-303-2915-42422	Food	(10)
300-45-303-2915-43021	Printing	(160)
300-45-303-2915-43265	Mileage Reimbursement	(10)
300-45-303-2915-43534	Veh & Eq Maint-Internal Svc	(7,120)
300-45-303-2915-43569	Repair & Maintenance	(2,210)
300-45-303-2915-43645	Telephone	(430)
300-45-303-2915-43711	Postage	(20)
300-45-303-2915-43895	Monetary Awards & Recgntn	(100)

Total Appropriations

-

**Supplemental Budget
Wastewater Fund 315**

Appropriations

315-45-301-0000-47100	Trf To General Fund	167,090
315-45-300-2913-43270	Travel/Meetings/Schooling	(350)
315-45-300-2914-42015	Computer Supply & Equipmt	(120)
315-45-300-2914-43270	Travel/Meetings/Schooling	(420)
315-45-300-2915-43270	Travel/Meetings/Schooling	(180)
315-45-303-2913-41011	Salaries-Benefited Emp	(37,920)
315-45-303-2913-41021	Overtime-Benefited Emp	(350)
315-45-303-2913-41543	Insurance Benefits	(9,820)
315-45-303-2913-41544	F.I.C.A. Taxes	(2,930)
315-45-303-2913-41545	General Pension & Retirement	(2,990)
315-45-303-2913-42011	Office Supplies	(350)
315-45-303-2913-42015	Computer Supply & Equipmt	(50)
315-45-303-2913-42033	Tools/Equip (Non-Cap)	(20)
315-45-303-2913-42071	Warehouse Withdrawals	(3,340)
315-45-303-2913-42899	Other Supplies	(60)
315-45-303-2913-43265	Mileage Reimbursement	(260)
315-45-303-2913-43569	Repair & Maintenance	(590)

Appropriations (cont'd)

315-45-303-2913-43711	Postage	(20,380)
315-45-303-2913-43775	Equipment Lease	(150)
315-45-303-2913-43895	Monetary Awards & Recgntn	(50)
315-45-303-2913-43899	Other Services	(12,480)
315-45-303-2914-41011	Salaries-Benefited Emp	(31,880)
315-45-303-2914-41021	Overtime-Benefited Emp	(230)
315-45-303-2914-41543	Insurance Benefits	(7,940)
315-45-303-2914-41544	F.I.C.A. Taxes	(2,460)
315-45-303-2914-41545	General Pension & Retirement	(2,350)
315-45-303-2914-42011	Office Supplies	(250)
315-45-303-2914-42015	Computer Supply & Equipmt	(10)
315-45-303-2914-42033	Tools/Equip (Non-Cap)	(30)
315-45-303-2914-42071	Warehouse Withdrawals	(120)
315-45-303-2914-43021	Printing	(230)
315-45-303-2914-43569	Repair & Maintenance	(30)
315-45-303-2914-43711	Postage	(3,680)
315-45-303-2914-43895	Monetary Awards & Recgntn	(50)
315-45-303-2914-43899	Other Services	(1,150)
315-45-303-2915-41011	Salaries-Benefited Emp	(15,700)
315-45-303-2915-41021	Overtime-Benefited Emp	(420)
315-45-303-2915-41543	Insurance Benefits	(3,310)
315-45-303-2915-41544	F.I.C.A. Taxes	(1,230)
315-45-303-2915-41545	General Pension & Retirement	(1,230)
315-45-303-2915-42011	Office Supplies	(30)
315-45-303-2915-42025	Clothing	(60)
315-45-303-2915-42032	Parts & Supplies	(20)
315-45-303-2915-42033	Tools/Equip (Non-Cap)	(70)
315-45-303-2915-42071	Warehouse Withdrawals	(40)
315-45-303-2915-42097	Safety Supplies	(10)
315-45-303-2915-43021	Printing	(30)
315-45-303-2915-43534	Veh & Eq Maint-Internal Svc	(1,240)
315-45-303-2915-43569	Repair & Maintenance	(380)
315-45-303-2915-43645	Telephone	(70)
315-45-303-2915-43895	Monetary Awards & Recgntn	(30)

Total Appropriations

-

**Supplemental Budget
Power Fund 330**

Appropriations

330-45-301-0000-47100	Trf To General Fund	1,435,740
330-45-300-2913-43270	Travel/Meetings/Schooling	(8,900)
330-45-300-2914-42015	Computer Supply & Equipmt	(1,260)
330-45-303-2913-41011	Salaries-Benefited Emp	(183,300)
330-45-303-2913-41021	Overtime-Benefited Emp	(1,710)
330-45-303-2913-41543	Insurance Benefits	(47,470)
330-45-303-2913-41544	F.I.C.A. Taxes	(14,150)
330-45-303-2913-41545	General Pension & Retirement	(14,440)
330-45-303-2913-42011	Office Supplies	(1,680)
330-45-303-2913-42015	Computer Supply & Equipmt	(230)
330-45-303-2913-42033	Tools/Equip (Non-Cap)	(150)
330-45-303-2913-42071	Warehouse Withdrawals	(16,120)
330-45-303-2913-42899	Other Supplies	(290)
330-45-303-2913-43265	Mileage Reimbursement	(1,280)
330-45-303-2913-43569	Repair & Maintenance	(2,870)
330-45-303-2913-43711	Postage	(98,480)
330-45-303-2913-43775	Equipment Lease	(750)
330-45-303-2913-43895	Monetary Awards & Recgntn	(260)
330-45-303-2913-43899	Other Services	(60,290)
330-45-303-2913-48247	Office Furn/Eq (Capital)	(5,000)
330-45-303-2914-41011	Salaries-Benefited Emp	(334,740)
330-45-303-2914-41021	Overtime-Benefited Emp	(2,410)
330-45-303-2914-41543	Insurance Benefits	(83,340)
330-45-303-2914-41544	F.I.C.A. Taxes	(25,800)
330-45-303-2914-41545	General Pension & Retirement	(24,710)
330-45-303-2914-42011	Office Supplies	(2,600)
330-45-303-2914-42014	Books & Periodicals	(40)
330-45-303-2914-42015	Computer Supply & Equipmt	(130)
330-45-303-2914-42033	Tools/Equip (Non-Cap)	(250)
330-45-303-2914-42071	Warehouse Withdrawals	(1,220)
330-45-303-2914-43021	Printing	(2,340)
330-45-303-2914-43043	Collection Fees	(12,400)
330-45-303-2914-43569	Repair & Maintenance	(340)
330-45-303-2914-43711	Postage	(38,640)
330-45-303-2914-43895	Monetary Awards & Recgntn	(500)
330-45-303-2914-43899	Other Services	(12,100)
330-45-303-2915-41011	Salaries-Benefited Emp	(286,480)
330-45-303-2915-41021	Overtime-Benefited Emp	(7,690)

Appropriations (cont'd)

330-45-303-2915-41543	Insurance Benefits	(60,470)
330-45-303-2915-41544	F.I.C.A. Taxes	(22,500)
330-45-303-2915-41545	General Pension & Retirement	(22,360)
330-45-303-2915-42011	Office Supplies	(460)
330-45-303-2915-42025	Clothing	(1,090)
330-45-303-2915-42032	Parts & Supplies	(370)
330-45-303-2915-42033	Tools/Equip (Non-Cap)	(1,200)
330-45-303-2915-42071	Warehouse Withdrawals	(730)
330-45-303-2915-42097	Safety Supplies	(260)
330-45-303-2915-42422	Food	(40)
330-45-303-2915-43021	Printing	(510)
330-45-303-2915-43265	Mileage Reimbursement	(10)
330-45-303-2915-43534	Veh & Eq Maint-Internal Svc	(22,600)
330-45-303-2915-43569	Repair & Maintenance	(7,010)
330-45-303-2915-43645	Telephone	(1,350)
330-45-303-2915-43711	Postage	(50)
330-45-303-2915-43895	Monetary Awards & Recgntn	(370)

Total Appropriations

-

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this 17th day of January, 2012.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

J. Yost Schmidt
Deputy City Attorney



CITY OF LOVELAND
FINANCE DEPARTMENT

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2695 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 5
MEETING DATE: 1/17/2012
TO: City Council
FROM: Bonnie Steele, Finance Department
PRESENTER: John Hartman

TITLE:

Consideration of an ordinance enacting a supplemental budget and appropriation to the 2011 Loveland Special Improvement District #1 budget and ratifying District bond prepayment

RECOMMENDED CITY COUNCIL ACTION:

Approve the ordinance on second reading

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION:

This is an administrative action. Reserves in the Loveland Special Improvement Fund 702 from prepaid assessments are appropriated for prepayment of District bond debt, and such prepayment in 2011 is ratified. City Council unanimously approved this ordinance on first reading on January 3, 2012.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

Reserves from prepaid assessments are available for the appropriation. By paying down the principal in advance the total cost is reduced due to lower interest payments in the future.

SUMMARY:

The City serves as the sponsoring agency for the Loveland Special Improvement District #1 (SID). The District was established to allow for the collection of assessments from property owners in the District to back bonded debt used to construct infrastructure improvements in the

District. The District is in east Loveland north of Eisenhower Boulevard along Rocky Mountain Avenue, extending north above Houts Reservoir.

In November of 2011, Council approved a supplemental budget for the District to appropriate pre-paid assessments for District bond prepayments. At the time of the development of the ordinance, it was anticipated that this would be the final payment due. However, an additional payment to pay down the bond debt was made in mid-December for the January call on the bonds, so staff did not have time to prepare an ordinance in time for a 2011 agenda to appropriate funds for this payment. Reserves for assessments and pre-paid assessments are available in the fund to provide a source of funds for this payment.

After the January call, \$7,040,000 is remaining on the bond debt. This puts the District \$1,875,000 ahead of the estimated redemption schedule.

The City does not have any legal obligation for this debt.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. An ordinance enacting a supplemental budget and appropriation to the 2011 Loveland Special Improvement District #1 budget and ratifying district bond prepayment

FIRST READING January 3, 2011

SECOND READING January 17, 2012

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2011 LOVELAND SPECIAL IMPROVEMENT DISTRICT #1 BUDGET AND RATIFYING DISTRICT BOND PREPAYMENT

WHEREAS, the District receives prepayment of assessments from time to time, which amounts are credited to the Loveland Special Improvement Fund 702 (the “SID Fund”) and reserved for future bond payments or appropriated, from time to time, to call District bonds early, thereby reducing debt service costs; and

WHEREAS, the District adopted on second reading on November 15, 2011, Ordinance #5652 enacting a supplemental budget and appropriation to the Districts 2011 budget to authorize the expenditure of a portion of such prepaid assessments for the purpose of bond prepayments; and

WHEREAS, after the adoption of Ordinance #5652, it became apparent that \$105,730 additional prepaid assessments was available in the SID Fund reserves to call additional District bonds in January, 2012, which required a prepayment of bond debt in the amount of \$105,730 in December, 2011; and

WHEREAS, Section 11-6 of the City of Loveland Charter permits the City Council to ratify a commitment or contract in excess of appropriated amounts if it adopts an ordinance amending the adopted budget by making the necessary appropriation and determines that ratification would be in the best interest of the City; and

WHEREAS, the City Council desires to authorize the expenditure of the \$150,730 for the prepayment of District bonds *nunc pro tunc* by enacting a supplemental budget and appropriation to the 2011 District budget and to ratify the commitment of such funds, as authorized by Section 11-6(a) of the Loveland City Charter.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO ACTING AS THE EX-OFFICIO BOARD OF DIRECTORS OF THE LOVELAND SPECIAL IMPROVEMENT DISTRICT #1:

Section 1. That the City Council hereby finds that ratification of the prepayment of SID bond debt in the amount of \$105,730 from the SID Fund is in the best interest of the City; and

Section 2. That reserves in the amount of \$105,730 in the Loveland Special Improvement District #1 Fund 702 are available for appropriation. Reserves in the total amount of \$105,730 are hereby appropriated, by amendment to the District 2011 budget, for prepayment of the principal on District bond debt and transferred to the funds as hereinafter set forth. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Loveland Special Improvement District #1 2011 Budget**

Revenues	
Fund Balance	105,730
Total Revenue	105,730
Appropriations	
702-91-902-0000-46110 Principal	105,730
Total Appropriations	105,730

Section 3. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this 17th day of January, 2012.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

J. Yost Schmidt
Deputy City Attorney



CITY OF LOVELAND
WATER & POWER DEPARTMENT
 200 North Wilson • Loveland, Colorado 80537
 (970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

AGENDA ITEM: 6
MEETING DATE: 1/17/2012
TO: City Council
FROM: Water & Power Department
PRESENTERS: Steve Adams, Director
 Chris Matkins, Water Utilities Manager
 Larry Howard, Senior Civil Engineer/Water Resources

TITLE:

Resolution of the Loveland City Council authorizing an application to, and contract with, the Northern Colorado Water Conservancy District for beneficial use of 790 acre-feet of Colorado-Big Thompson Project water

RECOMMENDED CITY COUNCIL ACTION:

Adopt the attached Resolution.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION:

This is an administrative action to adopt a resolution authorizing the Director of Water and Power to convert Temporary Use Permits (TUPs) for Colorado-Big Thompson (C-BT) Project water acquired in 2011 into a permanent Section 131 Contract. Upon approval, the City will have the use of the water each year from that point forward upon payment of the annual assessments.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

SUMMARY:

The City of Loveland currently holds 790 acre-foot units of Colorado-Big Thompson (C-BT) Project water in the form of temporary use permits, or TUP's. These give the City the temporary

right to use the C-BT water associated with these acre-foot units in the year they are acquired, prior to obtaining Section 131 contracts.

Northern Colorado Water Conservancy District (Northern Water) policy requires municipal and industrial allottees to convert the TUP's to Section 131 contracts. ("Section 131" refers to that section in the Water Conservancy Act of Colorado, Title 31, Article 43, Colorado Revised Statutes of 1973). Failure to convert the TUP's will result in the District's refusal to deliver the water.

REVIEWED BY CITY MANAGER: 

LIST OF ATTACHMENTS:

Resolution

RESOLUTION #R-5-2012

A RESOLUTION OF THE LOVELAND CITY COUNCIL AUTHORIZING AN APPLICATION TO, AND CONTRACT WITH, THE NORTHERN COLORADO WATER CONSERVANCY DISTRICT FOR BENEFICIAL USE OF 790 ACRE-FEET OF COLORADO-BIG THOMPSON PROJECT WATER

WHEREAS, pursuant to the Water Conservancy Act of Colorado, Title 37, Article 45, C.R.S., the City Council of the City of Loveland, a Colorado municipal corporation, must apply to the Board of Directors of the Northern Colorado Water Conservancy District (“District”) for a contract for the beneficial use of Colorado-Big Thompson Project water within the boundaries of the District on an annually-renewable basis under C.R.S. § 37-45-131 in order to obtain the perpetual right to use said water.

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

Section 1. That the City of Loveland has determined to apply for a contract providing for the beneficial use of seven hundred ninety (790) acre-feet of Colorado-Big Thompson Project water from the District within the boundaries of the District.

Section 2. That the Director of the Department of Water and Power is hereby authorized and directed to apply to the Board of Directors of the District for a contract providing to the City the beneficial use of said water upon the terms prescribed by said Board in the manner and form attached hereto as Exhibit A and incorporated herein by reference (“Application”).

Section 3. That the Director of the Department of Water and Power is hereby authorized to execute the Application any other documents required by the District to effectuate the contract.

Section 4. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 17th day of January, 2012.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

APPLICATION TO
NORTHERN COLORADO WATER CONSERVANCY DISTRICT
FOR ANNUALLY RENEWABLE
PERPETUAL WATER CONTRACT FOR RIGHT TO USE
COLORADO-BIG THOMPSON PROJECT WATER
UNDER C.R.S. 37-45-131

Applicant, City of Loveland, a Colorado municipal corporation acting in its governmental capacity or a water activity enterprise (circle capacity in which applicant is acting), hereby applies to Northern Water, a political subdivision of the State of Colorado, organized and existing by virtue of Title 37, Article 45, Colorado Revised Statutes, for a contract for the right to beneficially use Colorado-Big Thompson Project water under the following terms and conditions:

1. The quantity of water herein requested by Applicant for annual application to beneficial use is 790 acre-feet to be used so long as the Applicant fully complies with all of the terms, conditions, and obligations hereinafter set forth.
2. It is understood and agreed by the Applicant that any water provided for use under this contract by the Board of Directors of Northern Water shall be primarily for domestic, irrigation, or industrial use within or through facilities or upon lands owned or served by said Applicant, provided however, that all lands, facilities, and serviced areas which receive benefit from the use of water (whether water service is provided by direct delivery, by exchange, or otherwise) shall be situated within the boundaries of Northern Water.
3. Applicant agrees that an acre-foot of water as referred to herein is defined as being one-three-hundred-ten-thousandth (1/310,000) of the quantity of water annually declared by the Board of Directors of Northern Water to be available for delivery from the water supplies of Northern Water. Applicant agrees that such water shall be delivered from the works of Northern Water at such existing Northern Water delivery point or points as may be specified by the Applicant and that the water delivery obligation of Northern Water shall terminate upon release of water from said works. Further, the Applicant agrees that on November 1 of each year, any water undelivered from the annual quantity made available to the Applicant shall revert to the water supplies of Northern Water.
4. Applicant agrees to pay annually in advance for the amount of water herein provided for use under this contract by the Board of Directors of Northern Water at a price per acre-foot to be fixed annually by said Board; and, further, agrees that the initial annual payment shall be made, in full, within fifteen (15) days after the date of notice from Northern Water that the initial payment is due hereunder. Said notice will advise the Applicant, among other things, of the water year to which the initial payment shall apply and the price per acre-foot which is applicable to that year. Annual payments for each water year thereafter shall be made in advance by the Applicant on or before each October 1, 31 days prior to the start of the water year, at the rate per acre-foot

established by the Board for municipal water use in that water year. For the purpose of this water contract, the water year is defined to be from November 1 to October 31 of the following year.

If an annual payment as herein provided is not made by due date, written notice thereof, by certified mail, will be given by Northern Water to the Applicant at the following address: 200 N. Wilson Avenue, Loveland, Colorado 80537.

Water deliveries shall be suspended as of November 1 of the new water year until payment of the delinquency is made. If payment is not made within ninety (90) days after the date of mailing of said written notice, Applicant shall have no further right, title, or interest under this contract; and the right of use of water as herein made, shall be disposed of at the discretion of the Board of Directors of Northern Water. Any proceeds from any sale of the right of use to another allottee shall be paid to Applicant over and above Northern Water's actual expense in terminating and disposing of the contract right of use.

5. This right of use shall be perpetual on an annually renewable basis. If the annual payment is made as provided in this application, the right of use shall be automatically renewed another water year without any further notice of Northern Water; if the annual payment is not timely made, as provided above, the right of use shall terminate.
6. Applicant agrees that the water allocation shall be beneficially used for the purposes and in the manner specified herein, and that this right of use is made for the exclusive benefit of the Applicant and shall not inure to the benefit of any successors or assigns of said Applicant without prior specific approval of the Board of Directors of Northern Water.
7. Applicant agrees to be bound by the provisions of the Water Conservancy Act of Colorado; the rules, regulations and policies of the Board of Directors of Northern Water as they now exist or as they exist in the future; and by the Repayment Contract of July 5, 1938, between Northern Water and the United States and all amendments thereof and supplements thereto.
8. Applicant agrees, as a condition of this contract, to enter into an "Operating Agreement" with Northern Water if and when the Board of Northern Water finds and determines that such an agreement is required by reason of additional or special services requested by the Applicant and provided by Northern Water. Said agreement may contain, but not be limited to, provision for water delivery at times or by means not provided within the terms of standard contracts of Northern Water; additional annual monetary consideration for extension of Northern Water delivery services and for additional administration, operation and maintenance costs; or for other costs to Northern Water which may arise through provision of services to the Applicant.

9. Acquisition of this annually renewable perpetual right of use water contract for the Colorado-Big Thompson Project water from Northern Water and the right to the beneficial use of water thereunder by the Applicant necessary; the continued acquisition and use of this water supply is essential for the well-being of the community and for the preservation of the public peace, health, and safety; and the adequate protection of the health of the inhabitants of the community.

10. The governing body of Applicant has duly approved this Application in accordance with all legally required procedures.

Signed this _____ day of _____, A.D., 20____.

CITY OF LOVELAND

By _____

ATTEST:

(SEAL)

ORDER ON APPLICATION

Application having been made by or on behalf of all parties interested in this allocation of the right to use Colorado-Big Thompson Project water and after a Hearing by the Board, it is hereby ORDERED that the above application be granted and an allotment contract for 790 acre-feet of water is hereby made to the City of Loveland, a Colorado municipal corporation, for the beneficial uses set forth in said application upon the terms, conditions, and manner of payment as therein specified.

NORTHERN COLORADO WATER
CONSERVANCY DISTRICT

By _____
President

I hereby certify that the above Order was entered by the Directors of Northern Colorado Water Conservancy District on the _____ day of _____, A.D., 2012.

ATTEST: _____
Secretary

**APPLICATION TO
NORTHERN COLORADO WATER CONSERVANCY DISTRICT
FOR CANCELLATION OF TEMPORARY USE PERMITS**

The City of Loveland, hereby applies for the cancellation of the following Temporary Use Permits:

<u>Permits Dated</u>	<u>Acre-Feet</u>
February 11, 2011	662
August 12, 2011	<u>128</u>
Total Quantity to be Released	790

Dated at Loveland, Colorado this _____ day of _____, 20____.

CITY OF LOVELAND

ATTEST:

By _____

(SEAL)

ORDER ON APPLICATION

Application having been made by the City of Loveland, for the cancellation of the above Temporary Use Permits, and Hearing having been held by the Board of Directors of Northern Colorado Water Conservancy District, it is hereby ORDERED that the above Temporary Use Permits be canceled.

Dated the _____ day of _____, _____.

NORTHERN COLORADO WATER
CONSERVANCY DISTRICT

ATTEST:

President

Secretary



CITY OF LOVELAND
 DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

AGENDA ITEM: 7
MEETING DATE: 1/17/2012
TO: City Council
FROM: Greg George, Development Services Department
PRESENTER: Bethany Clark, Community & Strategic Planning

TITLE:

Public Hearing and consideration of AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET FOR A STATE HISTORICAL FUND GRANT TO FUND A STRUCTURAL ASSESSMENT OF THE PULLIAM BUILDING.

RECOMMENDED CITY COUNCIL ACTION:

Move to adopt on first reading AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET FOR A STATE HISTORICAL FUND GRANT TO FUND A STRUCTURAL ASSESSMENT OF THE PULLIAM BUILDING.

OPTIONS:

1. Adopt the ordinance as recommended
2. Not adopt the ordinance
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION:

This is an administrative action. The ordinance appropriates funds in the amount of \$14,715 from a State Historical Fund grant to complete a historic structural assessment of the Pulliam Community Building.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

The appropriation is entirely funded by a State Historical Fund grant. There are no matching funds required.

SUMMARY:

In October 2011, the City of Loveland applied for a Historic Structure Assessment grant from the State Historical Fund for the historic Pulliam Community Building. In November, staff received an award letter from the State Historical Fund awarding \$14,715 to complete a Historic Structural Assessment of the Pulliam Community Building. The Pulliam Community Building, historically known as the Loveland Community Building, is a notable product of the federal relief programs created during the Great Depression. The building was constructed between 1937 and 1939 under the Works Progress Administration program on a site donated by Loveland philanthropists David T. and Lillian Pulliam. The Pulliams also contributed \$20,000 toward the cost of construction and intended the building to serve as a community focal point and events space. Over the years, the Loveland Community Building became home to the municipal government offices in addition to being used for a variety of shows, meetings, and community events. The building is still used today for community events, meetings, and as City archive space. The building embodies considerable architectural and historical significance and is individually eligible for inclusion on the National Register of Historic Places.

The non-profit group Center of Loveland, Inc. is working in partnership with the City of Loveland with a vision for the repurposing and revival of this building. A historic structure assessment would provide the City with an understanding of the conditions of the various systems and components of the building, as well as any structural deficiencies. The information discovered in the assessment will better prepare the City and Center of Loveland, Inc. in determining the costs and priorities in rehabilitation efforts.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

Ordinance

FIRST READING January 17, 2012

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET FOR A STATE HISTORICAL FUND GRANT TO FUND A STRUCTURAL ASSESSMENT OF THE PULLIAM BUILDING

WHEREAS, the City has received funds not anticipated or appropriated at the time of the adoption of the City budget for 2012; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2012, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That revenues in the amount of \$14,720 from the State Historical Fund in the General Fund 100 are available for appropriation. Revenues in the total amount of \$14,720 are hereby appropriated for a structural assessment of the Pulliam Building and transferred to the funds as hereinafter set forth. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

Supplemental Budget		
General Fund 100 - State Historical Grant - Pulliam Building Structural Assessment		
Revenues		
100-19-193-0000-32107-SP1104	State Historical Grant	14,720
Total Revenue		14,720
Appropriations		
100-19-193-0000-43450-SP1104	Professional Services	14,720
Total Appropriations		14,720

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

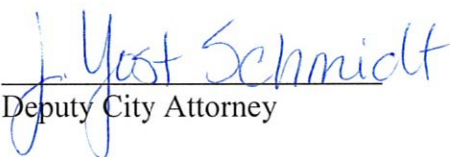
ADOPTED this ____ day of February, 2012.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney



CITY OF LOVELAND
CITY MANAGER'S OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2303 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 8
MEETING DATE: 1/17/2012
TO: City Council
FROM: Alan Krcmarik, Executive Fiscal Advisor
PRESENTER: Alan Krcmarik

TITLE: A Resolution authorizing an increase in benefits in the Loveland and Rural Consolidated Volunteer Fire Department Pension Plan effective January 1, 2012

RECOMMENDED CITY COUNCIL ACTION: A motion to adopt the proposed resolution.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION: This is an administrative action. The proposed resolution authorizes an increase in the benefits paid to firefighters that have served the community in the capacity of volunteers in the Loveland and Rural Consolidated Volunteer Fire Department Pension Plan (the "Plan"). Currently, retirees with at least 20 years of service receive a monthly payment \$600. This amount would be increased to \$650 per month. Other payments that are made to partially vested retired firefighters and surviving beneficiaries of firefighters are adjusted proportionately according to the schedule attached to the Resolution. Based on an independent actuarial study, the Plan has a funding plan sufficient to cover the costs of the increased payments. The Loveland Rural Fire District Board has favorably reviewed the increase.

BUDGET IMPACT:

- Positive
- Negative
- Neutral or negligible According to the actuarial study and discussion with the Fire & Police Pension Association, the assets of the Plan and anticipated contributions to the Plan from the State, City, and the Rural District will be sufficient to cover the future projected cost. The increase in the normal cost is \$1,528 annually.

SUMMARY: The Plan is a defined benefit pension plan. Benefits under the plan are earned by years of service, with 20 years considered to be the required number of years to earn a full benefit. The Plan membership consists of 24 active members, 49 retired members, 9 beneficiaries, and 7 terminated vested members. The Plan does not contain a provision for a cost of living adjustment. The Board of Trustees for the Plan reviews the funding status of the Plan and periodically requests benefit increases to help the retirees and their surviving beneficiaries meet the rising costs of living. Every two years, the Fire & Police Pension Association completes an actuarial study of the Plan to determine funding levels. The actuarial study also investigates alternative benefit levels.

In the 2011 actuarial study, the Board of Trustees requested evaluation of a \$25 monthly increase, a \$50 monthly increase, and a decrease of \$300 per month to fund benefits for long term disability for line of duty injury. The Board of Trustees recommends the increase of \$50 for the monthly benefit for retirees, from the current \$600 per month to \$650 per month, an 8.3% increase. Other benefits under the plan, for partially vested retirees and for surviving beneficiaries are to be proportionately adjusted.

The Board of Trustees bases the 8.3% increase recommendation on the following reasons.

1. The last increase for the retirees and beneficiaries of this Plan was 2007, effective January 1, 2008, four years ago. Since that time, the Great Recession has occurred and had great impacts on fixed income retirees. Health care costs, a large portion of retiree spending, have increased by about 12.5% percent.
2. Retiree benefits offered in comparable surrounding communities are higher. For example, Windsor volunteer retirees receive \$750 per month, Johnstown volunteer retirees receive \$900 per month; Fort Lupton volunteer retirees receive \$850 per month; and Evans volunteers receive \$650 per month.
3. During the four year period, there have been two Social Security cost of living adjustments. If the Plan's monthly benefit were to be adjusted at the same rate as Social Security recipients, the monthly benefit would be \$657.50 per month.
4. When the last increase was adopted by Council, the City Manager advised that the Board of Trustees not wait too long for the next increase because it is easier to make timely small adjustments rather than a very large adjustment over a longer period of time.

The recommendation was presented to the Loveland Rural Fire Protection District Board on January 5, 2012. The District Board approved the increase from \$600 to \$650 per month.

City staff supports the Board of Trustees' recommendation to increase from \$600 per month to \$650 per month. The normal annual cost to fund the change over an eight year period is \$19,849. The \$1,528 increase over the current normal cost is an expense that can be covered within the City's existing budget.

REVIEWED BY CITY MANAGER:

A handwritten signature in black ink, reading "William D. Cahill", is enclosed in a thin black rectangular border.

LIST OF ATTACHMENTS:

Resolution with Two Exhibits

RESOLUTION #R-6-2012**A RESOLUTION AUTHORIZING AN INCREASE IN BENEFITS FOR THE
LOVELAND AND RURAL CONSOLIDATED VOLUNTEER FIRE DEPARTMENT
PENSION PLAN EFFECTIVE JANUARY 1, 2012**

WHEREAS, the Loveland and Rural Consolidated Volunteer Fire Department Pension Plan (Fire and Police Pension Association Plan # 5153-5) is a pension plan created and existing pursuant to C.R.S. 31-30-1101, et seq., for the purposes of providing retirement benefits to qualifying volunteer firefighters and their survivors (the "Pension Fund"); and

WHEREAS, the Pension Fund is funded through contributions from the City of Loveland (the "City"), the State of Colorado, and the Loveland Rural Fire Protection District (the "LRFPD"); and

WHEREAS, retirement benefits under the Pension Fund have not increased since 2008 when pursuant to Resolution #R-18-2008, the City Council approved a retirement benefit increase from \$500/month to \$600/month for volunteer firefighters with at least 20 years of service, a prorated increase for those with at least 10 years, but less than 20 years of service, and an increase in survivor and funeral benefits effective January 1, 2008; and

WHEREAS, proposed changes to the Pension Fund benefits were considered within the biannual actuarial report identified as the Fire and Police Pension Association Actuarial Valuation as of January 1, 2011 – Loveland and Rural Consolidated Volunteer Fire Department Pension fund prepared by Gabriel Roeder Smith and Company (the "Report"); and

WHEREAS, on November 10, 2011, the Consolidated Volunteer Fire Department Pension Board of Trustees unanimously approved a motion to recommend a benefit increase commencing on January 1, 2012 that includes (1) an increase from \$600/month to \$650/month for volunteer firefighters with at least 20 years of service, (2) a prorated increase for those with at least ten years, but less than 20 years of service, and (3) an increase in survivor and funeral benefits as identified in the Report's Proposed Plan B of the Actuarial Valuation Information Checklist which is attached hereto as Exhibit A and incorporated by reference herein; and

WHEREAS, on January 5, 2012, the Loveland Rural Fire Protection District Board reviewed and voted to approve the proposed increase; and

WHEREAS, the increase in the benefit amount is not effective until and unless the City agrees to the proposed change in benefits as provided by C.R.S. 31-30-1122(1); and

WHEREAS, the City Council desires to increase the Pension Fund benefit effective January 1, 2012 with benefits to such date, and as required by C.R.S. 31-30-1122(1), having reviewed the pertinent sections of the Report, specifically the Comparison of Actuarial Results Based on Alternate Benefit Levels, attached hereto as Exhibit B and incorporated by reference herein, and confirmed that the proposed benefit increase is actuarially sound.

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

Section 1. That the City Council hereby authorizes an increase in the Pension Fund benefit amount as set forth in the Proposed Plan B of the Actuarial Valuation Information Checklist of Exhibit A with an effective date of January 1, 2008, and with benefits effective to such date.

Section 2. That the City Manager is authorized to take all appropriate steps to implement such benefit increase.

Section 3. That this Resolution shall be effective upon the date and time of its adoption.

ADOPTED this _____ day of January, 2012.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

**Loveland and Rural Consolidated Volunteer Fire Department
Pension Fund
Actuarial Valuation as of January 1, 2011**

Table 2

Actuarial Valuation Information Checklist

	Current Plan	Proposed Plan A	Proposed Plan B	Proposed Plan C	Maximum Per State Statute
1. Normal Retirement Benefit (monthly):					
a. Regular	\$600.00	\$625.00	\$650.00	\$300.00	None
b. Extended Service Amount Per Year of Service	\$0.00	\$0.00	\$0.00	\$0.00	5% of Regular, for 10 Additional years
2. Vested Retirement Benefit (monthly):					
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$30.00	\$31.25	\$32.50	\$15.00	Pro rata Share of Regular 20 Years
b. Minimum Vesting Years	10	10	10	10	
3. Disability Retirement Benefit (monthly):					
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	\$0.00	\$0.00	\$0.00	\$150.00	½ of Regular or \$225, whichever is greater
b. Long Term Disability for line of duty injury Lifetime Benefit	\$0.00	\$0.00	\$0.00	\$300.00	Regular or \$450 whichever is greater
4. Survivor Benefits (monthly):					
a. Following Death before Retirement Eligible; Due to death in line of duty as a volunteer firefighter	\$300.00	\$312.50	\$325.00	\$150.00	½ of Regular or \$225, whichever is greater
b. Following Death after Normal Retirement	\$300.00	\$312.50	\$325.00	\$150.00	50% of Regular
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$0.00	\$0.00	\$0.00	\$0.00	50% of Extended
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$15.00	\$15.63	\$16.25	\$7.50	50% of Vested
e. Following Death after Disability Retirement	\$0.00	\$0.00	\$0.00	\$150.00	50% of Disability
f. Optional Survivor Benefit Following Death before or after Retirement Eligible; Due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00	\$0.00	\$0.00	\$0.00	100% of Regular
5. Funeral Benefits (Required Benefit):					
a. Funeral Benefit Lump Sum, one time only	\$500.00	\$500.00	\$500.00	\$100.00	2 x Regular

**Loveland and Rural Consolidated Volunteer Fire Department Pension Fund
Actuarial Valuation as of January 1, 2011**

Table 1

Comparison of Actuarial Results Based on Alternate Benefit Levels

	<u>Current Plan</u> (1)	<u>Plan A</u> (2)	<u>Plan B</u> (3)	<u>Plan C</u> (4)
1. Normal Retirement Benefit	\$ 600.00	\$ 625.00	\$ 650.00	\$ 300.00
2. Normal Cost	18,321	19,086	19,849	10,078
3. Present Value of Future Benefits	3,376,799	3,517,138	3,657,484	1,691,037
4. Actuarial Accrued Liability	3,289,671	3,426,359	3,563,065	1,643,425
5. Unfunded Accrued Liability / (Surplus)	577,477	714,165	850,871	(1,068,769)
6. Total Annual Calculated Contribution	65,808	81,455	97,102	(121,571)
7. Assumed Contribution	162,636	162,636	162,636	162,636
8. Funding Period Based on Assumed Contribution	5 years	7 years	8 years	0 years
9. Is current assumed contribution adequate to support the prospective benefit levels on an actuarially sound basis?	Yes	Yes	Yes	Yes



CITY OF LOVELAND
FINANCE DEPARTMENT

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2695 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 9
MEETING DATE: 1/17/2012
TO: City Council
FROM: Cindy Scymanski, Finance/Purchasing
PRESENTER: Bonnie Steele, Acting Finance Director

TITLE: Contract for 2012 Tree Trimming and Removal Services

RECOMMENDED CITY COUNCIL ACTION:

Adopt a motion to award the 2012 contract for tree trimming and removal services to Asplundh Tree Experts Company in an amount not to exceed \$650,000 and to authorize the City Manager to execute the contract

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION:

This is an administrative action to approve a contract with Asplundh Tree Experts Company for \$650,000 for tree trimming in Parks, Golf Courses, Right of Ways, facility grounds, and around City owned electrical lines. This action is to authorize the City Manager to execute the contract.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

Budget dollars are available in Public Works (\$100,000), Parks & Recreation & Golf (\$60,000), and Water & Power (\$400,000).

SUMMARY:

In November 2009 sealed bids were opened for tree trimming/removal services on an as needed basis for Public Works, Parks & Recreation, Golf, and Water and Power. The contract for the 2010 budget year was extended with the same contractor at the same prices for the 2011 budget year. For the 2012 budget year, the Contractor increased prices by 2.5%.

The not to exceed contract amount for 2012 was set by estimates given by each department in November and December 2011; Public Works \$100,000, Parks & Golf \$60,000, and Power \$400,000. The Water and Power Department, Power Division, has been utilizing two crews and a planner full time to aggressively try to accomplish normal tree trimming within the Canyon area, in addition to other growth related areas, and on-going customer requests to trim around power lines; which is part of a four year trimming rotation cycle.

Since this contract is used for multiple departments and for emergency clean up, in the case of adverse weather or disaster, staff recommends the contract amount of \$650,000 which includes \$90,000 of unencumbered funds in case of emergency.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

None



CITY OF LOVELAND
FINANCE DEPARTMENT

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(970) 962-2695 · FAX (970) 962-2900 · TDD (970) 962-2620

AGENDA ITEM: 10
MEETING DATE: 1/17/2012
TO: City Council
FROM: Bonnie Steele, Finance Department
PRESENTER: Bonnie Steele, Acting Finance Director

TITLE:

Public Hearing and consideration of an ordinance on first reading enacting a supplemental budget and appropriation to the 2012 City of Loveland budget to appropriate a portion of the proceeds from the Agilent property sale.

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and approve the ordinance on first reading

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION:

This is an administrative action. A portion of the proceeds from the sale of the Agilent property is appropriated to the Council Incentive Account for carrying costs incurred prior to the sale and appropriation for the carrying costs approved in the 2012 budget are transferred for the payment of 2011 property taxes on the property payable in 2012 and to reimburse the Council Incentive account for the balance.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

The appropriation is funded revenue received from the sale proceeds that were received in late December 2011 and the reallocation of funding approved in the 2012 budget.

SUMMARY:

Disposition of Sale Proceeds

Proceeds from the sale of the property in the amount of \$4,995,632 were received by the City on December 20th, 2011. Below is a breakdown of the sales proceeds and accompanying notes.

Proceeds from sale of Land	\$ 4,995,632
(a) To Raw Water - Principal	(4,285,906)
(a) To Raw Water - Interest	<u>(54,418)</u>
Total Proceeds to General Fund	<u>655,308</u>
(b) To Council Incentive - Due Diligence & Operating Costs Estimated	(446,040)
(c) Operating costs budgeted but not incurred	244,490
(c) To Council Incentive - Operating Costs not incurred	<u>(24,220) 220,270</u>
(d) County Property Taxes - 2012 payment	<u>(220,270)</u>
Remaining Amount from Appropriations after Costs	<u>\$ 209,268</u>

- (a) From the sale proceeds \$4.34 million was deposited into the Raw Water Fund to reimburse the transfers, with interest, from that fund used to purchase the property.
- (b) The remaining \$655,308 was deposited into the General Fund, of which \$446,040 of this amount is appropriated to reimburse the Council Incentive account for net carrying costs charged to the account to maintain the building prior to the sale.
- (c) As part of the 2012 Adopted budget, \$244,490 was transferred from the Council Incentive account and to the Public Works/Facilities Management Division budget to cover four months of additional carrying costs in case the sale of the property took longer than anticipated. These costs will not be incurred due to the sale in December. The difference between the projected carrying costs and the property taxes due remains in the Council Incentive account.
- (d) When the City purchased the property on June 23, 2011, it received a credit against the purchase price in the amount of \$220,270 for the real property taxes attributable to the period from January 1, 2011 through closing (during which time the property was owned by Agilent and subject to taxes) and the property became tax exempt for the balance of 2011. In accordance with the closing documents signed when the City purchased the property, the City is responsible for payment of the 2011 taxes when they become payable in 2012.

Budget Actions Needed

This action appropriates the \$446,040 and reduces the Facility Management Division 2012 budget and transfers \$220,270 to the Economic Development Department budget for the payment of 2011 real property taxes due to the County in 2012.

As a result of these actions there is a net gain in unrestricted fund balance of \$209,268 above the amount anticipated in the 2012 Adopted budget, which is available for other projects or City operations.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. An ordinance enacting a supplemental budget and appropriation to the 2012 City of Loveland budget to appropriate a portion of the proceeds from the Agilent property sale.

FIRST READING January 17, 2012

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET TO APPROPRIATE A PORTION OF THE PROCEEDS FROM THE AGILENT PROPERTY SALE

WHEREAS, on May 24, 2011, City Council adopted, on second reading, Ordinance #5586 appropriating \$5,822,000.00 from various City reserve funds for the purchase of the Agilent property and certain water rights (collectively, the “Agilent Property”), and operating, insurance and other costs expected to be incurred to hold the Agilent Property pending sale of a portion of the Property for redevelopment; and

WHEREAS, the City purchased the Agilent Property on June 23, 2011, and in connection with that purchase, received a credit against the purchase price in the amount of \$220,262.05 for 2011 real property taxes payable in 2012 for the period from January 1, 2011 through June 23, 2011, at which time the Agilent Property became tax exempt as a consequence of the City’s ownership; and

WHEREAS, on October 25, 2011, City Council adopted Emergency Ordinance #5645 authorizing the City’s sale of a portion of the Agilent Property (exclusive of the water rights, certain right of way, and open space to be retained by the City) to C & W Resources, LLC (“C & W”) for redevelopment; and

WHEREAS, the City completed the sale of that portion of the Agilent Property to C & W on December 20, 2011, and the City received net proceeds of \$4,995,631.57, which were deposited in the General Fund and the Raw Water Fund, increasing the reserves in these funds, and

WHEREAS, as a result, the City has reserved funds not anticipated or appropriated at the time of the adoption of the City budget for 2012; and

WHEREAS, the City Council desires to authorize the expenditure of a portion of these funds by enacting a supplemental budget and appropriation to the City budget for 2012, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That revenues in the amount of \$446,040 from fund balance on-hand in the General Fund 100 are available for appropriation. Revenues in the total amount of \$446,040 are hereby appropriated for payment of 2011 real property taxes due in 2012 in the amount of \$220,270, as agreed in the closing documents when the City purchased the Agilent Property, and to reimburse the Council Incentive account for carrying costs incurred prior to the sale of a portion of the Agilent Property for redevelopment. Such appropriated revenues are hereby transferred to the funds hereinafter set forth. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
General Fund 100 - Land Sale Proceeds**

Revenues			
Fund Balance			446,040
Total Revenue			446,040
Appropriations			
100-18-180-1500-43155	Economic Incentives		470,260
100-18-180-1500-43714-AGL111	Payment to Other Government Agency		220,270
100-23-250-1801-43450-AGL111	Professional Services		(72,690)
100-23-250-1801-43640-AGL111	Utilities		(171,800)
Total Appropriations			446,040

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

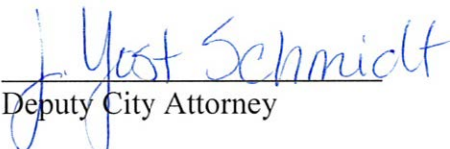
ADOPTED this ____ day of February, 2012.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:


Deputy City Attorney



CITY OF LOVELAND
 ECONOMIC DEVELOPMENT OFFICE
 Civic Center • 500 East Third • Loveland, Colorado 80537
 (970) 962-2304 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 11
MEETING DATE: 1/17/2012
TO: City Council
FROM: Betsy Hale, Economic Development Department
PRESENTER: Mike Scholl

TITLE:

Public hearing and consideration of an ordinance on first reading enacting a supplemental budget and appropriation to the 2012 City of Loveland budget to appropriate the developer's contribution to the Rialto Bridge construction project

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and approve the ordinance on first reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION:

This is an administrative action. The ordinance appropriates the developer funds to be disbursed by the City (\$1,114,000). The developer, Rialto Bridge LLC will contribute \$1,114,000 to the Rialto Bridge Project as required by the Development Agreement for construction costs associated with the project. This is not a deviation from the existing budget and the project is not seeking an additional appropriation from the City funds. In addition, the City, as per the Development Agreement, required a signed and fully executable letter of credit from Rialto Bridge, LLC for \$1,114,000 to ensure performance.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

The appropriation is funded from revenues contributed by a private entity.

SUMMARY:

As per the Development Agreement with the Rialto Bridge, LLC, the City is distributing all of the construction funding for the project including funds contributed by Rialto Bridge, LLC. The \$1,114,000 is the Rialto Bridge, LLC's contribution to pay for the private share of the core and shell. When the appropriation for the project was first prepared, staff in error, did not include the private contribution in the initial appropriation with the contribution from the Community Foundation. The City is required to appropriate all funds it will disburse including the private funds, even if there is no impact to the general fund.

Exhibit E from the project development agreement is attached with the private contribution called out for your review. This appropriation **does not** increase the City's contribution to this project.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. An ordinance enacting a supplemental budget and appropriation to the 2012 City of Loveland budget to appropriate the developer's contribution to the Rialto Bridge construction project.
2. Exhibit E – Cash Flow Statement from the Project Development Agreement, Rialto Bridge Project

FIRST READING January 17, 2012

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET TO APPROPRIATE THE DEVELOPER’S CONTRIBUTION TO THE RIALTO BRIDGE CONSTRUCTION PROJECT

WHEREAS, the City has received funds not anticipated or appropriated at the time of the adoption of the City budget for 2012; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the City budget for 2012, as authorized by Section 11-6(a) of the Loveland City Charter.

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

Section 1. That revenues in the amount of \$1,114,000 from Rialto Bridge LLC in the Capital Projects Fund 120 are available for appropriation. Revenues in the total amount of \$1,114,000 are hereby appropriated for construction expenses associated with the project and transferred to the funds as hereinafter set forth. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Capital Projects Fund 120 - Rialto Bridge Project**

Revenues		
120-00-000-0000-35304-SP1001	Contributions	1,114,000
Total Revenue		1,114,000
Appropriations		
120-91-902-0000-49909-SP1001	Other Capital	1,114,000
Total Appropriations		1,114,000

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full. This Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).


ADOPTED this ___ day of February, 2012.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Deputy City Attorney

Exhibit E

Private contribution to be appropriated

Cash Flow Statement																
Rialto Bridge Project																
	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Totals
Opening Bank Balance	0	144,808	45,339	115,316	55,710	5,710	32,010	182,010	137,010	42,010	32,010	227,010	140,770	746,120	346,120	
Inflows																
Rialto Bridge, LLC	75,000		75,000			150,000							1,114,000			1,414,000
City of Loveland	69,808		59,927	15,355		350,000	175,000	175,000	150,000	150,000	150,000	68,780				1,363,870
Community Foundation							175,000		175,000		200,000				150,000	700,000
Total Inflows	144,808	0	134,927	15,355	0	500,000	350,000	175,000	325,000	150,000	350,000	68,780	1,114,000	0	150,000	3,477,870
Outflows																
Soft Costs		99,469	64,950	74,961	50,000	100,000	100,000	20,000	20,000	10,000	5,000	5,020				549,400
Hard Costs						373,700	100,000	200,000	400,000	150,000	150,000	150,000	250,000	200,000	180,000	2,153,700
Public Tenant Finish													200,000	200,000	271,000	671,000
Private Tenant Finish																0
Private Other													58,650			58,650
Total Outflows	0	99,469	64,950	74,961	50,000	473,700	200,000	220,000	420,000	160,000	155,000	155,020	508,650	400,000	451,000	3,432,750
Closing Bank Balance	144,808	45,339	115,316	55,710	5,710	32,010	182,010	137,010	42,010	32,010	227,010	140,770	746,120	346,120	45,120	45,120
*October, December and January payments were previously appropriated and spent for the design phase. City spent \$145,090 on design Developer spent \$145,090 on design																



CITY OF LOVELAND
WATER & POWER DEPARTMENT
 200 North Wilson • Loveland, Colorado 80537
 (970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

AGENDA ITEM: 12
MEETING DATE: 1/17/2012
TO: City Council
FROM: Steve Adams, Water & Power Department
PRESENTER: Larry Howard, Water & Power Department

TITLE:

A Resolution adopting the 2012 Raw Water Master Plan of the City of Loveland and amending the 2005 Comprehensive Master Plan by addition of the 2012 Raw Water Master Plan as a functional (component) plan element.

RECOMMENDED CITY COUNCIL ACTION:

Adopt the resolution.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION:

This is a legislative action to adopt the 2012 Raw Water Master Plan and to amend the 2005 Comprehensive Master Plan by addition of the 2012 Raw Water Master Plan as a functional (component) plan element.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

SUMMARY:

The City of Loveland has a long history of planning for the water supply needs of the community. In 2005, Loveland City Council adopted a Raw Water Master Plan. An element of this adopted plan called for the plan to be reviewed and updated periodically; about every 5 years or so. The 2012 Raw Water Master Plan reflects the work of that effort and recommends steps for the City to take in ensuring a reliable water supply for the future.

Staff will report on the City's water supply, methods used, and assumptions made in developing the 2012 Raw Water Master Plan, the work accomplished, current policies related to the City's raw water supply, and recommended policies for the future.

The current version of the 2012 Raw Water Master Plan is available on the City's website at <http://www.cityofloveland.org/modules/showdocument.aspx?documentid=7725>, or in hardcopy at the City Clerk's Office and the Loveland Public Library.

Please note this plan was presented at several public meetings as the 2011 Raw Water Master Plan Update; the final version being presented for adoption is the 2012 Raw Water Master Plan.

City Council asked a specific question of staff during the December 13, 2011 Study Session regarding raw water firm yields. Please see Attachment B to the enclosed staff memorandum for a detail summary response from other Front Range water providers, being developed by staff.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

Resolution

Staff memorandum with attachments A, B, and C

Overview slides for presentation.

Executive summary from 2012 Raw Water Master Plan.

Final 2012 Raw Water Master Plan (entire report).

RESOLUTION #R-7-2012

A RESOLUTION ADOPTING THE 2012 RAW WATER MASTER PLAN OF THE CITY OF LOVELAND AND AMENDING THE 2005 COMPREHENSIVE MASTER PLAN BY ADDITION OF THE 2012 RAW WATER MASTER PLAN AS A FUNCTIONAL (COMPONENT) PLAN ELEMENT

WHEREAS, on November 15, 2005 by Resolution #R-95-2005, the City Council of the City of Loveland adopted the City's first Raw Water Master Plan ("2005 Raw Water Master Plan") to be used by the City to develop and compare policy options to meet the future raw water needs of the City; and

WHEREAS, Water & Power Department staff prepared an update to the 2005 Raw Water Master Plan, the draft of which was referred to throughout 2011 as the 2011 Raw Water Master Plan ("2011 Raw Water Master Plan"); and

WHEREAS, on October 19, 2011, the Loveland Utilities Commission adopted a motion recommending that the City Council adopt the 2011 Raw Water Plan; and

WHEREAS, on November 14, 2011, the Planning Commission adopted a resolution recommending that the City Council amend the 2005 Comprehensive Master Plan by addition of the 2011 Raw Water Master Plan as a functional (component) plan element, and making certain findings in support of that recommendation as required by Section 6.0 of the 2005 Comprehensive Master Plan; and

WHEREAS, the 2011 Raw Water Master Plan was subsequently retitled as the "2012 Raw Water Master Plan," and was modified to reflect several substantive changes recommended by Water and Power Department staff, and the Loveland Utilities Commission at its December 14, 2011 meeting; and

WHEREAS, the City Council desires to adopt the 2012 Raw Water Master Plan and amend the 2005 Comprehensive Master Plan by addition of the 2012 Raw Water Master Plan as in the best interest of the citizens and rate payers of the City of Loveland.

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

Section 1. That the 2012 Raw Water Master Plan, a copy of which is on file with the Loveland City Clerk, is hereby adopted and shall be used by the City to develop and compare policy options to meet the future raw water needs of the City.

Section 2. That the 2005 Comprehensive Master Plan is hereby amended by the addition of the 2012 Raw Water Master Plan as a functional (component) plan element.

Section 3. That this Resolution shall take effect as of the date of its adoption.

ADOPTED this 17th day of January, 2012.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney



Department of Water and Power
 Service Center • 200 N. Wilson Avenue • Loveland, CO 80537
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Memorandum

To: City Council
 Through: Bill Cahill, City Manger
 From: Steve Adams, Water and Power Director
 Subject: 2012 Raw Water Master Plan
 Date: January 17, 2011
 Cc: Chris Matkins, Larry Howard, Greg Dewey and Sarah Smith
 Attachment A: *Timeline of Events Leading to the Proposed RWMP*
 Attachment B: *Raw Water Supply Planning for Regional Water Suppliers*
 Attachment C: *Compiled Meeting Comments Related to the Raw Water Master Plan*

The City of Loveland has a long history of planning for the water supply needs of the community. The 2012 Raw Water Master Plan (RWMP) is a document reflecting the accumulated work of that effort and recommending steps for the City to take in ensuring a reliable water supply for the future. At the December 13, 2011 City Council Study Session, Water & Power staff presented detailed information about the RWMP, and were provided Council's guidance regarding the 2011 DRAFT Raw Water Master Plan (RWMP) and the recommendations it contained. At the Loveland Utilities Commission (LUC) meeting on October 19, 2011, the LUC formally recommended that City Council adopt the 2011 RWMP, with some allowances for minor clarifications in the report. The Construction Advisory Board conducted a public hearing and approved a similar motion on December 7, 2011. On December 12, 2011, the Planning Commission also conducted a public hearing, and approved the RWMP as a functional component plan element of the City's Comprehensive Master Plan.

The original Raw Water Master Plan (RWMP) in 2005 was designed as a tool to help staff recommend to City Council the necessary steps to assure that the City's estimated future demands for raw water are met. The RWMP presented and analyzed alternative projects, and provided guidelines for ongoing evaluation of those alternatives to determine which best meet those future demands. The RWMP was completed and adopted by City Council in 2005.

It was expected that the RWMP would be revisited on approximately a 5-year time frame and updated based on the City's future water supplies and demands and on the future availability of the various sources of water or feasibility of the various options. This RWMP report reflects the first update to the original RWMP, following successful completion of the City's application to the Water Court in Case No. 2002CW392, which provided terms and conditions for the use of over 4,000 acre-feet of water.

The Recommendations from the Raw Water Master Plan are included on the following pages of this memo for convenient reference. The current version of the *2012 Raw Water Master Plan* is available on the City's website at <http://www.cityofloveland.org/modules/showdocument.aspx?documentid=7725>, or in hardcopy at the City Clerk's Office or City of Loveland Library.

Raw Water Master Plan Recommendations

Based on results from the updated Raw Water Supply Model (RWSM), the 2011 *Raw Water Supply Yield Analysis* (SWE Report) and LUC and staff review of the City's current policies related to fees, requirements, acquisition and development of a reliable, high quality supply of raw water for the City, and considering that the 2012 firm yield according to these sources is 27,390 acre-feet, which meets 26,800 acre-feet of municipal demand plus 590 acre-feet of augmentation demand, the LUC and staff recommend the following:

1. 1-in-100 Year Drought Planning
 - A. Continue to plan for the City's long-term policy of preparing for a 1-in-100 year drought event with no curtailment.
 - B. Use the City's water resources wisely, and use conservation as a tool for meeting demands during severe droughts, but not as a source for meeting future supply demands up to the 1-in-100 year event.
 - C. Potential climate change impacts were considered but analysis was reserved for a future update as the industry is developing responses in this area.

2. 2011 *Raw Water Supply Yield Analysis Update* (SWE Report)—Raw Water Supply Model (RWSM)
 - A. Continue to use the 2011 *Raw Water Supply Yield Analysis Update* and the Raw Water Supply Model as tools to evaluate proposed policy changes related to acquisition and planning for raw water supplies.

3. Continue to use a raw water demand target of 30,000 acre-feet, with a current firm yield of 27,390 acre-feet, leaving a future 'gap' of 2,610 acre-feet of raw water to be developed.

4. Modify the City's current policy for accepting raw water. The basic components of any policy revisions may consider, without limitation, the following:
 - A. CBT
 - i. Require that at least 50 percent of every raw water payment be made using CBT, existing cash credits in the Water Bank, or cash-in-lieu.
 - a. Accept CBT units, cash credits in the Water Bank, or cash-in-lieu for the full payment of any raw water requirement.
 - b. Keep the current credit value of CBT, set at 1.0 acre-foot per unit.
 - ii. Continue purchasing CBT acre-foot units, on an ongoing basis under favorable market conditions.

 - B. Ditch Shares
 - i. Adjust the credits for ditch shares to the actual values as determined by the current 2011 SWE report using either of the following methods, at the developer's option:
 - a. For average yields as determined in the RWSM for ditch credits, require the storage fee to make up the difference between the firm yield and the average yield.
 - b. For firm yields as determined in the RWSM for ditch credits, do not require a storage fee.
 - c. Any ditch credits currently in the water bank originally deposited prior to July, 1995, may continue to be granted average yields without requiring the storage fee.
 - ii. Accept any native water shares in the City's Growth Management Area that in the City's opinion may successfully be transferred in Water Court.

- C. Native Raw Water Storage Fees (NRWSF)
 - i. Continue to use the current fees.

- D. Cash-In-Lieu
 - i. Remove the current limit on cash-in-lieu transactions. Allow use of cash-in-lieu on any transaction.
 - ii. Continue to keep the City’s cash-in-lieu fee five percent (5%) higher than the market price of CBT water, to allow for administrative expenses in acquiring water.

Following is a summary of the recommended factors for the ditch shares:

Table 9-1: Summary of Recommended Factors for Ditch Shares

Irrigation Company	Current & Proposed NRWSF (\$/acre-foot)	Proposed Average Credit With storage (acre-foot/share)	Proposed Firm Credit w/o storage (acre-foot/share)
South Side	\$6,770	4.55	1.46
Louden	\$6,850	12.17	2.43
Buckingham	\$7,400	6.36	0.38
Barnes	\$5,750	3.32	0.86
Chubbuck	\$7,400	2.94	0.41
Big TD&M	\$3,530	186.57	70.90

- 5. Continue to consider the benefits of different types of storage:
 - A. Upstream Storage
 - i. Provides “annual storage”
 - ii. Provides “firming storage”
 - B. Downstream Storage
 - i. Provides staging for later upstream exchange.
 - ii. Provides staging for releases downstream.

- 6. Consider implementing elements of the maximum run conditions identified in Table 6 of the SWE Report.

- 7. Evaluate the most effective ways to make use of reusable supplies:
 - A. Exchange upstream for municipal use.
 - B. Sell or lease to downstream users.
 - i. Determine a reasonable policy for providing augmentation water to others, including value, storage, and administration.
 - C. Continue to monitor the applicability and feasibility of a purple-pipe raw water irrigation system.

The intent of these policy changes is to ensure the reliability of water the city accepts, thereby adhering to the charge by City Council to be able to meet future demands for water without curtailment in up to a 1-in-100 year drought. These steps are designed to enhance the City’s economic prosperity and potential for continued future growth.

Recurring Questions in Public Comments

2005 Raw Water Master Plan and 2011 Raw Water Master Plan Processes

- How was the increase in the Native Raw Water Storage Fee determined?: The Native Raw Water Storage Fee was originally established by City Council on June 20, 1995 with Ordinance #4096, and set at \$400. This was determined by comparing with the price of CBT water, which at the time was \$800 per unit. The assumption was that without storage, the native water would only deliver 50 percent of its average yield so 50 percent of a CBT unit was required to make up the difference. On March 4, 1997, in Resolution #R-12-97 City Council raised the fee to \$475 although the price of CBT water at that time was much higher and would have justified a higher fee. On November 15, 2005, Ordinance #5039 set the fee at different amounts for the various ditches to reflect the differing seniorities of their decrees. The average fee was targeted to be \$6,000/AF, which reflected the approximate market differences between the value of CBT, which is stored, and native rights from the ditches, which require storage. The increased fee was phased in as follows: 1) one third of the amount was due for transactions beginning January 1, 2006, 2) two thirds was due for transactions after January 1, 2007, and 3) the full fee, averaging \$6,000/acre foot, went into effect beginning January 1, 2008. The fee has remained unchanged since that time.

During the meetings in 2005 while the fee was being contemplated, Staff obtained information from local water brokers who suggested that the value of native ditch water was \$5,000 per acre-foot. To provide parity for anyone dedicating water to a development, the total cost of dedicating ditch water was compared to the price of CBT, which at that time was \$11,000 per unit. The City's yield model assumed that each CBT unit would deliver 1 acre-foot. The NRWSF was set individually for each ditch according to the various storage ratios in the SWE report, averaging \$6,000 per acre-foot for all the ditches. This procedure required a smaller fee from the more senior ditches with smaller storage ratios, thereby requiring less storage, and a higher fee from ditches with higher storage ratios, which require more storage to make the yield firm.

Staff and LUC do not recommend changing the Native Raw Water Storage Fees at this time. Staff obtained current information from local water brokers who suggested that the value of native ditch water is about \$2,000 per acre-foot and CBT is about \$8,000 per unit. The City currently credits CBT at 1 acre-foot per unit. The current fee averages \$6,000 per acre-foot for all the ditches. To provide parity for anyone dedicating water to a development, the total cost of dedicating ditch water with the storage fee, as compared to the price of CBT, are both about \$8,000 per acre-foot.

- Who should pay the cost for a storage project or CBT water?: This philosophical question has also been phrased, "Should growth pay its own way?" The existing customers/citizens may benefit marginally from additional storage, but have already paid for storage in the Green Ridge Glade Reservoir Project. Since 2006, a 1% increase to the water rates has been added every year, with the accumulated monies to be set aside in a fund used for water resource development, such as building water storage or buying CBT water. In this manner, existing customers are paying for a portion of their marginal benefit.

Among developers, those who use cash credits or CBT water are not creating a deficit like those using native water rights. The developers who use native water rights are the ones who need to provide storage to deliver firm yields every year if growth is to pay its own way.

- What is the City's plan for funding a reservoir or other water resource project?: The Native Raw Water Storage Fee still falls far short of meeting the total estimated cost of building storage. Although, \$6,000 per acre-foot of water credit on average is being collected, the lowest identified cost of storage for native water in the Big Thompson Basin upstream of the water treatment plant and below Rocky Mountain National Park is \$7,768 per acre-foot of storage space constructed, adjusted using the "Handy Whitman Index for Public Utilities" from 4th quarter, 2008 dollars. This information comes from the "*Comprehensive Study Report, Loveland Storage Reservoir,*" dated June 19, 2009 by BasePoint Design Corporation, On average 2.6 acre-feet of storage is required to create 1 acre-foot of firm yield. This results in a cost of \$20,197 per acre foot of firm yield ($\$7,768 \times 2.6 = \$20,197$), of which the \$6,000 represents about 30 percent.

The basic question is, "Who will need to make up the remaining 70 percent of the cost?" In 2005, the City Staff and LUC discussed that since a future water resource project will be needed in the future, the remaining funds could be generated by continuing to collect monies from a 1% per year rate increase, a bond issue, or low interest loan. This remains the City's current plan.

However, collections of money received to date are very small compared to the total cost of meeting the increased demand. The Native Raw Water Storage Fee has been collected since it was instituted in 1995. However, the fees collected up through 2004 were used in the expansion of Green Ridge Glade Reservoir. Since 2005, \$1.28 million in Native Raw Water Storage Fees and \$1.27 million in cash-in-lieu have been collected. Of the 1% increase to the water rates previously mentioned, there is \$1.5 million in the fund.

Alternatively, CBT could be purchased at a much lower price per acre foot of firm yield. Current market prices appear to be in the \$7,500 to \$8,100 range, compared to the dedication of native rights, requiring \$20,197 for storage to ensure the availability of the water when needed.

Conclusion

The process leading to the recommendations before Council tonight has been discussed, studied and publicly vetted over nine years. The 2012 Raw Water Master Plan has been thoroughly reviewed by experts in the water resources field, City Staff and the Loveland Utilities Commission. It is generally recognized that the current policies have helped to create parity among the options for paying raw water requirements. The update is meant to reaffirm the City's priorities for securing a safe and reliable water supply in a fiscally responsible manner.

Attachment A Timeline of Events Leading to the Proposed RWMP

Considerable effort from many entities and individuals has occurred over many years, dating back to the initiation of the Water Utility in 1887. The timeline below focuses on more recent history and significant events related to raw water planning and specifically the 2005 RWMP and the 2012 RWMP.

- At the regular LUC meeting on September 18, 2002, Water & Power staff presented information showing that the City's acceptance of raw water from local ditch companies at average yield values without storage was creating a deficit in the City's future ability to meet demands. Staff proposed that the credits allowed by the City for shares in these companies be reduced from average to firm yield values to stop the accumulation of the deficit.
- At the City Council meeting on December 10, 2002, a presentation on Raw Water Supply Issues was made showing the same type of information: the City's acquisitions of water for development were not keeping pace with actual demands because of the mounting deficit. Council instructed staff and the LUC to work to resolve this issue and bring suggestions back to Council for modifying the current raw water policies.
- In early 2003, a Project Committee was created, made up of LUC and City Council members and staff. The Project Committee reviewed and agreed upon a scope of work for Spronk Water Engineers (SWE) to perform an analysis of the City's raw water system to estimate the firm yields the City can expect to meet future demands. Spronk Water Engineers was chosen because individuals in the firm are very familiar with the City's raw water supplies and the Big Thompson River basin hydrology from years of doing water supply and water rights engineering for Loveland. They had the technical expertise and experience to produce a technically solid computer model and report.
- The project to analyze the City's water rights was begun, and with the concurrence of the same Project Committee was expanded in August, 2004, to include additional elements. A report entitled *Raw Water Supply Yield Analysis* was completed by SWE, and was presented in draft form at the November and December, 2004 LUC meetings. Changes were made to the report as a result of input from the LUC members and from public comments during that period. The report was presented to the LUC in its final form at the January, 2005 meeting. Relevant questions asked at the earlier meetings were addressed in the information provided in January, 2005 to the LUC members. The final report was then presented to Council on February 8, 2005.
- On March 1, 2005, Council adopted Resolution #R-25-2005 directing staff to use the SWE report as a tool in developing a RWMP for the City. SWE's *Raw Water Supply Yield Analysis* report's only recommendations were that the City should, in summary:
 - 1) continue to use the same 1-in-100-year drought planning policy as it has historically,
 - 2) continue to use conservation as a hedge against potential future droughts greater than 1-in-100-year events, but not as a way to meet the demands of events less severe than a 1-in-100-year drought,

Attachment A Timeline of Events Leading to the Proposed RWMP

- 3) use the report and model in the future to develop and refine water acquisition strategies such as acquiring native water, transmountain supplies, or storage, and
- 4) use the model to update and evaluate changing incremental yields over time.

Using the SWE report as a tool, staff and the LUC explored a number of water supply alternatives. Cost information was developed for these alternatives. The LUC agreed to meet twice a month so that the policy and technical issues could be thoroughly discussed.

- At the June 15, 2005, LUC meeting the final elements of the RWMP were discussed and a unanimous vote was made by the LUC, among the members who voted, recommending adoption by City Council (there was one unannounced abstention from the voting, which was pointed out two weeks later by the nonvoting member). The RWMP included specific recommendations for revisions to the current policy for accepting raw water.
- At the July 12, 2005 City Council Study Session, a draft copy of the RWMP was presented to Council. Staff and the LUC members presented information about the work that had been accomplished and the recommendations included in the RWMP. Public comments were heard by Council. A list of questions and comments from Council and the public was compiled, and are addressed as an attachment to this memorandum entitled, *Questions from the July 12, 2005 City Council Study Session*.
- At the September 20, 2005 City Council meeting, Staff presented a proposed ordinance on first reading amending Chapter 19.04 of the Loveland Municipal Code and modifying water rights acceptance policies in accordance with the recommendations from the approved the RWMP as presented to the City Council at a study session on July 12, 2005. The changes were designed to enhance and protect the City's raw water supply and to improve the equity between various methods of making raw water payments. The intent of the proposed policy changes was to increase the reliability of raw water supplies the city accepts, thus adhering to the charge by City Council to be able to provide its customers adequate water without curtailment in up to a 1-in-100 year drought. Increasing this reliability would enhance the City's economic prosperity and potential for continued future growth. Just the single step of requiring that 40% of each transaction be CBT water was a significant step toward mitigating risk and protecting the City's ability to meet its citizens' future demands. The CBT water is already stored, and its acquisition reduces the City's dependence on native waters which are creating the deficit that increases the need for additional storage in the future.

A public hearing was conducted with seven people speaking. Each councilor stated possible policy positions that he/she could or could not support listing in the proposed ordinance: phasing, delayed implementation, grandfathering for commercial/industrial approved and recorded plats, and affordable housing waiver. The council moved to table the ordinance and for staff to act on the direction given.

- At the November 3, 2005 City Council meeting, Staff presented a proposed ordinance on first reading amending Chapter 19.04 of the Loveland Municipal Code and modifying water rights acceptance policies in accordance with the recommendations from the September 20, 2005 City Council meeting. A public hearing was conducted with three people speaking. After adopting the proposed ordinance on first reading, the Council considered four separate amendments. The result was a phasing of the native raw water

Attachment A Timeline of Events Leading to the Proposed RWMP

storage fees and CBT yields over two years instead of four years. The Council adopted the amended ordinance on first reading.

- At the November 15, 2005 City Council meeting, one of the Councilors stated he would like to review the ordinance that was presented by staff at the November 3, 2005 meeting and recommended phasing the native raw water storage fees in four years instead of two. A public hearing was conducted with two people speaking. The Council considered four separate amendments. The result was a phasing the native raw water storage fees and CBT yields over three years. The Council adopted the amended Ordinance #5039 on second reading.
- At the November 15, 2005 City Council meeting, the City Council adopted Resolution #R-95-2005 which adopted the RWMP and authorized its use to develop and compare policy options to meet the future raw water needs of the City.
- January 1, 2006 was the date of the initial change in native raw water storage fees and CBT yields occurred, as contemplated in Ordinance #5039. This was also the beginning of a 1% increase to water rates, with the accumulated monies to be set aside in a fund used for water resource development, such as building water storage or buying CBT water.
- January 1, 2008 was the date the final change in native raw water storage fees and CBT yields occurred, as contemplated in Ordinance #5039.
- At the LUC meeting on July 21, 2010, Water & Power staff initiated the first update to the original RWMP. Discussed at the meeting were the need to determine alternatives to be included in the 2012 Raw Water Master Plan for meeting future demands and their evaluation parameters. The LUC and Staff agreed that the first step would be to have Spronk Water Engineers update their yield model.
- At the LUC meeting on August 17, 2011, staff from Spronk Water Engineers presented the results of the City's model update. The results were summarized in the DRAFT report accompanying the agenda packets mailed out to the LUC members prior to the meeting, entitled *Raw Water Supply Yield Analysis Update, City of Loveland, August 2011*. LUC members were encouraged to review the report and provide comments.
- At the LUC meeting on September 21, 2011, Staff followed up on direction from the LUC at the August 17, 2011 LUC meeting, and used the 2011 Raw Water Supply Yield Analysis Update as a tool in updating the City's Raw Water Master Plan. Prior to the meeting, Staff provided LUC members with a *DRAFT Raw Water Master Plan Update, City of Loveland, September 16, 2011*. The report was also posted on the City's website for the public to review. This document reflected information which Staff and the consultant, Spronk Water Engineers compiled, and provided useful background information to help LUC members consider options and form opinions about their recommendations. At the meeting, Staff requested LUC input on a number of decisions which provided direction for the final Raw Water Master Plan. The goal of the meeting was to obtain direction from LUC to allow Staff to submit a DRAFT FINAL report to the LUC in October, to be considered later for recommendation for adoption by City

Attachment A Timeline of Events Leading to the Proposed RWMP

Council. The LUC also requested that the next LUC meeting be scheduled to allow for expanded public comment and staff to personally invite potentially affected parties.

- At the LUC meeting on October 19, 2011, Staff followed up on direction from the LUC at the September 21, 2011 LUC meeting, and revised the report and recommendations. Prior to the meeting, Staff provided LUC members with a *DRAFT FINAL Raw Water Master Plan Update, City of Loveland, October 13, 2011*. The report was also posted on the City's website for the public to review. A public hearing was conducted with four people speaking. A list of questions and comments from Council and the public was compiled, and are addressed as an attachment to this memorandum entitled, *Compiled Meeting Comments Related to the Raw Water Master Plan*.
- After addressing the comments, the LUC formally recommended that City Council adopt the 2011 Raw Water Master Plan, with some allowances for minor clarifications in the report.
- At the LUC meeting on November 16, 2011, Staff and LUC recapped the comments from the October 19, 2011 LUC meeting. Staff reviewed the schedule for additional public presentations: Construction Advisory Board (date set as December 7, 2011), Planning Commission (December 12, 2011) and Loveland Utilities Commission (date set as December 14, 2011).
- At the Construction Advisory Board (CAB) meeting on December 7, 2011, staff presented the Draft 2011 *Raw Water Master Plan* and answered questions from the members. The CAB approved a motion recommending that City Council adopt the 2011 *Raw Water Master Plan*.
- Development Services Department staff determined that the 2011 *Raw Water Master Plan* relates to and should be incorporated into the City's 2005 *Comprehensive Master Plan* ("2005 *Comprehensive Plan*") by reference as a functional (component) plan element. Staff prepared a presentation on the 2011 Raw Water Master Plan for the Planning Commission in a public hearing on Monday, December 12, 2011, and the Planning Commission approved the incorporation of the RWMP into the City's *Comprehensive Plan*.
- At the December 13, 2011 City Council Study Session, staff presented the 2011 *Raw Water Master Plan* for comment. City Council directed the LUC and staff to reconsider the "40% Rule" to determine if more C-BT should be required for every transaction. Council also directed LUC and staff to discuss the administrative fee for Cash-In-Lieu and determine if 3% was sufficient to cover costs and market fluctuations.
- At the December 14th LUC meeting LUC discussed the "40% rule" and changed the recommendation to Council from 40% to 50% of each transaction which must be C-BT, Cash Credits or Cash-In-Lieu ("50% Rule"). The LUC also changed the recommendation for charging three percent of Cash-In-Lieu for administrative costs, upward to five percent.

**Attachment B
Raw Water Supply Planning for Regional Water Suppliers**

RAW WATER SUPPLY PLANNING FOR REGIONAL WATER SUPPLIERS					
1/17/12	Climate Change Planning	Drought Level Planning	Storage for Ditch Shares	Current Firm Yield	Longer Firm Yield Goal
Ken Huson Longmont 303-651-8340	City is including it explicitly in a “Future Water Demand Study” where it will be considered a future demand.	1:100 yr.	No storage fee, Longmont has existing storage.	31,000 acre-feet	37,500 acre-feet is the current goal. Longmont is updating their plan; it is anticipated to be lowered to 32,700 acre-feet.
Susan Smolnick Fort Collins 224-6156	Not included in plan. City council may revisit supply and demand policy: <ol style="list-style-type: none"> 1. Drought 2. Demand (mgd) <ul style="list-style-type: none"> • 160 gpcd current plan/140 goal 3. Safety factor <ul style="list-style-type: none"> • 1-4 month supply in storage 	1:50 Under discussion. Ft. Collins does a process similar to Greeley’s, described below.	Mix of water rights and cash. Watch balance. If they are accumulating too much water from shares, they lower cash-in-lieu.	Awaitig Final Information	Awaiting Final Information
Jim Hall Greeley 350-9811 or 336-4039	Not incorporated other than acknowledgement. Discussion only so far.	6-yr. long 1:50 yr. drought. Recurrence level is 1 in 140 years. 50,000 years of generated data for analysis.	In the GLIC system mostly. Have not looked at storage and direct flow together.	Awaiting Final Information	Awaiting Final Information

**Attachment B
Raw Water Supply Planning for Regional Water Suppliers**

1/17/12	Climate Change Planning	Drought Level Planning	Storage for Ditch Shares	Current Firm Yield	Longer Firm Yield Goal
Eric Anglund LTWD 532-2096	No changes related to climate change.	Use 2002 as a baseline for a firm yield.	Most ditches have a storage component. They don't own any water without associated storage. They will apply 2002 drought standard. No storage component included in their requirements.	Awaiting Final Information	Awaiting Final Information
Terry Ferrell FCLWD 226-3104 x 104	Don't incorporate climate change in plans.	NA	Don't charge a storage fee.	15,000 acre-feet	25,000 acre-feet

- Most of the raw water dedications to the Little Thompson Water District and Fort Collins-Loveland Water District are C-BT or Cash-In-Lieu.

Attachment C
Compiled Meeting Comments Related to the Raw Water Master Plan

**Comments / questions from City Council at the Study Session on
 December 13, 2011**

Council Member Ralph Trenary

Please clarify the key assumption which states that no adjustment is made for significant changes in the administrative or regulatory climate which could negatively impact supplies.

Staff Response: This was edited to state that there are no known changes in administrative or regulatory climate which would negatively impact supplies in the future.

Council Member Hugh McKean

What is the current firm yield and firm yield goal of the neighboring communities and water districts?

Staff Response: Attachment B contains a summary titled, "Raw Water Supply Planning for Regional Water Suppliers" of Longmont, Fort Collins, Greeley, Fort Collins-Loveland Water District and Little Thompson Water District. Staff was unable to obtain the requested information from all of the communities by the publishing date of this document, and an updated summary will be provided.

Several City Councilors

Could the LUC discuss the 40% rule and determine if this requirement is high enough for C-BT? Should this be raised? Could the LUC also discuss the 3% administrative fee on Cash-In-Lieu. Is this enough to protect the City not only for administrative costs, but also from market fluctuations?

Staff Response: At the December 14, 2011 LUC meeting the LUC modified its recommendation to City Council to require that at least 50% of each transaction must be C-BT, Cash Credits or Cash-In-Lieu. The LUC also modified its recommendation to City Council to increase the administrative fee on Cash-In-Lieu to 5%.

Attachment C
Compiled Meeting Comments Related to the Raw Water Master Plan

Comments / questions from the Public at Loveland Utilities Commission meeting October 19, 2011

Todd Williams (Williams & Weiss Consulting, 5255 Ronald Reagan Blvd., Johnstown).

I represent Jake Kauffman & Son, Sand and Gravel. I commend the staff and the consultants on preparing a good report. I represent Frank and Mary Kauffman who are the owners of a gravel operation below the City's wastewater treatment plant. Two areas of the RWMP apply to the Kauffman's:

1. The valuation of downstream storage. Kauffman's have been in the process of mining gravel, and are developing storage from the pits. In summer 2011 they completed the lining of a gravel pit and expect it to be certified by the SEO for use as storage by summer 2012. We estimate 1,700 acre-feet of storage can be available. This site is immediately downstream of Loveland's WWTP and upstream of the Hillsborough Ditch.
2. The potential use of wholly consumable water. The Kauffman's and I have been in discussions with city staff and would like to continue discussions to determine uses of wholly consumable water. Our hope is that Kauffman's could provide money or storage in exchange for wholly consumable effluent.

Staff Response: One of the recommendations from the RWMP is to continue monitoring the value of downstream storage, relative to other projects.

Scott Bray (2586 Eldorado Springs Drive, Loveland)

You've admitted in the study that at some point in time, let's say you got the water rights and got the \$6,000 fee, but the city will still be short on what is required to build the reservoir. Is it right to get it from the people who own the rights or should it be the City of Loveland paying for storage? In other words, why do the holders of the native water have to pay to store the water? The City should spread out the cost among those who benefit from the water.

Staff Response: This philosophical discussion has been phrased, "Should growth pay its own way?" The existing customers / citizens do not need the additional storage which will be required if the native water is expected to deliver average yields every year. They have already paid for storage in the Green Ridge Glade Reservoir Project, completed in 2004.

Among developers, those who use cash credits or C-BT water are not creating a deficit like those using native water rights. Only the developers who use native water rights need to provide storage to deliver average yields every year.

Attachment C Compiled Meeting Comments Related to the Raw Water Master Plan

What is the City’s plan for funding a reservoir or other storage project?

Staff Response: The proposed Native Raw Water Storage Fee still falls far short of meeting the total estimated cost of building storage. Although, \$6,000 per acre-foot of water credit on average is being collected, the lowest identified cost of storage for native water in the Big Thompson Basin upstream of the water treatment plant and below Rocky Mountain National Park is \$7,768 per acre-foot of storage space constructed, adjusted using the “Handy-Whitman Index for Public Utilities” from 4th quarter, 2008 dollars. This information comes from the “Comprehensive Study Report, Loveland Storage Reservoir,” dated June 19, 2009 by BasePoint Design Corporation, On average 2.6 acre-feet of storage is required to create 1 acre-foot of firm yield. This results in a cost of \$20,197 per acre-foot of firm yield ($\$7,768 \times 2.6 = \$20,197$), of which the \$6,000 represents about 30 percent.

The basic question is, “Who will need to make up the remaining 70 percent of the cost?” In 2005, the City Staff and LUC discussed that since the storage project is not needed for at least 30 years, the remaining funds could be generated by a bond issue or low interest loan, with a rate increase put in place to cover the principal and interest payments. This remains the City’s current plan. Alternatively, CBT could be purchased at a much lower price per acre-foot of firm yield, currently \$8,500 compared to the dedication of native rights, requiring \$20,197 for storage to ensure the availability of the water when needed.

What is the impact and benefit of the Native Raw Water Storage Fee? How much has been collected? How much is anticipated to be collected from native share-holders, both in the Water Bank and anticipated to be placed in the Water Bank?

Staff Response: The Native Raw Water Storage Fee has been collected since it was instituted in 1995. However, the fees collected up through 2004 were used in the expansion of Green Ridge Glade Reservoir. The table below shows the Native Raw Water Storage Fee collected beginning in 2005. Also shown is a related fee, cash-in-lieu. Since 2005, \$1.28 million in NRWSF and \$1.27 million in cash-in-lieu have been collected.

Year	Total Acre-Feet Dedicated	Native Raw Water Storage Fee Collected	Cash-in-Lieu Collected (\$)
2005	1,403.9	\$380,185	\$413,653
2006	414.7	\$317,861	\$199,618
2007	189.2	\$292,875	\$164,678
2008	55.7	\$153,047	\$235,696
2009	80.1	\$132,559	\$90,215
2010	132.2	\$0	\$62,568
2011		\$0	\$99,382
Total	2,275.8	\$1,276,527	\$1,265,810

Attachment C Compiled Meeting Comments Related to the Raw Water Master Plan

How much has been collected from 1% increase to the water rates?

Staff Response: On March 21, 2006, City Council adopted Resolution R-31-2006 approving a 1% increase to the water rates for the purposes of funding a water resource project. Money could be used for various items, including a storage reservoir or buying CBT which is already stored. City Council has maintained the 1% in the rates each year since. As of September 30, 2011, there is \$1.5 million (\$1,490,535) in the fund.

How do these amounts collected from a relatively few number of native shareholders compare with the total cost of the reservoir?

Staff Response: Since 2005, \$1.28 million in NRWSF has been collected. City Staff estimated the additional amount of NRWSF that the City might collect from native shares remaining in the Water Bank as well as native shares not yet dedicated to the City. The native shares subject to the storage fee remaining in the Water Bank total about 1,220 acre-feet of average yield and their related storage fees would generate approximately \$6 million when the water is used, under the current fee structure. The native shares not yet dedicated to the City which the City might reasonably expect to receive from the basin total about 3,138 acre-feet of average yield and would generate approximately \$14 million.

The updated estimated cost of storage for native water in the Big Thompson Basin upstream of the water treatment plant and below Rocky Mountain National Park is \$7,768 per acre-foot of storage (2011 dollars). Using the figures above, assumes 4,358 acre-feet of native shares (1,220 + 3,138 = 4,358) need to be firming if the remaining shares were all transferred to the City. Using a firming ratio of 2.6 means that for every 1 acre-foot of the 4,358 acre-feet, 2.6 acre-feet of storage need to be constructed for a total of 11,331 acre-feet of storage (4,358 x 2.6 = 11,331). Using the \$7,768 per acre-foot of storage, results in a total project cost of \$88 million. The \$21.3 million of NRWSF estimated to be collected is about 24 percent of the total cost. However, it is likely that the City would receive the fees at the same rate as development, and possibly over several years. It should be noted that current projections for completing the City's raw water portfolio show a need for an additional 2,610 acre-feet, less than the outstanding 3,138 acre-feet mentioned above. Also, given that a storage reservoir might not be needed for at least 30 years should that method be chosen to complete the raw water portfolio, the construction costs and permitting requirements will very likely escalate.

I feel the burden is unfairly placed on a few shareholders who own the rights. Wouldn't it be easier to plug the entire cost of the reservoir you need into the water rates. For example, let's add 10 cents per (1000) gallons. It's easier to add it into the cost. Then there's a market that is obviously limiting the native water rights value. Right now the value of my water is zero.

Staff Response: A 1% increase to the water rates has been implemented every year since March, 2006. This amounts to an average of about 2 cents per 1000 gallons. As of September 30, 2011, there is \$1.5 million (\$1,490,535) in the fund—5 ½ years after the fund was established. A rate increase of 10 cents per 1000 gallons would be equivalent to at least a 5% rate increase. Funds still would not accrue at the rate needed to fund building storage.

Attachment C

Compiled Meeting Comments Related to the Raw Water Master Plan

I don't disagree with you. But the point I'm making is that this is such a huge project for the entire public, wouldn't it be more reasonable to determine the sources of revenue, and the timing? If you put the full burden on the water rights holders, your net result will be no water rights dedicated. It's a public good so get the money from who's here right now. I went to a school someone else paid for. The City is trying to create an insurance policy for a drought that may happen without requiring water use restrictions. But if we were in a drought wouldn't we do some cutting back for cutting back purposes? That's just being a good citizen. I think we would still need to cut back. But that's not what this meeting is about.

Staff Response: Given a drought or the inability to sustain City water supplies, it is likely that Staff would recommend some interim measures to City Council. This concept and other related concepts are the subject of the City's Drought Management Plan. This document is meant to ensure water availability during a drought and considers water supply triggers, levels of response and public outreach. The Staff and LUC are scheduled to update the Drought Management Plan by December 2014.

How soon do you want to build it? This would be a good time to build, construction costs are down. The sooner the better. How much money can you charge on the City water rates. Ten bucks a month might be too much, but 10 cents a gallon or month might work. I think people are afraid of exposing the real cost to the public. It's easy to charge Scott Bray \$6,000. I'm just an individual and there aren't a lot of people standing behind me. It's harder to go to the public and say we are going to raise rates because we are going to build storage. If that's what they want, they should pay for it.

Staff Response: Many of the federal grants for water treatment plants are administered through each state's drinking water revolving fund, administered by the Colorado Dept. of Health and Environment. The first step to qualify for the grants is to get on the State's revolving fund list, which we have. We did not qualify for the very limited grant money and limited access to low interest loans because there are other projects throughout the State, which the State considers are of higher priority. We also don't qualify because our conservative fiscal plans do not reflect dire financial need.

Our normal approach to project funding is to pay as we go thus avoiding the payment of interest and other long term debt associated costs. In spite of a grant, the bulk of the project cost would need to be funded through debt service, for example a bond issue. The Water Utility has not used bonds for many years, and to do so would require a change in direction from our City Council. This conservative approach has helped keep rates low for our customers.

We also have competing projects and limited resources. Rate increases are necessary for projects needed now. Instead of focusing on a storage project for the future, we have a higher priority on items needed now such as detecting leaks in the distribution piping and then fixing them or replacing aging infrastructure.

Is CBT totally reliable?

Attachment C Compiled Meeting Comments Related to the Raw Water Master Plan

Staff Response: CBT is reliable in a consistent manner with which the City has adopted the 1-in-100 year drought policy. CBT also fits well in the City's overall portfolio of water rights. The City can still acquire another 4,621 acre-foot units of CBT water under its current ownership cap.

Gale Bernhardt -- My question: certainly Loveland is not the first city to have this problem. What are other cities doing to address storage? Do they charge fees? If not, what strategies are they using to pay for storage?

Staff Response: Longmont has storage already. Longmont has historically required 3 acre-feet/ac and 1/3 of that has to be CBT (i.e. stored water). Fort Collins doesn't charge a storage fee but adjusts its cash-in-lieu based on the type of rights they are getting and try to keep a balance between the native and CBT water. Greeley doesn't have this issue because their water from the Big Thompson is in the GLIC and is already stored where they can use it. FCLWD and LTWD have not addressed the storage issue yet with fees.

What about outside the Front Range?

Staff Response: Generally when cities are developing and requiring water to be dedicated, they want water rights to yield water they can deliver, whether it comes from storage or through adjusting the ditch share credits so they reflect the dry year yield. Our community is still growing so we have options how to address this issue, before the water is needed.

John Swartz -- I feel Scott's pain, I was just talking to him. I just placed two shares of Big Thompson Ditch and Manufacturing in the Water Bank. It's not easy to do in some ways, but we looked into the cost of doing different things. We kind of equivocated it to having a pool of crude oil and Loveland is the refinery. There is some cost of moving the water and using the water or deferring it so it could be used properly. I don't know—I think it was kind of a fair game. I hope it doesn't change, but thanks for helping us Greg. That's the only solution we could come up with. It can't be moved across borders so you have to keep it where it's going to be used and deal with the cost of it. I don't know what else to say. Thanks.

Attachment C
Compiled Meeting Comments Related to the Raw Water Master Plan

Comments / questions from the Loveland Utilities Commission members, at its meeting October 19, 2011

Dave – We need to get on with a staff recommendation and vote.

Gary – I recommend that City Council adopt the 2011 Raw Water Master Plan. John – I'll second that.

Dave – Before we vote are there any other comments?

Randy – For the people out here, I want to say we don't stop when we adopt the plan. We look at this all the time in a continuous process. It doesn't mean it will or won't stay this way. Scott's comments have been considered before. Since I've been on the board that's the struggle we've had. How do we deal with the native water, keep it in the basin and do it at a reasonable cost to the rest of the citizens? It's difficult to say we need to accept something that costs several thousands of dollars to store when CBT is more reasonably priced. We understand the need to keep the water in the basin. Scott has been creative in using native water in his developments for irrigation of open spaces and that's been a good way to use things. I just want to say we don't stop considering these issues. We'll keep looking at these issues.

Gene – I made a suggestion that we add a statement that explains the rationale for the native storage fee.

Larry – I can do that and there may be some editorial changes if you don't mind giving us some leeway on that.

Dave – Yes, and I found a few misprints. I think this is an opportunity to leave it open for editorial changes so we have a complete document. I wish to reiterate that these LUC meetings are long, complex, and open to everyone. The agendas are published. It is this is a most interesting board to be involved with.

Steve – I think from the perspective of staff, we have some more public meetings to go to. We still have some work to do. We will develop a comparison sheet of how raw water dedications are handled by other cities.

As to questions Scott has asked, I would like to say a few things:

First I think we have talked about this idea of how do you balance water that's not available when you need it with wanting to get the raw water that's available in this basin.

I think it's about 3,600 acre-feet sitting there. The problem is we only have 2,600 acre-feet of gap between the target and where you are. Whether you construct a reservoir to close the gap or purchase CBT and finish it off, or some combination thereof, we don't know yet.

Attachment C

Compiled Meeting Comments Related to the Raw Water Master Plan

I want to assure Scott, there are three components which played into the last recommendation and are in this one.

First, the need. We have talked about the gap. Last time we thought storage in the basin might be the way to close the gap because it was a bigger gap. Because of the water rights we have now and storage in the Windy Gap Firming Project which we expect to be constructed eventually, we have minimized the gap.

Second, we don't need that water until 2050. I am not going to suggest to our LUC that we find a site. We have done a study to identify a location for a site. The owner does not want to sell to us right now. And if we want it in the future, maybe then.

All the environmental regulations are going to get harder to satisfy. The costs of construction and other things are still there.

Here's how you close the gap, we have said we have a storage fee plus the value of native water which together approximately equal the cost of CBT on an acre-foot basis. Those are balanced; they are about the same from the developer's point of view. What we've said is that there are additional costs to build a reservoir. To help close that gap, our City Council has adopted every year since 2006, and again last night, to put 1% of the water rates to collect money to put toward a water resource project to help us close the gap.

Last time we said this, and I apologize you didn't hear this last time, is that there is still going to be a delta in the future. We know there are 1.5 million dollars in the water resource project fund. We will need "X" amount of dollars for the reservoir. We don't need as big a reservoir as we needed in 2005 because the gap is closer. We will go to people in 2040 or 2045 and probably need to pass a bond issue or some major funding to make up the difference, and then close the gap.

So, we have started collecting money and doing these things. We have a need but it is 40 years out. We redo this study in 5 years. If we can purchase CBT, we may not need in the immediate future a reservoir. And we may not be able to use the native ditch water because the gap is closed for now.

But sometime in the future, if we go vertical as Ralph used to say, we may need to do something of a large magnitude in the future. That's where we would come up with a funding plan that would help us close the gap. But I didn't want you to think, Scott that we hadn't developed a plan and a concept of how we're going to get this closed. We can certainly make that clearer and put it in the report to help explain that approach.

Dave – Can I get a slight modification on the motion and the second to allow for some flexibility? (Gary Hausman / John Rust both said, "Yes.")

Motion Passed Unanimously

2012 Raw Water Master Plan

Loveland City Council
January 17, 2012

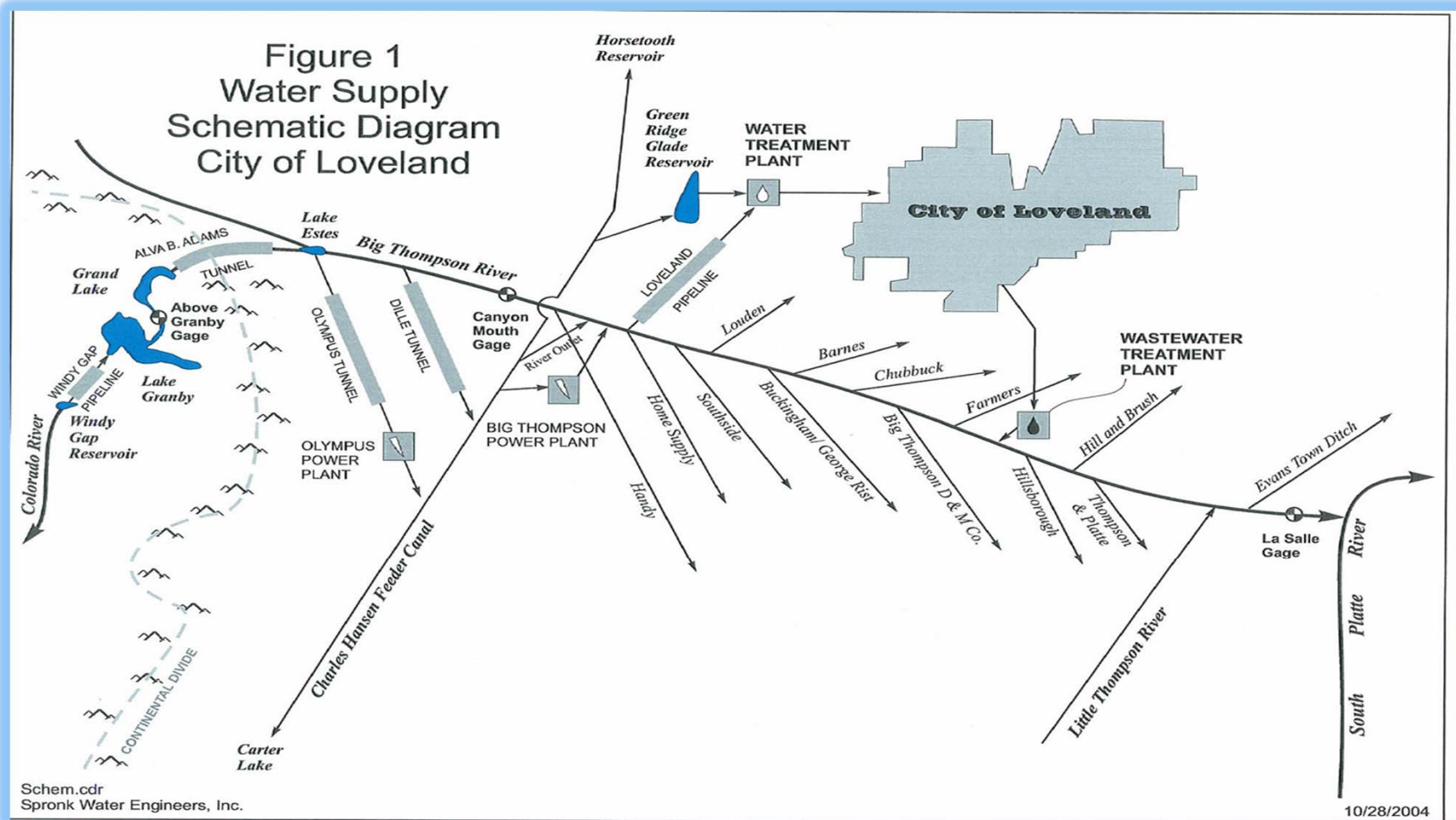
Outline

- Today's Goal
- Water Supply Portfolio
- Method for Developing Raw Water Master Plan
- Key Assumptions
- Review Work to Date
- Current Policies
- RWMP Recommendations
- Recommended Action

Today's Goal

- Seeking Council's approval of a Resolution adopting the 2012 *Raw Water Master Plan* and amending the City's 2005 *Comprehensive Master Plan* to incorporate the 2012 *Raw Water Master Plan* as a functional component.

System Description Map



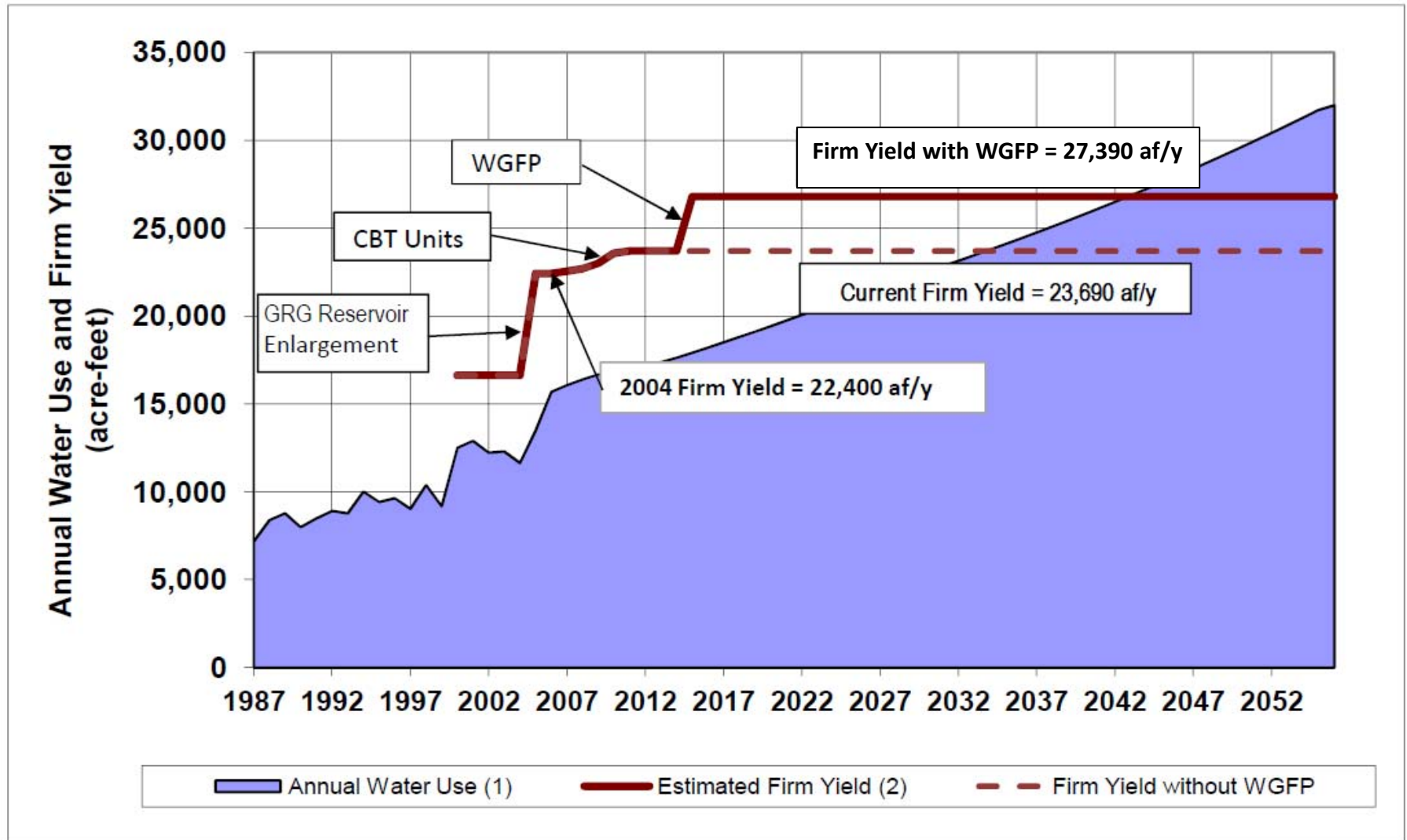


Water Rights Inventory

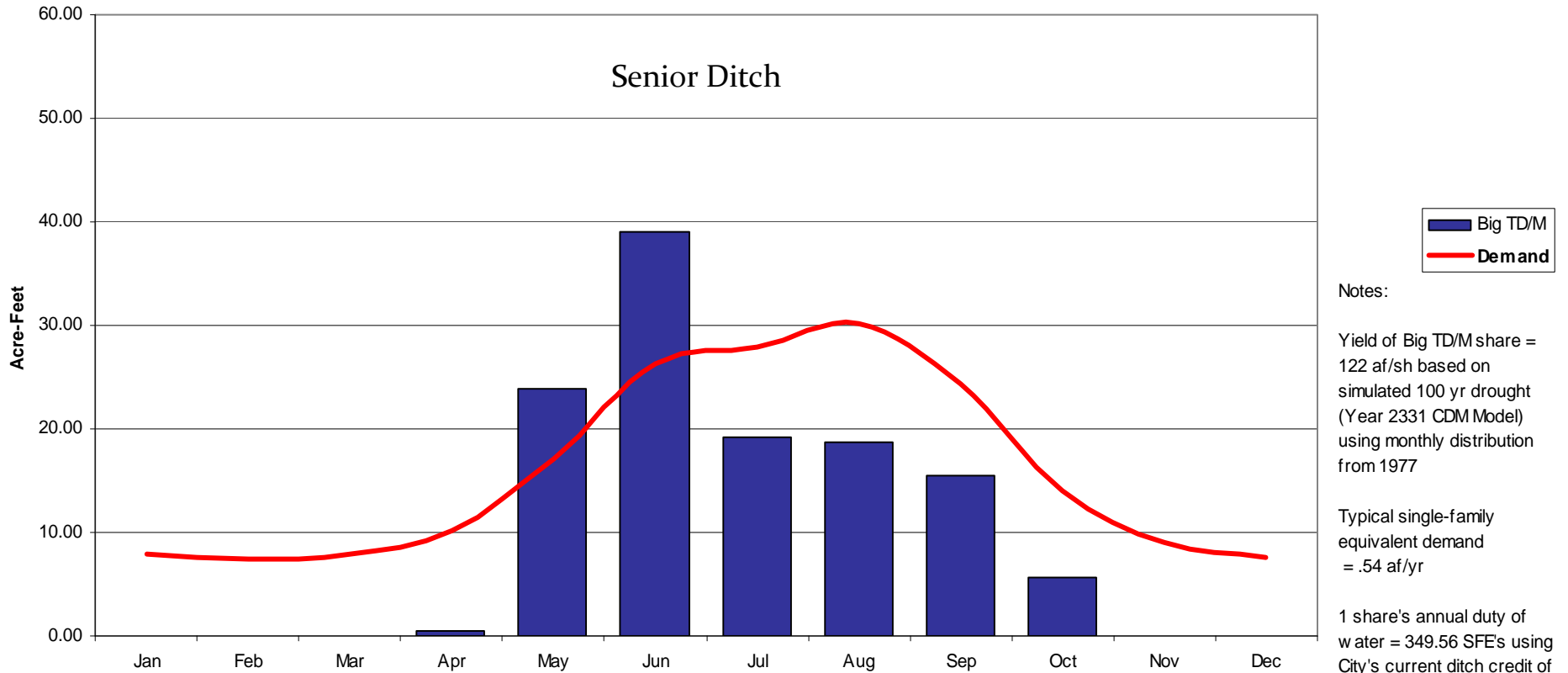
Water Supply Portfolio

- Currently a resilient combination of supplies from the Big Thompson and Colorado River basins
- Sources from two river basins add protection from drought
- Water from 4 sources – Big Thompson River, shares in irrigation ditches, C-BT and Windy Gap
- Balance is healthy, with approximately half the raw water supply from each side of the Continental Divide
 - Approximately 55% east-slope and 45% west-slope

Historical and Projected Water Demand vs. Estimated Firm Water Supply Yield City of Loveland 1987 - 2056 (acre-feet per year)



1 share of Big Thompson Ditch & Mfg. Co. during 1-in-100 Year Drought Conditions



Notes:

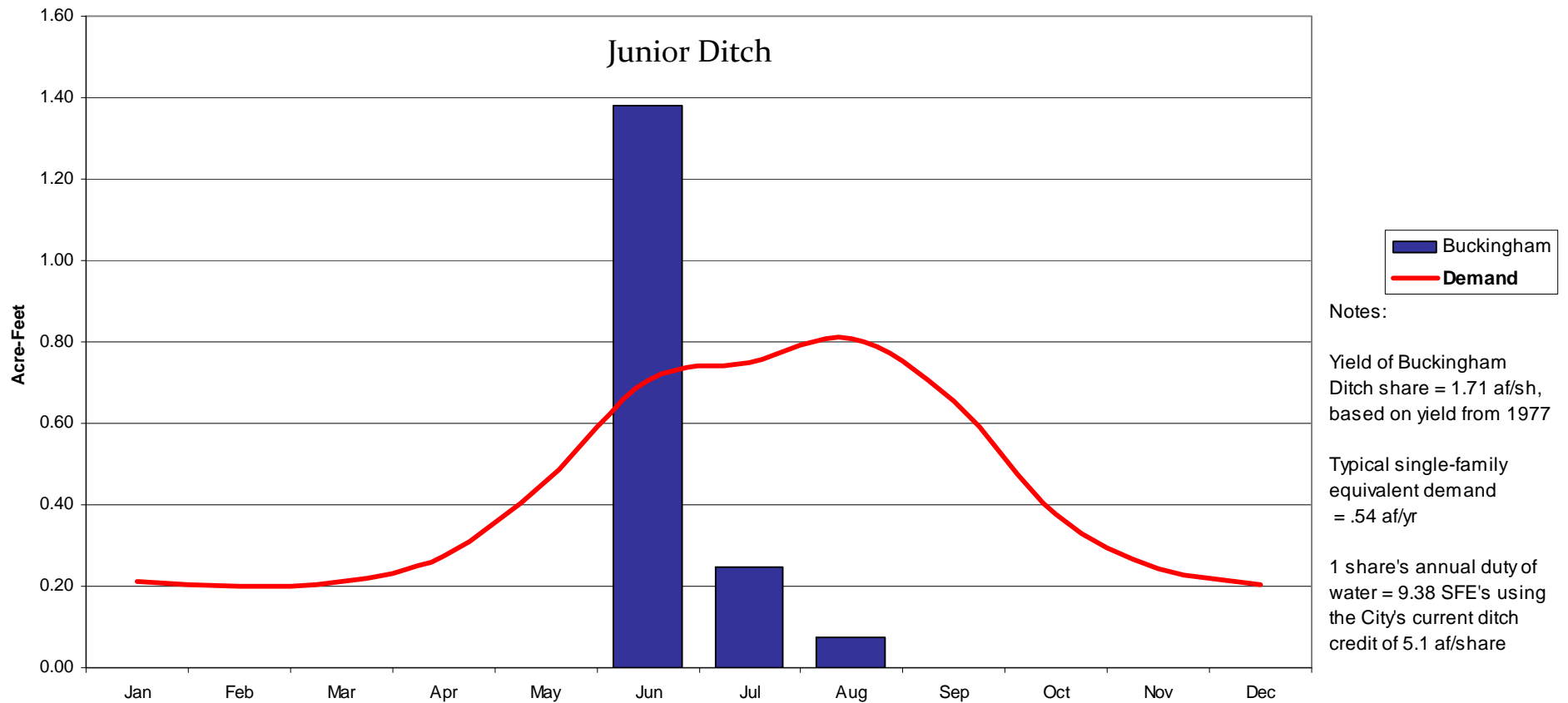
Yield of Big TD/M share = 122 af/sh based on simulated 100 yr drought (Year 2331 CDM Model) using monthly distribution from 1977

Typical single-family equivalent demand = .54 af/yr

1 share's annual duty of water = 349.56 SFE's using City's current ditch credit of 190.0 af/share

credit of 190.0 af/share

1 share of Buckingham Ditch during 1-in-100 Year Drought Conditions



Notes:

Yield of Buckingham Ditch share = 1.71 af/sh, based on yield from 1977

Typical single-family equivalent demand = .54 af/yr

1 share's annual duty of water = 9.38 SFE's using the City's current ditch credit of 5.1 af/share

Method for Developing Raw Water Master Plan

- Staff and LUC, at City Council's direction, agreed to look at City's water situation. This work began in 2003.
- Assess City's current level of water supply.
- Consider existing policies.
- Determine the water portfolio (types and sources) the City should have in place.
- Use the RWMP as a tool for City Council to help develop policies and recommendations to meet future demands.

Meetings and Public Hearings

- August 17, 2011, LUC recommended approval of the *Raw Water Supply Yield Analysis* report from SWE for use as a tool to help update the City's *Raw Water Master Plan*
- October 17, 2011, LUC conducted a public hearing, and recommended approval of the RWMP
- December 7, 2011, CAB conducted a public hearing, and recommended approval of the RWMP
- December 12, 2011, PC conducted a public hearing, and approved the RWMP as a functional component plan element of the City's Comprehensive Master Plan
- December 13, 2011, City Council Study Session on the RWMP
- December 14, 2011, LUC modified the recommendations following direction from the City Council at the Study Session

Alternative Supplies

The following were analyzed:

- Operational Changes
- Purchase CBT units
- Increase participation in the Windy Gap Project / Firming Project
 - Acquire more units
 - Acquire more storage
 - Acquire units & storage
- Upstream Storage
- Downstream Storage
- Reuse
- River Exchanges
- Wells
- Acquire Native Rights
- Modify Water Policy

Recent Events Affecting RWMP

- Economic downturn slowed growth
- New decree, No. 2002CW392 finalized in 2010
- City purchased 933 CBT units
- Multi-year drought began 2000
- WGFP is not yet built



Key Assumptions

- Meet future demands in drought event of 1-in-100 years.
- Conservation not a source of supply up to 1-in-100 years.
- Existing Growth Management Area, last updated by City Council on October 15, 2002.
- Development per Comprehensive Master Plan.
- Future customers will use water similarly to existing.
- Ratio of Industrial/Residential uses remains the same.
- No known significant changes in administrative or regulatory climate which would negatively impact supplies.
- Potential climate change impacts were considered but analysis was reserved for a future update as the industry is developing responses in this area.

Water Demand Target

Population Projections

- Relied on City's Development Services (Planners)
- Used most recent population estimates
 - Most recent published figure is 95,927 for 2030
 - Staff extended using 1.6% annual growth
- Build-out population is 144,000 (same as used in 2005)
- City's water service population is smaller due to areas within city limits served by other water providers
- Loveland water service population is 127,000 as estimated by Staff (or 88.2% of build-out population)

Water Demand Target

Comparison of 2005 vs. 2012

- 2005 RWMP used two projections, both of which resulted in annual demands under 30,000 acre-feet.
 - Approach #1 used land use type/consumption
 - Approach #2 used per capita use
 - LUC adopted 30,000 AF as a demand target.
- 2012 RWMP used three scenarios, all based on past usage and future population projections.
 - Population projections from Current and Strategic Planning through 2030, then assumed 1.6% per year.
 - Water Utility serves 88.2 percent of build-out demand
 - Add 590 AF of augmentation demand.
- Target Demand remains 30,000 acre-foot annual use.

Role of Water Conservation

Existing Program

- City was fully metered by 1981 – one of first in State.
- 2011 Conservation Program elements
 - Garden-in-a-box
 - New Xeriscape garden along 1st Street
 - Slow the Flow irrigation audits
 - Larimer County Youth – retrofit indoor water use
 - “Shave the Peak” campaign to delay Water Treatment Plant Construction
 - Efficiency Expres\$ commercial audits
 - Enhancing Loveland Water & Power website
 - Enhance leak detection and meter testing programs
 - Home Energy Audit Program with low flow devices
- Code changes allow Xeriscape option for irrigation taps

Existing Supply Analysis

Process and Results

- Spronk Water Engineers determined the firm yield to be 22,400 AF in 2005
- Spronk Water Engineers performed update to model
 - Added 7,000 AF of storage in the WGFP
 - Added 590 AF of augmentation demand
- LUC approved use of model as a tool in updating RWMP at meeting on August 17, 2011
- 2012 Firm Yield is 27,390 AF
 - Meets 26,800 AF municipal demand plus 590 AF augmentation demand

Existing Supply Analysis

Process and Results

30,000 acre-feet	Target Firm Yield
- 27,390 acre-feet	Current Firm Yield
<hr/>	
2,610 acre-feet	Gap

Current Policies

- At least 40% of every raw water payment must be CBT or cash credits, except for small transactions under 4.0 AF.
- CBT credited at 1.0 AF/unit.
- Average yields for ditch credits from 2005 SWE model.
- Accept any native water shares in the City's Growth Management Area that can successfully be transferred in Water Court.
- Cash-in-lieu dedications limited to no greater than 4.0 AF.
- Cash-in-lieu fee is 1.03 times the market price of CBT.
- Purchases of cash-in-lieu credit in the Water Bank not allowed.
- Native Raw Water Storage Fee (NRWSF) reflects only a portion of the cost required to build storage.

Current Policies

Native Raw Water Storage Fee

- Developed using 2005 results, including storage ratios, current shares in Water Bank, future possible shares

Table 8-2: Current Native Raw Water Storage Fee Calculated by Loveland

Irrigation Company	Current NRWSF (\$/AF)
South Side	\$6,770
Louden	\$6,850
Buckingham	\$7,400
Barnes	\$5,750
Chubbuck	\$7,400
Big Thompson D&M	\$3,530

- No change for 2012 update

RWMP Recommendations

- Continue to use 1-in-100 year drought planning
- Use the 2011 SWE Model Update and Report
- Use water wisely and use conservation as a tool to address more severe droughts
- Adopt a raw water demand target of 30,000 AF

RWMP Recommendations

- Modify the City's raw water policies as follows:
 - CBT
 - Require that at least 50% of every raw water payment be made using a combination of CBT, existing cash credits in the Water Bank, or cash-in-lieu.
 - Keep the credit value of CBT, currently 1.0 AF per unit.
 - Continue to purchase CBT acre-foot units on an ongoing basis under favorable market conditions
 - Cash-In-Lieu
 - *Allow use of cash-in-lieu on any transaction*
 - Keep the City's cash-in-lieu fee 5% higher than the recognized market price of CBT water

RWMP Recommendations

- Modify the City's raw water policies for ditch shares:
 - Adjust credits to the values determined by 2011 SWE report.
 - Require the storage fee when granting average yield credits as determined in the SWE report.
 - Allow firm yield credits for development as determined in the SWE report without collecting a storage fee.
 - Accept any native water in the City's Growth Management Area that can successfully be transferred in Water Court.
 - Keep Native Raw Water Storage Fee at current values.

RWMP Recommendations

Irrigation Company	Current & Recommended NRWSF (\$/AF)	Recommended Average Credit (af/sh)	Recommended Firm Credit w/o storage (af/sh)
South Side	\$6,770	4.55	1.46
Louden	\$6,850	12.17	2.43
Buckingham	\$7,400	6.36	0.38
Barnes	\$5,750	3.32	0.86
Chubbuck	\$7,400	2.94	0.41
Big TD&M	\$3,530	186.57	70.9

RWMP Recommendations

- Upstream Storage
 - Continue to monitor comparison of costs per AF of firm yield with other options
- Downstream Storage
 - Monitor options and comparison of costs per AF of firm yield with other options
- *Operational Changes – focus on the following:*
 - Domestic Rights
 - Lawn Irrigation Return Flows (LIRFs)
- Formulate Policy on Reusable Supplies

Recommended Action

- Adopt a Resolution adopting the 2012 *Raw Water Master Plan* and amending the City's 2005 *Comprehensive Master Plan* to incorporate the 2012 *Raw Water Master Plan* as a functional component.

Questions??



2012 Raw Water Master Plan City of Loveland Final Report

Executive Summary



Prepared by
Loveland Utilities Commission
and
City of Loveland
Department of Water and Power
January 17, 2012

Executive Summary

Background

For many years the Loveland Utilities Commission and City staff have conducted planning activities directed toward meeting the City's future raw water needs and identify means to effectively manage the City's existing and future sources of raw water. This report builds on that work.

Concerns regarding the adequacy of the City's water supply were heightened as a result of the multi-year drought which began in 2000 and intensified in 2002. At approximately the same time, City staff formally addressed the Loveland Utilities Commission and the City Council on two occasions regarding the City's acquisitions of raw water for development, which were not keeping pace with actual demands. To determine how the City could best prepare to meet its future raw water demands, a Raw Water Master Plan was created in 2005.

In 2011 the City contracted with Spronk Water Engineers to perform an updated analysis of the City's raw water portfolio and system to estimate the reliable firm yield the City can expect to meet future demands. The resulting report, the *Raw Water Supply Yield Analysis Update*, was completed in draft and was accepted by the Loveland Utilities Commission on August 17, 2011 as a tool in developing the City's Raw Water Master Plan update.

Need for a Raw Water Master Plan

The original Raw Water Master Plan (RWMP) was designed as a tool to help the City Council determine what steps are necessary to assure that the City's estimated future demands for raw water are adequately met. The RWMP presented and analyzed alternative projects, and provided guidelines for ongoing evaluation of those alternatives to determine which best meet those demands. It was expected that the RWMP would be revisited and updated based on the City's future water supplies and demands, and on the future availability of the various sources of water or feasibility of the various options. This report provides the first update to the RWMP, and reflects the impacts of a number of significant events which were not part of the 2005 RWMP.

- An economic downturn started in 2008 and as a result, development slowed dramatically. The City did not experience the pace of growth and the related water dedications common during the preceding 15 years. For example, only two significant water dedications have occurred since 2006, and these have not yet been applied for development.
- The City's decree in Case No. 2002CW392 was finalized in 2010. This represented a significant addition to the City's available water rights portfolio and solidified the terms and conditions in which the City may divert the water for municipal use.
- The City purchased 933 Colorado-Big Thompson Project (CBT) acre-foot units (units) at favorable market prices. There still continues to be CBT units available

for purchase under the rules and regulations of the Northern Colorado Water Conservancy District (Northern Water). At the time of the 2005 RWMP, the thought was that CBT units would be available for only another 15 years, although that projection may now be longer due to the current economic slowdown.

- A multi-year drought began in 2000 and intensified in 2002. At the time of the original RWMP, the City was still dealing with drought impacts.
- The Windy Gap Firing Project is not yet online. The required environmental permits are still pending, and design and construction have not yet begun. At the time of the 2005 RWMP it was projected that the project would be online by 2010.

Raw Water Master Plan Recommendations

Based on results from the updated Raw Water Supply Model (RWSM), the 2011 *Raw Water Supply Yield Analysis* (SWE Report) and review of the City's current policies related to fees, requirements, acquisition and development of a reliable, high quality supply of raw water for the City, the LUC and staff recommend the following:

1. 1-in-100 Year Drought Planning
 - A. Continue to plan for the City's long-term policy of preparing for a 1-in-100 year drought event with no curtailment.
 - B. Use the City's water resources wisely, and use conservation as a tool for meeting demands during severe droughts, but not as a source for meeting future supply demands up to the 1-in-100 year event.
 - C. Potential climate change impacts were considered but analysis was reserved for a future update as the industry is developing responses in this area.
2. 2011 *Raw Water Supply Yield Analysis Update* (SWE Report)—Raw Water Supply Model (RWSM)
 - A. Continue to use the 2011 *Raw Water Supply Yield Analysis Update* and the Raw Water Supply Model as tools to evaluate proposed policy changes related to acquisition and planning for raw water supplies.
3. Continue to use a raw water demand target of 30,000 acre-feet, with a current firm yield of 27,390 acre-feet, leaving a future 'gap' of 2,610 acre-feet of raw water to be developed.
4. Modify the City's current policy for accepting raw water. The basic components of any policy revisions may consider, without limitation, the following:
 - A. CBT
 - i. Require that at least 50 percent of every raw water payment be made using CBT, existing cash credits in the Water Bank, or cash-in-lieu.
 - a. Accept CBT units, cash credits in the Water Bank, or cash-in-lieu for the full payment of any raw water requirement.
 - b. Keep the current credit value of CBT, set at 1.0 acre-foot per unit.

- ii. Continue purchasing CBT acre-foot units, on an ongoing basis under favorable market conditions.
- B. Ditch Shares**
- i. Adjust the credits for ditch shares to the actual values as determined by the current 2011 SWE report using either of the following methods, at the developer’s option:
 - a. For average yields as determined in the RWSM for ditch credits, require the storage fee to make up the difference between the firm yield and the average yield.
 - b. For firm yields as determined in the RWSM for ditch credits, do not require a storage fee.
 - c. Any ditch credits currently in the water bank originally deposited prior to July, 1995, may continue to be granted average yields without requiring the storage fee.
 - ii. Accept any native water shares in the City’s Growth Management Area that in the City’s opinion may successfully be transferred in Water Court.
- C. Native Raw Water Storage Fees (NRWSF)**
- i. Continue to use the current fees.
- D. Cash-In-Lieu**
- i. Remove the current limit on cash-in-lieu transactions. Allow use of cash-in-lieu on any transaction.
 - ii. Continue to keep the City’s cash-in-lieu fee five percent (5%) higher than the market price of CBT water, to allow for administrative expenses in acquiring water.

Following is a summary of the recommended factors for the ditch shares:

Table 9-1: Summary of Recommended factors for Ditch Shares

Irrigation Company	Current & Proposed NRWSF (\$/acre-foot)	Proposed Average Credit With storage (acre-foot/share)	Proposed Firm Credit w/o storage (acre-foot/share)
South Side	\$6,770	4.55	1.46
Louden	\$6,850	12.17	2.43
Buckingham	\$7,400	6.36	0.38
Barnes	\$5,750	3.32	0.86
Chubbuck	\$7,400	2.94	0.41
Big TD&M	\$3,530	186.57	70.90

5. Continue to consider the benefits of different types of storage:
 - A. Upstream Storage
 - i. Provides “annual storage”
 - ii. Provides “firming storage”
 - B. Downstream Storage
 - i. Provides staging for later upstream exchange.
 - ii. Provides staging for releases downstream.

6. Consider implementing elements of the maximum run conditions identified in Table 6 of the SWE Report.

7. Evaluate the most effective ways to make use of reusable supplies:
 - A. Exchange upstream for municipal use.
 - B. Sell or lease to downstream users.
 - i. Determine a reasonable policy for providing augmentation water to others, including value, storage, and administration.
 - C. Continue to monitor the applicability and feasibility of a purple-pipe raw water irrigation system.

The intent of these policy changes is to ensure the reliability of water the city accepts, thereby adhering to the charge by City Council to be able to meet future demands for water without curtailment in up to a 1-in-100 year drought. These steps are designed to enhance the City’s economic prosperity and potential for continued future growth.

An ongoing reevaluation of the alternatives considered in this RWMP at regular intervals a few years apart is recommended for the future. As water or cash-in-lieu of water is acquired, the City’s overall water supply portfolio may change. Unforeseen factors may cause the ultimate demand to be different from current projections. It will be important to reevaluate the RWMP using the Raw Water Supply Model and the *Raw Water Supply Yield Analysis* in the future as growth occurs, and to adjust the conclusions and recommendations as appropriate to match future conditions.



CITY OF LOVELAND
 ECONOMIC DEVELOPMENT OFFICE
 Civic Center • 500 East Third • Loveland, Colorado 80537
 (970) 962-2304 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 13
MEETING DATE: 1/17/2012
TO: City Council
FROM: Betsey Hale, Economic Development Department
PRESENTER: Mike Scholl, Economic Development Department

TITLE:

Motion Adopting a Downtown Developer Recruitment Program and Authorizing a Request for Expression of Interest

RECOMMENDED CITY COUNCIL ACTION:

Adopt the motion

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION:

This is an administrative action to adopt a Downtown Developer Recruitment Program and approve the Downtown Request for Expression of Interest (RFEI). The RFEI was created in response to Council's direction to provide an open and transparent process for developer solicitation in Downtown. The program and the RFEI provides a continuous recruitment process with streamlined and uniform requirements that provide an easy entry for developers interested in the Downtown market.

BUDGET IMPACT:

- Positive
 Negative
 Neutral or negligible

SUMMARY:

The developer recruitment process is part of the ongoing Downtown revitalization strategy and reflects Council's request to have an open and transparent process for identifying and selecting development partners in Downtown. The process has been greatly streamlined from the

previous RFP that was issued in January of 2010. The RFEI requests basic information on concepts, budgets and pro-formas along with references so that the City may review proposals fairly and equally. The RFEI does not bind the City to any action, and all development agreements are subject to additional Council consideration and approval.

REVIEWED BY CITY MANAGER:

William D. Cahill

LIST OF ATTACHMENTS:

- A. Request for Expression of Interest
- B. Staff Report

REQUEST FOR EXPRESSION OF INTEREST IN DOWNTOWN LOVELAND DEVELOPMENT

**Proposals will be accepted at any time
Proposals shall be submitted to:**

**City of Loveland
Office of the City Clerk
500 E. 3rd Street, Suite 230
Loveland, Colorado 80537**

The City of Loveland (City) is seeking to promote and facilitate development in Downtown Loveland. The intent of this Request for Expression of Interest (RFEI) is to provide an open and transparent process for interested investors seeking public support for development proposals in Downtown.

Projects will be judged based on their ability to support the City's Downtown Strategic Plan, a copy of which is available at <http://www.cityofloveland.org> under the Department of Economic Development tab.

As per the Downtown Strategic Plan goals, projects seeking support must achieve the following:

1. Increase Downtown density and improve the climate for employment;
2. Facilitate the rehabilitation of historic buildings where appropriate;
3. Increase housing density; and
4. Assemble smaller parcels for the purpose of vertical development.

BACKGROUND:

In 2009, the Loveland City Council adopted the Downtown Strategic Plan and since that time has been actively engaged in identifying development opportunities for private investors.

The City has a history of successful private/public partnerships including the Lincoln Place Apartments and the Rialto Theater Center. In addition, the City is partnering with Art Space, a national developer of

Downtown development is a difficult undertaking, but offers the best opportunity for long-term success of the revitalization effort.

Most properties in Downtown Loveland are between 2,000 and 5,000 square feet, which severely limit the opportunity for redevelopment. For a larger project to occur, a private developer would need to negotiate with multiple property owners to acquire and assemble properties.

In addition, the cost of demolition and clearance is prohibitive and risky due to the age of the buildings.

In contrast, with green-field development, land tends to be less expensive, there is little need for assemblage, and the cost of land clearance is nominal compared to Downtown.

For Downtown Loveland to attract private investment, stakeholders will need to address these impediments to investment.

- *Downtown Strategic Plan (p. 19)*

affordable housing for artists, on a project at the privately-owned historic Feed and Grain building.

THE DOWNTOWN:

The Downtown area of interest in defined in the attached map.

ADDITIONAL INFORMATION:

Questions should be directed to Mike Scholl, Economic Development Department:

Mike Scholl
City of Loveland
500 E. 3rd Street
Loveland, Colorado 80537
(970) 962-2307
(970)593-2965
scholm@ci.loveland.co.us

CITY ASSISTANCE:

For details on the types of City assistance that may be available, please refer to the Downtown Strategic Plan – Implementation Tools (p. 77). Available assistance may include, but is not limited to, the following:

- Fee Waivers for Capital Expansion and Permit Fees
- Public Improvements
- Tax Increment Financing
- Assistance with Land Assemblage

CONFIDENTIALITY AND OWNERSHIP OF RESPONSES

Parties responding to this RFEI should clearly mark Items 3, 4 & 5 of their responses (see “Contents” below) as “Confidential and Proprietary Information”. If so marked, then the City will decline to disclose these items to the extent permitted by law. Except for information so marked, responses are subject to public inspection under the Colorado Open Records Act (C.R.S. §24-72-200.1 et. seq)

Successful Private/Public partnerships require each partner to clearly define its role in the development process.

As the City moves forward with the implementation strategy, it is critical for the City to define its responsibilities and capacity to support downtown investment.

Private/Public partnerships are complex endeavors that require clear understanding of the role of each entity and the economic conditions in downtown.

- *Downtown Strategic Plan (p. 64)*

REQUIRED FORM AND CONTENTS OF RESPONSES

Responses are more likely to be viewed favorably if they are **concise and specific**. Overly lengthy or elaborate proposals will be interpreted to mean that the proposer did not properly understand this RFEI. All documentation submitted with a response shall be included in a single unbound volume and can be submitted electronically in PDF format.

Each response shall include the following items in the following order:

1. Cover letter addressed to:

William D. Cahill, City Manager
City of Loveland
500 E. 3rd Street
Loveland, Colorado 80537
2. Proposal Form – Completed and Signed
3. Development proposal with specific strategies for site control. The City is interested in playing a supportive role but will not acquire property for speculative development. Please include proposed uses, target markets, and marketing and leasing approach. If the responder does not wish for this information to be shared, please **mark as “Confidential and Proprietary Information.” (limited to four pages)**
4. Responder’s most recent financial statements prepared by an independent CPA firm or current financial statement attested to be truthful and accurate; and
5. Project Experience **(limited to six pages)**
 - a. Examples of three past relevant projects:
 - i. Dates of project completion
 - ii. Ownership structure
 - iii. Use of public financing if applicable
 - iv. Project References
 - v. Bank/Financial references

*Downtown Strategic Plan
Goals:*

Goal #1:

Maintain and enhance the economic vitality of Downtown through private/public partnerships.

Goal #2:

Identify funding gaps to project development and structure tools to fill the gaps and achieve development.

Goal #3:

Identify and support strategies to enhance and expand the cultural offerings in Downtown.

Goal #4:

Identify strategic catalyst projects that will significantly improve the economic conditions in Downtown.

- Downtown Strategic Plan (p. 3)

EVALUATION CRITERIA

Responses deemed to be incomplete will not be considered.

The City will consider the following criteria in evaluating each response:

1. Quality of the Proposed Project, including:
 - a. Whether it meets the goals of the Downtown Strategic Plan; and
 - b. Compatibility with other Downtown efforts.
2. Qualifications of the Responder;
3. Evaluation of potential economic return to the City and Downtown; and
4. Project References.

PROCESS

Following review of for completeness and consistency with the evaluation criteria, the City may offer an interested developer an Exclusive Right to Negotiate (ERN) for a term requested by the developer. The City can be flexible on the term based on the needs of a development project.

After the developer and/or City achieve control of a potential site, a development agreement setting forth the City's support for a project and the developer's obligations may be negotiated. The City is interested in playing a supportive role, to the greatest extent possible. All development agreements are subject to approval by the Loveland City Council. The City makes no warranty or representation that any development agreement will be considered or approved by Council.

Downtown Strategic Plan Principles:

Principle #3:

Private/Public partnerships are essential.

Under the current conditions, the public sector needs to set the vision and provide leadership to support downtown revitalization. Due to the risks involved in downtown investment, the private sector is unlikely to make a significant commitment without a public partner.

Downtown needs to use its leverage from strategic public investments to attract private investment in downtown.

Stakeholders need to work with local banks, developers and property owners to identify potential partners in the revitalization process. Attracting private investment is critical to the long-term success of Downtown.

- *Downtown Strategic Plan (p. 2)*

RESPONSE FORM

CONTACT INFORMATION

Entity Name: _____

Type of Organization: _____

State of Organization _____

Main Contact: _____

Address: _____

Phone: _____ Email: _____

MANAGEMENT AND FINANCIAL INFORMATION

Key investors (any investor with more than 15 percent share of ownership, whether individual or other entity). Also, please identify principals who have management control.

Name	Address	Phone
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REFERENCES

List three references who may give information about the ability of the Responder to complete the proposed development

Name Address Phone

CONSENT TO CREDIT REPORTS

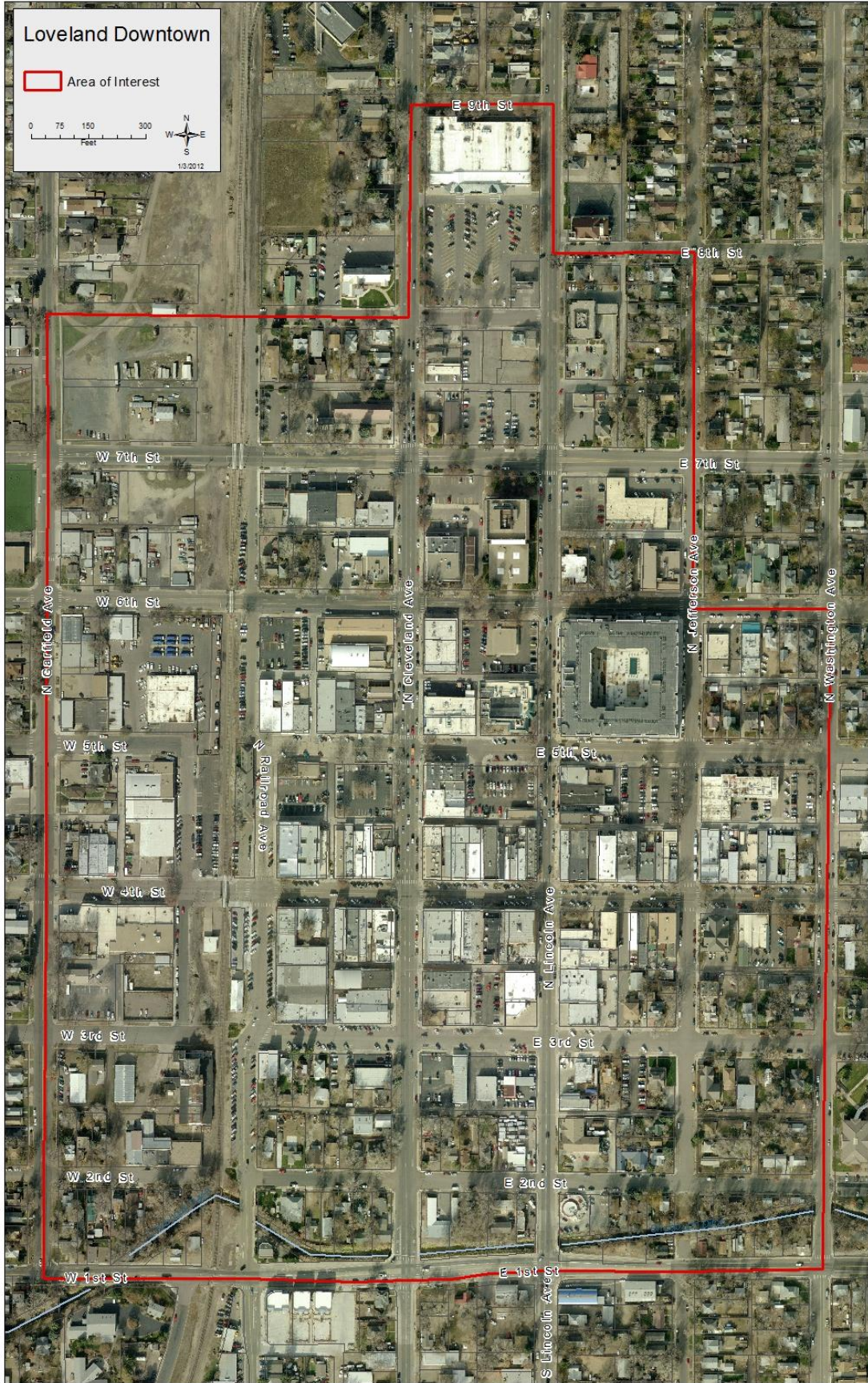
I hereby consent to allow for a credit check/report to be obtained on the principals and firm responding:

Signature _____ Date _____

CERTIFICATIONS (please initial to the left and sign at bottom)

_____ I certify that all information included in this response is true and correct.

Signature _____ Date _____





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January 11, 2012

To: Loveland City Council
From: Mike Scholl, Department of Economic Development
Through: Bill Cahill, City Manager
RE: Staff Report/Request for Expressions of Interest/Broker Contract Template

Background:

Staff is preparing to release the RFEI on the City's website with a map (see attached) that includes the primary area of interest. The map reflects the core of Downtown including the area adjacent to the railroad right of way.

Developer Recruitment/RFEI:

The Request for Expressions of Interest (RFEI) is an extension of the City's ongoing effort to identify private investment opportunities in Downtown. Given the challenges of developing in Downtown, most large scale Downtown projects will require some public participation. Developers tend to be unwilling to enter into significant pre-development on any project without first understanding the commitment of the City to support the project. This is especially true in Downtown.

The purpose of the RFEI is to provide a simple method for engaging the City as a partner on proposed projects. The RFEI can be used on property that the City owns and projects where the City has no ownership interest. Following a submission of an RFEI by a developer, staff would review the material for completeness and consistency with the Downtown Strategic plan. Staff would then seek Council's direction in the form of an Exclusive Right to Negotiate (ERN) before moving forward with substantial negotiations. The effort would then culminate with a development agreement considered by Council; however, no guarantees are made that any negotiation would automatically receive Council approval.

Developers can gauge the level of interest from the City and move forward with pre-development activities confidently. In addition, staff can work to identify developers and engage in negotiations in an open and transparent manner consistent with past Council directives. The RFEI would be an open and ongoing process and allow for submissions by developers at any time.

