
REGULAR MEETING AGENDA

CALL TO ORDER

NEW EMPLOYEE INTRODUCTIONS

APPROVAL OF MINUTES – 9/19/2019

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

INFORMATIONAL ITEMS

1. Response to Citizens – Joe Bernosky
2. Risk and Resiliency Assessment Update – Joe Bernosky

REGULAR AGENDA

3. P1 Pump Station Rehabilitation Project Construction Contract – Tanner Randall
4. Intergovernmental Agreement for Demand Side Management and Distributed Energy Resource Program Partnership – Allison Bohling

STAFF REPORTS

5. Quarterly Financial Update - Jim Lees

COMMISSION & COUNCIL REPORTS

DIRECTOR'S REPORT

ADJOURN

*** Citizens Report Procedures**

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

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

Notice of Non-Discrimination

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

Notificación en Contra de la Discriminación

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

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

Commission Members Present: Dan Herlihey, Gary Hausman (Chair), John Butler, Randy Williams, Sean Cronin, Stephanie Fancher-English

Commission Members Absent: Don Cook, Gene Packer, Larry Roos, Richard Rhoads

Council Liaison: Steve Olson (Arrived at 5:30pm)

City Staff Members Present: Andrew Paranto, Bill Crowell, Courtney Whittet, Derek Turner, Frank Lindauer, Jim Lees, Joe Bernosky, Larry Howard, Michelle Erickson, Nathan Alburn, Roger Berg, Ryan Van Pelt, Tanner Randall, Travis Johnson, Yarani Vasquez

Guest Attendance: Dick Mallot, Jane Clevenger, Dave Mills, Gail Barnhardt

CALL TO ORDER: Gary Hausman called the meeting to order at 4:00 pm.

APPROVAL OF MINUTES: Gary Hausman asked for a motion to approve the minutes of the August 21, 2019 meeting.

Motion: Dan Herlihey made the motion to approve the minutes as amended.

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

Dan Herlihey nominated Gary Hausman for Chair, with a second from John Butler.

Gary Hausman nominated Dan Herlihey for Vice Chair, with a second from John Butler.

CITIZENS REPORT

Dick Mallot advised PRPA is hosting a public open house in Loveland for public

Dave Mills – Would like Water and Power to do what we can to encourage solar installation. Also, would like to mention electric cars. There is wiring at the Foundry for chargers but no chargers, it would be perfect for employees parked at that location all day to charge their electric vehicles. And the charging station at the Library has been damaged for some time.

INFORMATIONAL ITEMS

Item 1: Financial Report Update – Jim Lees

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

Informational Item only. No action required.

CONSENT AGENDA**Item 2 pulled from Consent Agenda****Item 3: Distribution Transformer Contract – Frank Lindauer**

Award of a contract, valid through December 20, 2020, to Western United Electric Supply (WUE) for Ermco distribution transformers, including single-phase pole-mount, single-phase pad mount, and three-phase pad mount units.

Recommendation: Adopt a motion recommending that LUC award the contract for Distribution Transformers to Western United Electric Supply in an amount not to exceed \$1,144,109.45 and authorize the City Manager to execute the contract on behalf of the City, following consultation with the City Attorney, and to modify the contract in form or substance as deemed necessary to protect the interests of the City.

Item 4: Otak, Inc Contract Amendment for Idylwilde Hydroelectric License Surrender – Christine Schraeder

Otak, Inc Contract Amendment for Idylwilde Hydroelectric License Surrender

Recommendation: Adopt a motion recommending that LUC award the contract amendment for Otak to continue to partner with the City for Idylwilde License Surrender to its completion at the end of 2021 for an amount not to exceed \$773,845.40 and authorize the City Manager to execute the contract on behalf of the City, following consultation with the City Attorney, and to modify the contract in form or substance as deemed necessary to protect the interests of the City.

Motion: Dan Herlihey made the motion to approve the items on Consent Agenda except Item 2.

Second: Sean Cronin seconded the motion. The items were approved unanimously.

REGULAR AGENDA**Item 2: Primary Underground Cable Contract – Yarani Vazquez**

Award a one-year contract to WESCO and Western United for primary underground cable needs.

Recommendation: Adopt a motion recommending that LUC award the contract for Primary Underground Cable to WESCO in an amount not to exceed \$715,500.00 and Western United in an amount to not exceed \$278,200.00 and authorize the City Manager to execute the contract on behalf of the City, following consultation with the City Attorney, and to modify the contract in form or substance as deemed necessary to protect the interests of the City.

Motion: Dan Herlihey made the motion to approve the item.

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

Item 5: 2020 Water & Power Schedule of Rates, Charges and Fees – Jim Lees

The purpose of this item is to ask the Loveland Utilities Commission to adopt a motion recommending that City Council approve the proposed changes in the Water and Power Schedule of Rates, Charges and Fees for 2020.

Recommendation: Staff seeks direction on determining the LUC's preference on a methodology or general guidelines for determining the market price for CBT units.

Motion: Dan Herlihey made the motion to approve the item.

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

Item 6: 2019 Raw Water Master Plan Discussion – Larry Howard

The City of Loveland is in the process of updating the Raw Water Master Plan (RWMP). Staff seeks direction on points of discussion, which will lead to creation of recommendations for the final RWMP report which will be presented to City Council.

Recommendation:

1. Consider the draft 2019 RWMP and discussion points from this meeting.
Staff recommends delaying decisions for the CIL and NRWSF topics to allow further concept development, evaluation, and discussion.
 1. ***1-in-100 Year Drought Planning*** – Provide the City’s customers with a full water supply without curtailment up to a 1-in-100 year drought event.
 2. ***2019 Raw Water Supply Yield Analysis*** – Use as City’s raw water supply model
 3. ***Raw Water Demand Target*** - Continue using raw water demand target of 30,000 acre-feet
 4. ***Policy for Accepting Raw Water*** –
 - i. Minimum amount of every payment made using CBT, CIL, or existing Cash Credits in Water Bank
 - ii. Payment Types Allowed: CBT, CIL, Cash Credits, Native Credits
 - iii. 50% Rule Clarification: Exceptions for transactions ≤ 1 AF
 - iv. CBT Credit: Decrease from 1.0 AF/unit to 0.9/AF unit
 - v. CIL and NRWSF saved for later discussion
 5. ***Maximize the Benefits of Storage*** –
 - i. Complete Chimney Hollow Reservoir
 - ii. Complete Great Western Reservoir
 - iii. Explore and evaluate other water storage opportunities
 6. ***Optimize Raw Water Operations*** - Explore additional firm yield scenarios using alternative water supply operations
 7. ***Evaluate the Most Effective Ways to Make Use of Reusable Supplies*** –
 - i. Use for required return flows
 - ii. Exchange Upstream for Municipal Use
 - iii. Sell or Lease to Downstream Users
 - iv. Apply augmentation water policy approved by LUC on May 15, 2019
 - v. Raw Water / Purple Pipe System
2. Adopt a motion directing staff to incorporate the preferred policies and direction for inclusion into the 2019 Raw Water Master Plan for presentation to Council.

Motion: Dan Herlihey made the motion to approve the item.

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

COMMISSION/COUNCIL REPORTS**Item 7: Commission/Council Reports**

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

Dan Herlihey: Shout out to Mike Scholl, he is moving into the private sector after 11 years with the City. He has made some great accomplishments in the City and leaving big shoes to fill. He completely changed Downtown Loveland with the Foundry.

Gary Hausman: none

John Butler: Worried about the C-BT raising so fast and Cash-In-Lieu prices, wants to make sure we don't shoot ourselves in the foot.

Randy Williams: The Raw Water Master Plan was Pulitzer prize quality technical writing, very clear and comprehensible.

Sean Cronin: none

Stephanie Fancher-English: none

Council Report: Currently in the middle of the budget process, Council has an opportunity to have two study sessions on the budget. Already had the first, and the second one is coming up. Water and Power has some increases with the most significant area of increase being Broadband, understandably.

DIRECTOR'S REPORT**Item 9: Director's Report – Joe Bernosky**

ADJOURN The meeting was adjourned at 6:00 pm. The next LUC Meeting will be October 16, 2019 at 4:00 pm.

Respectfully submitted,

Courtney Whittet
Recording Secretary
Loveland Utilities Commission
/s/ Gary Hausman, LUC Chairman



ITEM TITLE:

Response to Citizens

DESCRIPTION:

This item is the response to citizen comments made at the October 1, 2019 City Council meeting regarding Loveland Water and Power's Power Division.

SUMMARY:

Please see the attached document for Loveland Water and Power's response to citizen comments made during the October 1, 2019 City Council meeting.

RECOMMENDATION:

Information item only. No action required.

ATTACHMENTS:

-  Attachment A: Loveland Water and Power's response letter – October 9, 2019

Attachment A

MEMORANDUM



TO: Loveland City Council
THROUGH: Steve Adams, City Manager
FROM: Joseph J. Bernosky, P.E., Water and Power Director
DATE: October 9, 2019
SUBJECT: Response to Comments Regarding Loveland Water and Power's Power Division

This memorandum addresses written materials provided in advance of, and comments made during the Public Comment portion of the October 1, 2019 Loveland City Council meeting by Bruce Croissant, and Jane Clevenger and Dick Mallot, representatives of Renewables Now Loveland. Copies of those written materials are appended to this memorandum.

Planning – the Department's Power Division (as does the Water Division) prepares a *10-year* operations and maintenance (O&M) budget plan and *10-year* Capital Improvement Plan (CIP) budget. In fact, Water and Power was the first city department to develop such strategic long-range O&M/CIP projections.

These plans describe the system improvements, rehabilitation/replacement projects, and expansion projects planned for the next 10 years. Projects are developed through future load projections, asset condition assessments, and introduction of new and/or improved technologies. Through professional associations and conferences, many sponsored by the American Public Power Association, Power Division staff maintain proficiency with new and emerging technologies, especially those that promote efficiency, reliability, and resiliency in the distribution system.

Two members of the Loveland Utilities Commission (LUC) participate in staff meetings wherein both of these plans are developed (please see below for more information regarding the LUC). The 10-year O&M and CIP budgets are then presented to the entire LUC for review and recommendation to the City Council. Both the 10-year O&M and CIP budget/plans are contained in the City's publicly-available annual budget document.

While the City's Power Utility provides distribution resources, it relies on the Platte River Power Authority (PRPA) for generation and transmission of electric power. PRPA is currently developing an updated Integrated Resources Plan or IRP. The IRP is a critical tool for establishing a near-term action plan and long-term trajectory that will ensure an adequate supply of reliable, financially sustainable, and environmentally responsible electricity. The IRP will focus on 1) generation projects, 2) non-carbon energy, 3) energy storage, 4) distributed energy resources, and 5) energy efficiency. Loveland Water and Power staff are fully engaged and participating in this vital effort. One citizens "listening session" has been held and two more are planned to receive community input regarding

the IRP. Additionally, PRPA staff periodically briefs LUC on such matters as rates and the generation portfolio.

Renewable Resources – Both the City of Loveland and PRPA are committed to renewable resources such as wind and solar. In addition to the three megawatt (3 MW) Foothills Solar Facility owned by the City, PRPA continues to add non-carbon resources to its generation portfolio. Currently, PRPA has contracts (or power purchase agreements sometimes known as PPAs) for approximately 198 MW of non-carbon resources including wind, solar, and hydropower. Earlier this year, PRPA contracted for an additional 225 MW of wind and recently issued a request for proposals for adding up to 125 MW of solar.

More importantly, in December 2018, the PRPA Board of Directors unanimously approved a resource diversification policy calling for a 100% non-carbon energy mix by 2030 provided key technical and market advancements are achieved that would enable goal attainment. The policy directs Platte River management to proactively pursue the goal of obtaining a 100% non-carbon resource mix by 2030 while maintaining the organization's three core pillars to provide reliable, environmentally responsible and financially sustainable electricity and services. The resolution also noted several advancements that must take place in order to achieve the non-carbon objective.

Distributed Energy Resources (DER) – as referenced above, the IRP will address distributed energy resources, which include energy efficiency, demand response, distributed generation, distributed energy storage, and beneficial electrification. Because of the distributed nature of these resources, the involvement of retail customers, and the need for integrated planning and operation across the entire electric system, it is important that PRPA and the owner communities collaborate on the development of a DER strategy. To that end, PRPA had chartered a task force to develop a DER Strategic Plan. Both the Department's Power Division Manager and Customer Relations Division Manager are members of that task force. Due to the depth and complexity of the issues to be studied, plan completion is not expected until 2021. Interim briefings to the LUC and City Council are anticipated.

Achieving greater penetration of DER will require significant and costly upgrades to the distribution system infrastructure and control systems. The impact of such upgrades will be evaluated in the DER Strategic Plan and resultant costs reflected in the 10-year rate projections.

Advanced Metering Infrastructure (AMI) – AMI refers to an integrated system that provides the ability to measure, collect, and analyze energy (or water and natural gas) usage and then communicate that data to both the utility and the customer. Such systems can prove beneficial to both the utility through a better understanding of system loads and demands and the customer by understanding their power usage.

The City of Fort Collins employs time-of-use rates, which means that the cost of electric power varies throughout the day with the highest prices assigned to peak hours (typically late afternoon). This practice results from the City of Fort Collins Climate Action Plan and

does not represent generation resource delimitation or pricing signals from PRPA. The City of Loveland does not employ, and has no plans to employ, time-of-use rates at any point in the near future. Thus, simply installing AMI meters *will not* reduce energy consumption or lower costs to customers.

However, the City of Loveland's Power Division has strategically deployed a number of AMI meters throughout its service area where staff believes they are beneficial to operations and will lead to a greater understanding of their operating characteristics, benefits, and potential impacts to the distribution system. The Division is also deploying software (Meter Data Management or MDM) that will be required as more of these units are installed.

Although beneficial, an AMI system (which includes requisite software and controls) is extremely expensive to deploy and operate. The costs to fully deploy such a system in Loveland are estimated in the range of \$10M to \$15M. The department is cognizant of these costs and is seeking appropriate future implementation protocols that will not require significant rate increases for our customers.

Energy Efficiency Programs – the Department of Water and Power offers a number of residential and business energy (and water) efficiency programs. Some of the energy programs include:

Residential Programs

- **Efficiency Works Homes:** Provides energy assessments and advising services to customers at a reduced cost, and provides rebates for efficiency upgrades in homes. Rebates include insulation, air sealing, HVAC and windows.
- **Efficiency Works Consumer Products:** Provides discounts on a number of products including LED lighting, lighting controls, smart thermostats, refrigerators, freezers and washing machines.
- **Income Qualified Program/partnership:** LWP and the other partnering Platte River municipalities have collaborated with Energy Outreach Colorado (EOC) to implement a pilot income-qualified program. Through this program, Platte River provides funding to EOC to provide energy and water efficiency improvements to low-to-medium income residences, including efficiency upgrades in both single and multifamily housing. Improvements are also provided to non-profit businesses that serve this same demographic of income-qualified customers.
- **GreenSwitch:** GreenSwitch is a wind energy purchase program that allows customers to receive and support energy from a clean renewable source.
- **Watt Reader Kits:** The watt reader is a device that allows customers to individually monitor the electric use of home appliances. Watt Reader Kits are available for checkout at the Loveland Public Library.
- **Home Energy Reports:** The report provides residents with personalized information to customers about energy use and smart ways to make homes more energy efficient.

- Larimer County Conservation Corps. Water and Energy Assessments: The Larimer County Conservation Corps has partnered with LWP to offer assessment services, recommendations and installation of energy and water products to improve home efficiency at no cost.

Business Programs

- Efficiency Works Business: Efficiency Works can help businesses identify and implement cost-effective efficiency upgrades for new or existing buildings. This program provides free facility assessments/advising, and can connect businesses with a contractor to perform efficiency upgrades, and provide rebates for any upgrade that saves electricity.
- Efficiency Works Business also offers the following:
 - Building Tune-Up: Retro-commissioning study with an approved provider.
 - Multifamily and New Construction Rebates: Provides funding to help customers conserve energy, water and reduce costs when upgrading to more efficient equipment in new construction or existing multifamily buildings.

Billing System – the utility billing system used by the City of Loveland (including water, power, wastewater, solid waste, and other utility charges) is over 25 years old. Despite this age, there is a sufficiency of information on each monthly bill that allows a customer to understand their water and power usage. Customers can then take advantage of the efficiency programs described above to help manage and reduce their utility bills.

The City is currently implementing a new Customer Information System (billing system) that will significantly improve readability, clarity, and customer understanding of each month’s bill, including solar self-generation customers. Additionally, a new and improved internet website or customer portal will allow customers to track both current and historical water and power usage, overlay temperature and precipitation to water and power usage, and tag significant events such as a major appliance replacement or family addition to observe how it might impact utility usage. Roll-out is expected in mid-2020.

Solar Self Generation (Bruce Croissant) – Mr. Croissant, who presented concerns regarding his solar self-generation bill, has been in contact with Water and Power accounting staff for a number of years regarding his monthly charges. Unfortunately, the example presented in his submittal (which is attached) is based on an incorrect reading of the current rates and charges and thus does not reflect how his (or any other solar self-generation customer) is bill is calculated. The underlying assumption (on the page that begins “Self-Generation Rate Effective 1/1/19) mixes the residential and non-residential billing practices, which is erroneous and not how residential self-generation customers are billed. Staff has reviewed his submittal and is unable to discern any basis for his subsequent calculations. Staff believes our billing procedures are correct and further, that the forthcoming billing system will aid solar self-generation (and in fact all) customers in more fully understanding their water and power usage and subsequent billing.

Loveland Utilities Commission (LUC) – the LUC’s purpose is to serve as an advisory body to City Council on all matters pertaining to the water, wastewater, and electric utility operations and services provided by the City. The nine-member body of involved, informed citizens possess decades of experience and diverse backgrounds in law, water, water resources, power generation, and nuclear power. These members hold differing views in a number of areas relating to efficient use of current and future water resources and power, and these are often debated at the meetings.

The LUC functions at both the tactical and strategic levels, for in addition to discussing and reviewing the ten-year plans for water and power referenced above, more detailed information is also provided to the members about efficiency programs, major capital improvement projects, and ongoing operational issues. Such background information is always provided to the LUC prior to staff soliciting input or feedback, or prior to advising the City Council on a particular matter.

Staff is fully confident in the ability of the LUC to provide clear and cogent advice to the Loveland City Council on matters pertaining to both water and power. There is a clear nexus between water and power; and as LUC does discuss both short- and long-term issues and challenges for the entire utility, staff does not believe that there is a sound rationale for creating a second, separate power commission.

All LUC meetings are open to the public and their charter is presented below:

Roles and Duties of the Commission

A. There is established a Loveland utilities commission consisting of nine members appointed by the city council. Any person who is a customer of the city’s water, waste water, or electric utility, or who is an authorized representative of such a customer, shall be eligible for appointment to the commission. The term of office of each member shall be three years.

B. The purpose of the Loveland utilities commission shall be to serve as an advisory body to the city council on all matters pertaining to the water, waste water, and electric utility operations and services provided by the city. In addition to any other duties as may be delegated to it by the city council, the commission shall:

- 1. Advise the city council on matters pertaining to rates, charges, and fees for water, waste water, and electric services provided by the city;*
- 2. Approve procurement contracts, and change orders to procurement contracts, pursuant to Section 3.12.060;*
- 3. Develop, approve, and adopt policies, practices, and guidelines to assist the water and power department in the efficient operation of the city’s water, waste water, and electric utilities, and in the event a change to the municipal code is required in order to effectuate policies to be adopted by the commission, to recommend such changes to the city council;*
- 4. Review the proposed annual budget for the water and power department;*

5. *Conduct public hearings on issues of policy concerning all water, waste water, and electric utility matters within the jurisdiction of the commission; and*
6. *Provide policy recommendations to the city manager and the director of the water and power department, consistent with any previously adopted city council policies, concerning all water, waste water, and electric utility matters within the jurisdiction of the commission. (Ord. 5401§ 1, 2009)*

Additional Duties for the LUC found in Loveland Municipal Code 19.04:

7. *Setting cash-in-lieu price of CBT shares (Muni Code 19.04.041)*
8. *Accepting ditch water into Water Bank (Muni Code 19.04.080 A & B)*

3.12.060 Procurement authority.

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

Summation – Loveland Water and Power staff have met with Bruce Croissant, Jane Clevenger, Dick Mallot, and other representatives of Renewables Now Loveland on numerous occasions over the past several years. They have also made presentations to the LUC regarding their requests and desired outcomes. During these meetings staff has explained PRPA’s and this utility’s current and future efforts regarding resources as they relate to PRPA’s three pillars of reliability, financial stability, and environmental responsibility. Staff remains ready to cooperatively and productively discuss such issues with Renewables Now Loveland as new efforts or information arise.

Finally, as noted above, the LUC is fully engaged with both current and future issues relating to public health and safety – the primary mission of the Water and Power Department. Staff looks forward to their continued involvement in these critical arenas and are confident of receiving sound advice and guidance from that Commission.

Written Materials submitted by Bruce Croissant, and Jane Clevenger and Dick Mallot, representatives of Renewables Now Loveland

Self-Generation Rate Effective 1/1/19

The Self-Generation Rate is available as an option to all electric service customers who own, operate and maintain their own generation equipment. The city will net meter all energy consumed by the customer and produced by the customer’s generation system. Net metering shall be, for billing purposes, the net consumption as measured at the service meter on a monthly basis. Consumption will be measured monthly and in the event net metering is negative in a given month, such that the customer’s generation system production is greater than the customer’s consumption, there will not be a monthly cash credit for such production. All such excess energy, expressed in kilowatt-hours, shall be carried forward from month to month and credited against the customer’s energy consumption, expressed in kilowatt-hours, in subsequent months. In the event that a negative net consumption balance remains after twelve consecutive months following the effective date of customer’s commencing on the Self Generation Rate, or any annual anniversary thereafter, the City will pay the customer for such negative balances at the Self Generation Buyback Credit Rate.

Monthly Rate Residential Base Charge

Capacity of Self-Generating Unit (in kilowatts (kW))	Jan. – Dec.
Up to 1.49	\$18.13
1.50 – 2.49	\$20.73
2.50 – 3.49	\$23.32
3.50 – 4.49	\$25.91
4.50 – 5.49	\$28.51
5.50 – 6.49	\$31.10
6.50 – 7.49	\$33.69
7.50 – 8.49	\$36.29
8.50 – 9.49	\$38.88
9.50 – 10.49	\$41.48

	Jan. – June, Oct. – Dec.	July – Sept.
Residential		
Energy charge per kWh	\$0.07616	\$0.09224
PILT charge per kWh	\$0.00737	\$0.00881
Buyback credit per kWh	\$0.07616	\$0.09224
Buyback PILT credit per kWh	\$0.00737	\$0.00881

Meter data from a self-generator customer's bill for June 2019:

Rate Class : EL SELF-GEN + 4.50-5 Balance Forward .00

	Service	Period	Days	Meter Number	Mult	Units	Current	Previous	Usage
EL	5/24/19	6/26/19	33	42210	1	KWH	13717	13615	102
EL	5/24/19	6/26/19	33	42210	1	KW	5.33	5.23	5.33
EL	5/24/19	6/26/19	33	42210	1	KWH	29456	28965	491
WA	5/24/19	6/26/19	33	44747670	1	GALS	2026000	2020000	6000

The rate class is used to determine the base charge for this customer. From the definitions in the Rate Class Description (pg 1) it is: \$28.51

From this customer's records we see that in each of the five months of 2019 up to June the system has produced energy that was delivered to the utility; that in June the system produced 599 KWH; that this home consumed 210 KWH and thus the net energy delivered to the utility was 389 KWH.

	Meter In	13027	13220	13380	13507	13615	13717
	In	205	193	160	127	108	102
2019	Meter Out	27544	27893	28246	28655	28965	29456
	Out	309	349	353	409	310	491
	Generate	400.411	438.145	436.617	511.665	396.435	598.95
	Consume	296.411	282.145	243.617	229.665	194.435	209.95
	Deliver	104	156	193	282	202	389

The total energy delivered to the utility in 2019 up to June was: 937 KWH yet the balance forward is shown to be zero.

The correct calculation of the electric charges from this customer's bill:

Energy into the meter is measured to be: 102 KWH

Energy out of the meter is measured to be: 491 KWH

This customer is thus a net producer of (491 – 102) 389 KWH

Thus, this customer's bill should show an electrical service charge of \$28.51 with a credit of 389 KWH to be accumulated into the next billing cycle. (937 + 398 = 1326)

But this is not what the bill shows:

Service	Consumption	Charge	Total
EL ELECTRIC	102.00	38.82	
EL SELF GEN ENERGY	491.00	45.29-	
EL SELF GEN PILT	491.00	4.33-	
TOTAL ELECTRIC			10.80-

Observe that this customer received a deduction of \$10.80 from the bill for all enterprise services as a result of electric enterprise services. That is nearly **\$40** that the utility lost to this customer this month due to sloppy accounting, not due to extra burdens placed upon the utility by the existence of this rate class.

It is not reasonable that the utility paid the customer to use it's service during this billing period.

Investigation:

The utility doesn't show its work and what is shown doesn't look to mesh with the rate class description. We are left to puzzle out how the utility arrived at this bill amount. First, the charge for consumption(102) is almost as much as the credit for consumption(491).

Lets see what we get if we multiply the consumption(102) by the energy charge for June and the consumption(491) by the buyback credit for June.

$$102 \times .07616 = \$7.77$$

$$491 \times .07616 = \$37.39 \quad \text{no matches}$$

What if we multiply the "consumption" by the sum of energy charge and PILT charge and the sum of buyback credit and buyback credit PILT respectively?

$$102 \times (.07616 + .00737) = \$8.52$$

$$491 \times (.07616 + .00737) = \$41.01 \quad \text{still no matches.}$$

What if we use the July – Sept rates?

$$102 \times (.09224 + .00881) = \$10.31$$

$$491 \times (.09224 + .00881) = \$49.62 \quad \text{still no matches.}$$

What if we use just consumption and buyback without adding the PILT?

$$102 \times .09224 = \$9.41$$

$$491 \times .09224 = \$45.29 \quad \text{we have a match – we've been able to reproduce the consumption(491) value that the utility calculated.}$$

But what about the consumption (102) value. Why is it so far off? Lets add the base rate to it.

$$\$9.41 + \$28.51 = \$37.92 \quad \text{no match}$$

What if we use the consumption rate plus the consumption rate PILT?

$$\$10.31 + \$28.51 = \$38.82$$

eureka!

Why also credit a PILT amount for the consumption(491)?

$$491 \times .00881 = \$4.33$$

Conclusions:

1. The utility did not use a correct algebra formula nor procedure to arrive at its billing amount and The utility did not correctly apply the rate structure definitions.
2. The utility used rates for the wrong season to make its calculations (for June).
3. The utility seems confused about the reason for PILT – when it is assessed and to whom it is paid.
4. The customer is in the dark as far as the status of KWH delivered to the utility as is also most likely the utility – there is no record.
5. The utility's determination of the cost to support this rate class and of the revenue received from this rate class is inaccurate.
6. This inaccurate data is what was provided to the “rate consultant” and thus are his recommendations flawed.

Further Conclusions:

1. The utility accounting dept is over-matched by the scope of its purview
2. The accounting of electric operations does not have a design – much falls thru the cracks
3. LUC is over-matched by the scope of its purview
 1. It should be divided into Water/Waste Water Commission & Electric Commission
 2. Both should be converted from commissions to Board of Directors
 1. Boards to make business and operating decisions
 2. Board seats filled by combination of election & appointment
 3. Accounting removed from CAFR
 4. Each board to produce an annual report just like a listed private corporation must, including cash flows and profit and loss
 5. Report to include mission and vision, operation accomplishments, goals, progress
 6. Annual board meeting to be a public meeting and presentation to city council

Recommendations for our Electrical Utility Future

October 1, 2019

Jane Clevenger and Dick Mallot

Renewables Now Loveland

Electric Utility Current Status

LUC focuses on operational day to day issues

Long term planning today tends to be a couple of years.... project length

Focus is current technology, maintenance and problem resolution

Some excellent tools for residents to encourage conservation

The LUC does a great job managing this operation for the city today

But.....Residential users cannot currently know and control its energy usage

But.....Self generation of energy is not encouraged

But.....Billing today is not understandable or able to be followed (not enough detail) and errors are not being addressed (Bruce presentation)

But.....we are not planning for the major future changes coming.

But.....the skill sets for water and electric are very different and not enough electric focus people

Summer is now four months, not three in our city rate process. Why? Climate Change.

Electric Utility Strategic Future Focus

Needs to be envisioning the utility 10 years out in 2030

Electric grid will be very decentralized: home generation; local solar gardens/rooftop; local energy storage; EV can generate power; as well as PRPA supplied power

Energy management tools must be in the hands of the residential user: AMI/net metering

Energy distribution technology must be able to handle two-way transfers of energy to/from the residence and the utility

Energy generation activities need to be billed accurately, and the bill must be understandable and detailed

Recommendation:

A strategic plan/visioning team must be created to work this future now.....10 years is tomorrow in changing an electric utility in a major way

This team should be separate from the current LUC. The electric part of the LUC should be broken out from the water division and be its own commission. Different skills/mindsets are needed to work this plan.



ITEM TITLE:

Risk and Resiliency Assessment Update

DESCRIPTION:

This item is to provide a brief verbal overview of an internal risk and resiliency assessment that Loveland Water and Power will be undertaking.

SUMMARY:

Staff will provide a verbal overview of an upcoming risk and resiliency assessment of the utilities.

RECOMMENDATION:

Information item only. No action required.

ITEM TITLE:

29th Street Pump Station – P1 Improvements Construction Contract Award

DESCRIPTION:

The purpose of this item is to award a construction contract to the lowest qualified bidder for the 29th Street Pump Station – P1 Improvements.

SUMMARY:

The City’s 29th Street Pump Station currently serves Pressure Zone 1 (P1) of the City’s distribution system with a total of 5 pumps. Two of these pumps were upgraded from 50 HP to 100 HP pumps a few years ago. Two more 50 HP pumps remain along with a jockey pump that is no longer in service. The purpose of this project is to replace the remaining two 50 HP pumps with two 100 HP pumps with variable frequency drives and to remove the obsolete jockey pump. Included in this project will be the replacement of the original motor control center (MCC) with a new upgraded MCC and furnishing and installing a new diesel generator. This project is necessary to meet peak demands in the northern portion of the City and to have reliable redundant power.

Below is a summary tabulation of bidders:

Name of Bidder	Velocity Constructors, Inc	RN Civil Construction	CGRS, Inc	Glacier Construction Co., Inc	Stanek Constructors, Inc.	Myers & Sons Construction, LLC
Lump Sum Bid	\$994,676.00	\$1,098,217.00	\$1,104,000.00	\$1,141,880.00	\$1,152,000.00	\$1,333,000.00

The Water Division has adequate funds available to construct the project with 2019 budgeted funds.

Per Municipal Code 3.12.060A and 3.12.060B, the LUC must approve Water and Power contracts above \$500,000 or any change order that causes a contract to equal or exceed \$500,000 and which, when combined with all previous change orders, equals or exceeds 20% of the original contract amount.

RECOMMENDATION:

Adopt a motion to award the contract for the 29th Street Pump Station – P1 Improvements to **Velocity Constructors, Inc.** in an amount not to exceed **\$994,676.00** and authorize the City Manager to execute the contract on behalf of the City.

ATTACHMENTS:

- Attachment A: 29th Street Pump Station Location

Attachment A



29th Street Pump Station

W 29TH ST

RIO BLANCO AVE

3630

3620

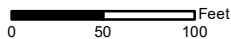
2621

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1 inch = 105 feet



City of Loveland
Department of Water & Power
Loveland, Colorado

Item 2
Attachment A

Created By: gisview
Date Created: 10/7/2019

ITEM TITLE:

Intergovernmental Agreement for Demand Side Management and Distributed Energy Resource Program Partnership

DESCRIPTION:

An Intergovernmental Agreement (IGA) for Demand Side Management (DSM) and Distributed Energy Resource (DER) Program Partnership has been mutually drafted by staff of Platte River and the Municipalities of Estes Park, Fort Collins, Longmont and Loveland.

SUMMARY:

The IGA replaces and expands on the existing Intergovernmental Agreement for Demand Side Management Program Partnership (Attachment A), which was executed by Platte River and the four Municipalities in 2016.

This updated IGA (Attachment B) is intended to give Platte River Power Authority (PRPA) the ability to provide additional services that are not electric energy DSM or DER. The proposed IGA will provide PRPA the ability to provide these services under the “Directive Funding” provisions of the IGA. The intent of this change is to ensure that Platte River’s funding is used only for electric energy DSM or DER, while also allowing Platte River’s programs to support a Municipality’s interest in providing additional services to their customers when the Municipality provides the funding to do so.

The following explains the proposed changes:

Section 1:

- Added a definition for “Directive Programs,” which refers to programs funded by Directive Funding.
- Replaced the definition of “Equity Share” with “Load-Ratio Share” to reflect PRPA’s new rate structure: the wholesale owner charge that provides funding for DSM and DER programs will be based on load-ratio share.
- Defined “Non-electric Sustainability Services” as additional services that the Municipalities may request to help their customers improve their environmental sustainability (e.g., rebates or services aimed at water conservation, gas savings, waste minimization). The definition indicates these services are offered at PRPA’s sole discretion and only when provided Directive Funding.

Section 4:

- Language has been added indicating that this IGA does not need to apply to all DSM and DER programs. This gives PRPA and the Municipalities flexibility to determine other program funding arrangements, by separate agreement, if the need arises.

Section 5:

- Expanded the role of the Project Team to include the task of recommending non-electric sustainability services that Platte River should consider providing.

Section 6-8:

- Removed the sections pertaining to billing adjustments and credits for DER resources PRPA may place within the owner communities' distribution system. These provisions are not currently relied upon for any programs. In addition, this language is written in terms of today's wholesale rate structure and tariff language, which will soon be changing.

RECOMMENDATION:

Adopt a motion recommending that City Council approve the Intergovernmental Agreement with Platte River Power Authority for Demand Side Management and Distributed Energy Resource Program Partnership

ATTACHEMENTS:

- 🌀 **ATTACHMENT A:** 2016 Intergovernmental Agreement for Demand Side Management Program Partnership dated September 13, 2016
- 🌀 **ATTACHMENT B:** Intergovernmental Agreement for Demand Side Management and Distributed Energy Resource Program Partnership

Attachment A

INTERGOVERNMENTAL AGREEMENT FOR DEMAND SIDE MANAGEMENT AND DISTRIBUTED ENERGY RESOURCE PROGRAM PARTNERSHIP

This Intergovernmental Agreement ("Agreement") is made this 13th day of September, 2016 by and between the TOWN OF ESTES PARK, a Colorado municipal corporation ("Estes Park"), the CITY OF FORT COLLINS, a Colorado municipal corporation ("Fort Collins"), the CITY OF LONGMONT, a Colorado municipal corporation ("Longmont"), the CITY OF LOVELAND, a Colorado municipal corporation ("Loveland"), and PLATTE RIVER POWER AUTHORITY, a political subdivision of the State of Colorado ("Platte River"), collectively referred to herein as the "Parties." When specificity is not required, the municipal corporations which are parties hereto will hereinafter be individually referred to as "Municipality," and collectively as "Municipalities."

WHEREAS, the Municipalities contracted with one another to establish Platte River as a separate legal entity and multi-purpose intergovernmental authority to provide the electric power and energy requirements of the Municipalities and to engage in related business activities including demand side management ("DSM") and renewable energy resources; and

WHEREAS, periodically Platte River develops Integrated Resource Plans that detail Platte River's plans and programs in the areas of generation and transmission, renewable energy, and energy efficiency, including DSM; and

WHEREAS, Platte River desires to provide distributed energy resources ("DER") to the Municipalities as an additional related business activity which may include, but is not limited to, renewable energy resources; and

WHEREAS, Platte River's combined DSM and DER programs will include those offered to the utility customers of the Municipalities, which programs are contracted for and funded by Platte River; and

WHEREAS, Platte River seeks to maintain an equitable distribution of DSM and DER funds among the Municipalities; and

WHEREAS, the Parties intend to expand the scope of Platte River's programs to include DER programs and desire to define certain terms and conditions related to program management as set forth in this Agreement; and

WHEREAS, the Parties are authorized, pursuant to C.R.S. § 29-1-203, to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.**

“Common Programs” shall mean DSM and DER programs and related services which are developed by, contracted for, and funded by Platte River. Common Programs are offered by Platte River to the utility customers of the Municipalities, up to an amount equal to each Municipality’s Equity Share of Platte River’s DSM and DER budgets.

“Directive Funding” shall mean funding that is provided by a Municipality to Platte River to procure DSM or DER services that fall outside of the Common Programs.

“Demand Side Management” shall mean energy efficiency, conservation, load management, and demand response programs or any combination of these programs.

“Distributed Energy Resource” shall mean an energy resource located within or adjacent to Platte River’s owner municipalities’ electric system and interconnected on the municipal utility’s side of the wholesale utility meter. Energy resources may include renewable generation from sources such as wind and solar; non-renewable generation from sources such as reciprocating internal combustion engines, micro-turbines, fuel cells, cogeneration and combined heat and power facilities; energy storage systems such as batteries, pumped hydro-storage, flywheels, and compressed air energy storage facilities; or any combination of these energy resources.

“Equity Share” shall mean the pro rata share that each Municipality would receive of Platte River’s assets upon dissolution as provided in Section 2.8 of the Platte River Power Authority Organic Contract.

“Fiscal Year” shall mean with reference to any Municipality, the applicable fiscal year for such Municipality, in accordance with its individual budget and accounting practices.

“Supplemental Funding” shall mean funding that is provided by a Municipality to procure Common Programs services in excess of those provided by Platte River based upon the Municipality’s Equity Share.

2. **Supplemental Funding.** During any calendar year demand for Common Program services within a Municipality may result in the full commitment of its Equity Share of Platte River’s DSM or DER budget. Upon the request of a Municipality whose Equity

Share of the DSM or DER budget has been fully committed, Platte River shall continue to offer Common Programs within that Municipality; provided, however, that before Platte River commits such additional funding, the Municipality must issue a purchase order authorizing Supplemental Funding in the necessary amount. Supplemental Funding shall be from funds that have been appropriated and are available in the Municipality's budget. Platte River shall invoice the Municipality under such purchase order when expenditures have exceeded its Equity Share of Platte River's DSM or DER budget. The Municipality shall pay Platte River within thirty days of invoice.

3. **Directive Funding.** Platte River or a Municipality may identify additional DSM and DER programs or services not contemplated within the scope of the Common Programs. Platte River and the interested Municipality may decide to collaborate in offering these programs or services when they determine that such collaboration would result in the effective delivery of the programs or services to the Municipality's utility customers. In these cases, Platte River will work closely with the Municipality's designated staff to establish a scope of work for the program or service as well as a budget containing sufficient funding to complete the scope of work. Prior to Platte River undertaking any Directive Funding activity, the Municipality must issue a purchase order authorizing an amount of expenditure from funds that have been appropriated and are available in the Municipality's budget. Platte River shall invoice the Municipality on a monthly basis, or at another agreed upon interval. The Municipality shall pay Platte River within thirty days of invoice.
4. **Scope of Agreement.** This Agreement shall apply only to DSM and DER that is procured by Platte River for the benefit of the Municipalities in accordance with the terms and conditions of this Agreement.
5. **Project Team.** Representatives of Platte River and the Municipalities will meet on an annual basis, and more often if necessary, to discuss and resolve any issues associated with implementation of this Agreement and to manage any programs undertaken through this Agreement. The nucleus of the Project Team will include a senior manager from the customer service departments of each party. Subject matter experts from each of the parties' organizations will also attend as appropriate.
6. **DER Tariff – Schedule 1: Firm Resale Power Service Adjustments.** The parties agree that DER installed under Common Programs or as a result of Directive Funding outside of Common Programs are not intended to alter the quantity of Tariff – Schedule 1: Firm Resale Power Service ("Tariff 1") furnished to a Municipality. Therefore, energy and power delivered by DER within a Municipality's distribution system, which has reduced the Municipality's purchases of Firm Resale Power (as defined in the Tariff), will be metered and added back into the Municipality's energy and demand, with appropriate

adjustment for distribution system losses, before computing Tariff 1 charges. Similarly, in the case of DER that consumes rather than provides energy or power, such as may occur due to electric storage losses or due to station service in excess of generation output from an idle generator, such energy or consumption will be metered and deducted from the Municipality's energy and demand, with adjustment for distribution system losses, before computing Tariff 1 charges. Platte River will work closely with designated Municipality staff to develop procedures for implementing the Tariff 1 adjustment for each DER program.

7. **DER Credits.** DER may provide benefits to Platte River's system, and may in some cases result in additional costs. Benefits may include increased surplus sales revenue, reduced market purchases, reduced fuel costs, avoided generation and transmission costs, avoided ancillary service costs, and avoided greenhouse gas or other emission costs. Costs may include reduced surplus sales, increased market purchases, increased fuel costs, increased ancillary services costs, and increased greenhouse gas or other emission costs. Platte River will work with Municipality staff to develop methods for tracking these costs and benefits. Costs and benefits may also include Host Utility Distribution System Costs and Benefits as defined below. The resulting net benefit (or net cost) will be allocated to each Municipality in proportion to its share of the DER providing the net benefit (or net cost). Platte River will work closely with designated Municipality staff to develop procedures for measuring DER benefits and costs, as well as for determining the allocation of benefits and costs among the Municipalities.
8. **Host Utility Distribution System Costs and Benefits.** DER installed under this Agreement may result in costs and benefits to the Municipality that hosts the DER ("Host Utility Distribution System Costs and Benefits"). Costs may include, but are not limited to, those associated with planning, design, permitting, procurement, and construction of distribution and communication system upgrades necessary for the installation and operation of the DER. Benefits may include, but are not limited to, deferred distribution costs, deferred maintenance costs, or improved reliability or resiliency.
9. **Term.** This Agreement will be effective upon execution by the Parties and will remain in effect until terminated.
10. **Termination.** A Municipality or Platte River may terminate its participation in this Agreement upon sixty (60) days written notice to the other Parties; provided, however, that any work commenced by Platte River under a purchase order issued by a Municipality prior to receipt of the written notice of termination will be completed by Platte River and reimbursed by the Municipality.

11. **Appropriation Required.** The financial obligations of the Municipalities under this Agreement are from year to year only and shall not constitute a multiple-fiscal year debt or other financial obligation or fiscal obligation of any kind payable in any Fiscal Year beyond the Fiscal Year for which funds are so appropriated for the payment of current expenditures.
12. **Designated Representatives.** The designated representatives for each of the Parties are as follows:

Platte River: Paul Davis, Customer Services Manager
Platte River Power Authority
2000 East Horsetooth Road
Fort Collins, CO 80525
970-229-5370
Davisp@prpa.org

Estes Park: Reuben Bergsten, Utility Director
Estes Park Light & Power
Estes Park Municipal Building
P.O. Box 1200
170 MacGregor Ave
Estes Park, Colorado 80517

Fort Collins: John Phelan, Resource Conservation Manager
Fort Collins Utilities
700 Wood St
Fort Collins, CO 80522

Longmont: Anne Lutz, Energy Services Manager
Longmont Power & Communications
1100 S. Sherman St.
Longmont, CO 80501
303-651-8727
Anne.Lutz@ci.longmont.co.us

Loveland: Gretchen Stanford, Customer Relations Manager
Loveland Water & Power
200 North Wilson Avenue
Loveland, CO 80537
970-962-3550
Gretchen.Stanford@cityofloveland.org

A Municipality or Platte River must notify the other Parties in writing of any subsequent changes in appointed representative.

13. **Notices.** Any notice, demand, request, consent, approval, or communication that a Municipality or Platte River is required to give shall be in writing and either served personally or sent by first class mail, postage prepaid, or by fax or email, to the designated representative of the recipient at the address designated as set forth above, or as subsequently provided in writing.
14. **Confidential Customer Information.** To the extent required by Platte River (as an agent of the Municipalities) to perform the work required under this Agreement, a Municipality may provide Platte River with confidential utility customer information. Use of confidential customer information shall be limited to that necessary for implementation of DSM or DER programs. Platte River agrees to keep such information confidential and shall not disclose such information, including to the other Municipalities, except as required by law. Platte River shall notify the Municipality prior to any such disclosure so that the Municipality may have an opportunity to take such legal action as it deems necessary to prevent the disclosure.
15. **Third Party Agreements.** Platte River and designated Municipality staff may determine that DSM and DER programs may in some cases benefit from the use of vendors or contractors tasked with implementing portions of the programs. When this is the case, Platte River shall be responsible for engaging with vendors and contractors and ensuring agreements are fulfilled. The Parties hereto agree that Confidential Customer Data may be shared with the vendor or contractors provided that the third party enters into a form agreement with Platte River to maintain customer confidentiality; provided that the Municipalities' designated representative referenced above approves in writing the release of Customer Data and conditions associated therewith; and provided that use of Confidential Customer Information shall be limited to that necessary for the vendor's or contractor's scope of work associated with the DSM or DER program.
16. **Liability.** Each of the Parties hereto agrees to assume responsibility and liability associated with its own acts and the acts of its employees in the performance of this Agreement in accordance with Colorado law. By agreeing to this provision, neither Platte River or the Municipalities waives or intends to waive, the limitations on liability which are provided to them under the Colorado Governmental Immunity Act, § 24-10-101 et seq., C.R.S., as amended.
17. **Entire Agreement.** This Agreement contains the entire agreement of the Parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the Parties.

18. **No Third Party Beneficiaries.** The Parties acknowledge and agree that this Agreement is intended to only document the relative rights and obligations between the Parties to one another, and that no third party beneficiaries are intended.
19. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Larimer, State of Colorado.
20. **Authority.** The Parties recognize the legal constraints imposed upon them by the constitutions, statutes, and regulations of the State of Colorado and of the United States, and imposed upon the Municipalities by their Charter or Municipal Code, and, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision in this Agreement to the contrary, in no event shall the Parties exercise any power or take any action which shall be prohibited by applicable law. This Agreement may be executed in separate counterparts, and the counterparts taken together shall constitute the whole of this Agreement.
21. **Superseded Agreements.** This Agreement supersedes and replaces the following agreements which are hereby terminated:

“Intergovernmental Agreement for Demand Side Management Program Partnership” between the Town of Estes Park, the City of Fort Collins, the City of Longmont, and the City of Loveland, and Platte River Power Authority, dated September 10, 2014.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

PLATTE RIVER POWER AUTHORITY

By: Jason Frisbie
Jason Frisbie, General Manager/CEO

ATTEST:

By: Angelika
Secretary

APPROVED AS TO FORM:

By: JCW
General Counsel



TOWN OF ESTES PARK, COLORADO




ATTEST:

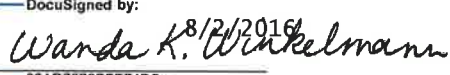
By: [Signature]
Mayor

By: Jacobs Williamson
Town Clerk

CITY OF FORT COLLINS, COLORADO

DocuSigned by:
By:  8/1/2016
0F393F2B13454CC
City Manager

ATTEST:

DocuSigned by:
By:  8/2/2016
90AD7570EFE74BC
City Clerk

APPROVED AS TO FORM:

DocuSigned by:
By:  7/29/2016
0F52A89A45EB481
Assistant City Attorney

CITY OF LOVELAND, COLORADO

By: *Erin A. Gutierrez*
Mayor

ATTEST:
By: *[Signature]*
Deputy City Clerk

APPROVED AS TO FORM:

By: *[Signature]*
Assistant City Attorney



CITY OF LONGMONT, COLORADO

By: *Dennis L Coombs*
Mayor

ATTEST:

By: *Valerie H. Stutz*
City Clerk

APPROVED AS TO FORM AND SUBSTANCE:

By: *[Signature]*
General Manager of Longmont Power & Communications



APPROVED AS TO FORM:

By: *[Signature]*
Assistant City Attorney
Deputy

Attachment B

INTERGOVERNMENTAL AGREEMENT FOR DEMAND SIDE MANAGEMENT AND DISTRIBUTED ENERGY RESOURCE PROGRAM PARTNERSHIP

This Intergovernmental Agreement (“ Agreement”) is made this _____ day of _____ by and between the TOWN OF ESTES PARK, a Colorado municipal corporation (“Estes Park”), the CITY OF FORT COLLINS, a Colorado municipal corporation (“Fort Collins”), the CITY OF LONGMONT, a Colorado municipal corporation (“Longmont”), the CITY OF LOVELAND, a Colorado municipal corporation (“Loveland”), and PLATTE RIVER POWER AUTHORITY, a political subdivision of the State of Colorado (“Platte River”), collectively referred to herein as the “Parties.” When specificity is not required, the municipal corporations which are Parties will hereinafter be individually referred to as “Municipality,” and collectively as “Municipalities.”

WHEREAS, the Municipalities contracted with one another to establish Platte River as a separate legal entity and multi-purpose intergovernmental authority to provide the electric power and energy requirements of the Municipalities and to engage in related business activities including demand side management (“DSM”) and renewable energy resources; and

WHEREAS, periodically Platte River develops Integrated Resource Plans that detail Platte River’s plans and programs in the areas of generation and transmission, renewable energy, and energy efficiency, including DSM; and

WHEREAS, Platte River provides distributed energy resources (“DER”) to the Municipalities as an additional related business activity which includes, but is not limited to, renewable energy resources; and

WHEREAS, Platte River’s combined DSM and DER programs include those offered to the utility customers of the Municipalities, which programs are contracted for and funded by Platte River; and

WHEREAS, Platte River maintains an equitable distribution of DSM and DER funds among the Municipalities; and

WHEREAS, Platte River also provides DSM and DER programs that are funded by the Municipalities through supplemental or directive funding; and

WHEREAS, the Parties intend to define certain terms and conditions related to DSM and DER program management as set forth in this Agreement; and

WHEREAS, the Parties intend to expand the scope of Platte River’s programs to include non-electric sustainability services to be funded by the Municipalities and desire to define certain terms and conditions related to non-electric sustainability services as set forth in this Agreement; and

WHEREAS, the Parties are authorized, pursuant to C.R.S. § 29-1-203, to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.**

“Common Programs” shall mean DSM and DER programs and related services which are developed by, contracted for, and funded by Platte River.

“Common Program Funding” shall mean funding that is provided by Platte River to procure Common Programs offered by Platte River to the utility customers of the Municipalities, up to an amount equal to each Municipality’s Load-Ratio Share of Platte River’s DSM and DER budgets.

“Demand Side Management” shall mean energy efficiency, conservation, load management, and demand response programs or any combination of these programs.

“Directive Funding” shall mean funding that is provided by a Municipality to Platte River to procure Directive Programs.

“Directive Programs” shall mean those programs proposed by a Municipality and accepted by Platte River that fall outside of the Common Programs. Directive Programs may include additional DSM or DER services. They may also include Non-electric Sustainability Services proposed by a Municipality and accepted by Platte River.

“Distributed Energy Resource” shall mean an energy resource located within or adjacent to a Municipality’s electric system and interconnected on the Municipality’s side of the wholesale utility meter. Energy resources may include renewable generation from sources such as wind and solar; non-renewable generation from sources such as reciprocating internal combustion engines, micro-turbines, fuel cells, cogeneration and combined heat and power facilities; energy storage systems such as batteries, pumped hydro-storage, flywheels, and compressed air energy storage facilities; or any combination of these energy resources.

“Fiscal Year” shall mean with reference to any Municipality, the applicable fiscal year for such Municipality, in accordance with its individual budget and accounting practices.

“Load-Ratio Share” shall mean the ratio of each Municipality’s wholesale energy purchases from Platte River over the most recent six-calendar-year period to the sum of the four Municipalities’ wholesale energy purchases over this same period.

“Non-electric Sustainability Services” shall mean services that are intended to help customers improve the environmental sustainability of their homes or businesses. This may include services aimed at reducing natural gas energy use, water consumption or waste. Non-electric Sustainability Services shall be provided by Platte River in its sole discretion and only through Directive Funding.

“Supplemental Funding” shall mean funding that is provided by a Municipality to procure Common Programs services in excess of those provided by Platte River based upon the Municipality’s Load-Ratio Share.

2. **Supplemental Funding.** During any calendar year demand for Common Program services within a Municipality may result in the full commitment of its Load-Ratio Share of Platte River’s Common Program Funding. Upon the request of a Municipality whose Load-Ratio Share of the Common Program Funding has been fully committed, Platte

River shall continue to offer Common Programs within that Municipality; provided, however, that before Platte River commits such additional funding, the Municipality must issue a purchase order authorizing Supplemental Funding in the necessary amount. Supplemental Funding shall be from funds that have been appropriated and are available in the Municipality's budget. Platte River shall invoice the Municipality under such purchase order when expenditures have exceeded its Load-Ratio Share of Platte River's Common Program Funding. The Municipality shall pay Platte River within thirty days of invoice.

3. **Directive Programs and Funding.** Platte River or a Municipality may identify additional desired Directive Programs. Platte River and the interested Municipality may decide to collaborate in offering a Directive Program when they determine that such collaboration would result in the effective delivery of the Directive Program to the Municipality's utility customers. In these cases, Platte River will work closely with the Municipality's designated staff to establish a scope of work for the Directive Program as well as a budget to complete the scope of work; provided, however, that the decision to implement any Directive Program shall be made by Platte River in its sole discretion. Prior to Platte River undertaking any Directive Program, the Municipality must issue a purchase order authorizing an amount of expenditure from funds that have been appropriated and are available in the Municipality's budget. Platte River shall invoice the Municipality on a monthly basis, or at another agreed upon interval. The Municipality shall pay Platte River within thirty days of invoice.
4. **Scope of Agreement.** This Agreement shall apply only to Common Programs and Directive Programs that are procured by Platte River for the benefit of the Municipalities in accordance with the terms and conditions of this Agreement. This Agreement does not preclude other pilot DSM or DER programs that have different management and funding arrangements, which may be developed under other agreements between Platte River and one or more Municipalities.
5. **Project Team.** Designated representatives of Platte River and the Municipalities (as initially set forth below) will meet on an annual basis, and more often if necessary, to discuss and resolve any issues associated with implementation of this Agreement and to manage any programs undertaken through this Agreement. The nucleus of the Project Team will include a senior manager from the customer service or energy service departments of each Party who has DSM and DER within his or her area of responsibility. Subject matter experts from each of the Parties' organizations will also attend as appropriate. The Project Team shall also provide recommendations as approved by the Project Team nucleus to Platte River relating to the scope of Directive Programs that Platte River should consider offering, including but not limited to Non-electric Sustainability Services. The Project Team nucleus may review and provide input to Platte River on methods Platte River uses for cost accounting, allocation and recovery of Directive Programs; provided, however, that Platte River shall make all final determinations with respect to decisions to provide Directive Programs and the cost recovery methods to be implemented for such activities.

6. **Term.** This Agreement will be effective upon execution by the Parties and will remain in effect until terminated.
7. **Termination.** A Municipality or Platte River may terminate its participation in this Agreement upon sixty (60) days written notice to the other Parties; provided, however, that any work commenced by Platte River under a purchase order issued by a Municipality prior to receipt of the written notice of termination will be completed by Platte River and reimbursed by the Municipality.
8. **Appropriation Required.** The financial obligations of the Municipalities and Platte River under this Agreement are from year to year only and shall not constitute a multiple-fiscal year debt or other financial obligation or fiscal obligation of any kind payable in any Fiscal Year beyond the Fiscal Year for which funds are so appropriated for the payment of current expenditures.
9. **Designated Representatives.** The designated representatives for each of the Parties are as follows:

Platte River:	Paul Davis, Energy Solutions Manager Platte River Power Authority 2000 East Horsetooth Road Fort Collins, CO 80525 970-229-5370 Davisp@prpa.org
Estes Park:	Reuben Bergsten, Utility Director Estes Park Light & Power Estes Park Municipal Building P.O. Box 1200 170 MacGregor Ave Estes Park, Colorado 80517
Fort Collins:	John Phelan, Energy Services Senior Manager Fort Collins Utilities 700 Wood St Fort Collins, CO 80522
Longmont:	Anne Lutz, Energy Services Manager Longmont Power & Communications 1100 S. Sherman St. Longmont, CO 80501 303-651-8727 Anne.Lutz@longmontcolorado.gov
Loveland:	Tracey Hewson, Customer Relations Manager Loveland Water & Power 200 North Wilson Avenue Loveland, CO 80537 970-962-3550 Tracey.Hewson@cityofloveland.org

A Municipality or Platte River must notify the other Parties in writing of any subsequent changes in designated representative.

10. **Notices.** Any notice, demand, request, consent, approval, or communication that a Municipality or Platte River is required to give shall be in writing and either served personally or sent by first class mail, postage prepaid, or by fax or email, to the designated representative of the recipient at the address designated as set forth above, or as subsequently provided in writing.
11. **Confidential Customer Information.** To the extent required by Platte River (as an agent of the Municipalities) to perform the work required under this Agreement, a Municipality may provide Platte River with confidential utility customer information. Use of confidential customer information shall be limited to that necessary for implementation of Common or Directive Programs. Platte River agrees to keep such information confidential and shall not disclose such information, including to the other Municipalities, except as required by law. Platte River shall notify the Municipality prior to any such disclosure so that the Municipality may have an opportunity to take such legal action as it deems necessary to prevent the disclosure.
12. **Third Party Agreements.** Platte River and designated Municipality staff may determine that Common or Directive Programs may in some cases benefit from the use of vendors or contractors tasked with implementing portions of the programs. When this is the case, Platte River shall be responsible for engaging with vendors and contractors and ensuring agreements are fulfilled. The Parties hereto agree that non-public customer information specific to one or more of the utility customers of any Municipality (“Confidential Customer Data”) may be shared with the vendor or contractors provided that (a) the third party enters into a formal agreement with Platte River to maintain the confidentiality of the Confidential Customer Data that is disclosed, and (b) the Municipalities’ designated representative referenced above approves in writing the release of Confidential Customer Data and conditions associated therewith, and (c) use of Confidential Customer Data shall be limited to that necessary for the vendor’s or contractor’s scope of work associated with the Common or Directive Program.
13. **Liability.** Each of the Parties hereto agrees to assume responsibility and liability associated with its own acts and the acts of its employees in the performance of this Agreement in accordance with Colorado law. By agreeing to this provision, neither Platte River nor any Municipality waives or intends to waive the limitations on liability which are provided to them under the Colorado Governmental Immunity Act, § 24-10- 101 et seq., C.R.S., as amended.
14. **Entire Agreement.** This Agreement contains the entire agreement of the Parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the Parties.
15. **No Third Party Beneficiaries.** The Parties acknowledge and agree that this Agreement is intended to only document the relative rights and obligations between the Parties to one another, and that no third party beneficiaries are intended.
16. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Larimer, State of Colorado.

17. **Authority.** The Parties recognize the legal constraints imposed upon them by the constitutions, statutes, and regulations of the State of Colorado and of the United States, and imposed upon a Municipality by its Charter or Municipal Code, and, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision in this Agreement to the contrary, in no event shall the Parties exercise any power or take any action which shall be prohibited by applicable law. This Agreement may be executed in separate counterparts, and the counterparts taken together shall constitute the whole of this Agreement.
18. **Superseded Agreements.** This Agreement supersedes and replaces the following agreements which are hereby terminated:

“Intergovernmental Agreement for Demand Side Management and Distributed Energy Resource Program Partnership” between the Town of Estes Park, the City of Fort Collins, the City of Longmont, the City of Loveland, and Platte River Power Authority, dated September 13, 2016.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

PLATTE RIVER POWER AUTHORITY

By: _____
General Manager/CEO
Date: _____

ATTEST:

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
Deputy General Counsel

TOWN OF ESTES PARK, COLORADO

By: _____
Mayor

ATTEST:

By: _____
Town Clerk

CITY OF FORT COLLINS, COLORADO

By: _____
Darin Atteberry, City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

CITY OF LOVELAND, COLORADO

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

CITY OF LONGMONT, COLORADO

ATTEST:

By: _____
Mayor

By: _____
City Clerk

APPROVED AS TO FORM AND SUBSTANCE:

Executive Director of Electric Services

APPROVED AS TO FORM:

Assistant City Attorney

ITEM TITLE:

Quarterly Financial Update

DESCRIPTION:

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

SUMMARY:

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

	September				September Year-To-Date			
	2019	2018	\$ Ovr/(Und) vs. 2018	% Ovr/(Und) vs. 2018	2019	2018	\$ Ovr/(Und) vs. 2018	% Ovr/(Und) vs. 2018
WATER								
Sales	\$2,523,004	\$2,189,848	\$333,157	15.2%	\$13,398,780	\$13,110,878	\$287,902	2.2%
Operating Expenses	\$1,294,891	\$1,262,503	\$32,388	2.6%	\$10,343,579	\$10,404,056	(\$60,478)	-0.6%
Capital (Unrestricted)	\$51,436	\$39,251	\$12,185	31.0%	\$2,508,791	\$649,607	\$1,859,184	286.2%
WASTEWATER								
Sales	\$1,223,357	\$1,130,674	\$92,683	8.2%	\$10,096,234	\$9,453,056	\$643,177	6.8%
Operating Expenses	\$709,340	\$732,138	(\$22,798)	-3.1%	\$7,803,468	\$6,523,274	\$1,280,195	19.6%
Capital (Unrestricted)	\$1,013,426	\$1,136,152	(\$122,726)	-10.8%	\$7,494,971	\$7,598,955	(\$103,984)	-1.4%
POWER								
Sales	\$7,472,016	\$6,486,299	\$985,718	15.2%	\$52,487,721	\$50,851,017	\$1,636,704	3.2%
Operating Expenses	\$5,291,900	\$5,100,086	\$191,814	3.8%	\$45,506,371	\$45,809,394	(\$303,023)	-0.7%
Capital (Unrestricted)	\$540,092	\$915,219	(\$375,127)	-41.0%	\$6,954,592	\$7,724,352	(\$769,760)	-10.0%

RECOMMENDATION:

Staff item only. No action required.

ATTACHMENTS:

- 🌀 Attachment A: City of Loveland Financial Statement-Raw Water
- 🌀 Attachment B: City of Loveland Financial Statement-Water
- 🌀 Attachment C: City of Loveland Financial Statement-Wastewater
- 🌀 Attachment D: City of Loveland Financial Statement-Power
- 🌀 Attachment E: City of Loveland 3rd Quarter Balance Sheet – Water
- 🌀 Attachment F: City of Loveland 3rd Quarter Balance Sheet – Wastewater
- 🌀 Attachment G: City of Loveland 3rd Quarter Balance Sheet – Power
- 🌀 Attachment H: 3rd Quarter Financial Update PowerPoint Presentation
- 🌀 Attachment I: City of Loveland 2nd Quarter Balance Sheet – Wastewater (The “Current Portion Long-Term Debt” note was missing from the balance sheet in the July packet.)

Attachment A

City of Loveland
Financial Statement-Raw Water
For Period Ending 09/30/2019

	* TOTAL BUDGET *	YTD		OVER	
	FYE 12/31/2019	ACTUAL	YTD BUDGET	<UNDER>	VARIANCE
1 REVENUES & SOURCES	*	*			
2 High Use Surcharge	73,118	54,521	37,221	17,300	46.5%
3 Raw Water Development Fees/Cap Rec Surcharge	485,213	309,450	379,474	(70,024)	-18.5%
4 Cash-In-Lieu of Water Rights	227,167	4,021,419	170,379	3,851,040	2260.3%
5 Native Raw Water Storage Fees	196,876	177,665	141,000	36,665	26.0%
6 Proceeds on Loan	37,560,000	0	0	0	0.0%
7 Raw Water 3% Transfer In	531,164	401,963	412,183	(10,220)	-2.5%
8 Interest on Investments	300,965	345,618	225,720	119,898	53.1%
9 TOTAL REVENUES & SOURCES	39,374,503	5,310,636	1,365,977	3,944,659	288.8%
10 OPERATING EXPENSES	*	*			
11 Loan to Water	0	0	0	0	0.0%
12 Windy Gap Payments	7,100	7,044	5,328	1,716	32.2%
13 TOTAL OPERATING EXPENSES	7,100	7,044	5,328	1,716	32.2%
14 NET OPERATING REVENUE/(LOSS) (excl depr)	39,367,403	5,303,593	1,360,649	3,942,944	289.8%
15 RAW WATER CAPITAL EXPENDITURES	59,433,300	4,473,583	45,479,053	(41,005,470)	-90.2%
16 BUDGET FUND BALANCE	6,590,587	27,653,053	(17,461,920)	45,114,973	-258.4%

NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING: 164,877

Attachment B

City of Loveland
Financial Statement-Water
For Period Ending 09/30/2019

	TOTAL BUDGET FYE 12/31/2019	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*	*	*		
2 REVENUES & SOURCES	*	*	*		
3 Water Sales	17,705,446	13,398,780	13,739,431	(340,651)	-2.5%
4 Raw Water Transfer Out	(531,164)	(401,963)	(412,183)	10,220	-2.5%
5 Wholesale Sales	181,091	142,312	145,310	(2,998)	-2.1%
6 Meter Sales	92,269	57,805	69,201	(11,396)	-16.5%
7 Interest on Investments	120,220	44,411	90,162	(45,751)	-50.7%
8 Other Revenue	1,117,884	487,554	247,425	240,129	97.1%
9 Federal and State Grants	0	64,975	0	64,975	0.0%
10 Internal Loan Monies Received	0	0	0	0	0.0%
11 External Loan Monies Received	0	0	0	0	0.0%
12 TOTAL REVENUES & SOURCES	18,685,746	13,793,872	13,879,346	(85,474)	-0.6%
13 OPERATING EXPENSES	*	*	*		
14 Source of Supply	2,623,913	1,260,429	1,968,572	(708,143)	-36.0%
15 Treatment	3,837,194	2,333,413	2,809,767	(476,354)	-17.0%
16 Distribution Operation & Maintenance	4,020,077	2,337,307	3,009,616	(672,310)	-22.3%
17 Administration	2,764,753	531,083	1,420,091	(889,007)	-62.6%
18 Customer Relations	418,311	250,737	313,674	(62,937)	-20.1%
19 PILT	1,202,200	862,983	901,638	(38,655)	-4.3%
20 1% for Arts Transfer	76,788	20,612	72,098	(51,486)	-71.4%
21 Services Rendered-Other Departments	1,530,293	1,147,725	1,147,725	0	0.0%
22 Internal Loan Debt Expense	783,750	792,458	783,750	8,708	1.1%
23 External Loan Debt Expense	1,015,685	806,832	761,760	45,072	5.9%
24 TOTAL OPERATING EXPENSES	18,272,964	10,343,579	13,188,691	(2,845,112)	-21.6%
26 NET OPERATING REVENUE/(LOSS)(excl depr)	412,782	3,450,293	690,655	2,759,638	399.6%
27 CAPITAL EXPENDITURES	5,571,281	2,508,791	4,816,476	(2,307,685)	-47.9%
28 REVENUES LESS OPER EXP LESS CAPITAL	(5,158,499)	941,502	(4,125,821)	5,067,323	-122.8%
30 ENDING CASH BALANCE (42% OF OPER EXP)	3,951,317	7,757,317	4,806,494	2,950,823	61.4%
31 WATER DEBT FUNDS ENDING CASH BALANCE	*	210,127	*	*	*
32 MINIMUM BALANCE (18% OF OPER EXP)	*	3,289,134	*	*	*
33 OVER/(UNDER) MINIMUM BALANCE	*	4,468,183	*	*	*
34 **RESTRICTED FUNDS**	*	*	*		
35 REVENUES & SOURCES	*	*	*		
36 SIF Collections	5,732,613	2,188,150	2,038,000	150,150	7.4%
37 SIF Interest Income	37,710	57,001	28,287	28,714	101.5%
38 SIF Federal and State Grants	0	64,975	0	64,975	0.0%
39 Internal Loan Monies Received	0	0	0	0	0.0%
40 TOTAL SIF REVENUES & SOURCES	5,770,323	2,310,125	2,066,287	243,838	11.8%
41 SIF Capital Expenditures	5,874,420	881,191	4,531,517	(3,650,326)	-80.6%
42 1% for Arts Transfer	40,372	6,733	31,672	(24,939)	-78.7%
43 Legal Agreements & Shared Costs	352,305	17,885	268,706	(250,821)	-93.3%
44 TOTAL SIF CAPITAL EXPENDITURES	6,267,097	905,808	4,831,895	(3,926,087)	-81.3%
45 SIF REVENUE LESS EXPENDITURES	(496,774)	1,404,317	(2,765,608)	4,169,925	-150.8%
46 SIF ENDING CASH BALANCE	2,709,857	4,662,100	365,216	4,296,884	1176.5%
47 TOTAL ENDING CASH BALANCE		12,419,417			
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING:		2,314,405			
48 Water Treated at WTP (in million gallons)	*	3,628	*	*	*
49 Water Sold To Customers (in million gallons, includes Ranch Water & Hydrant Sales)	3,808	2,864	3,000	(136)	-4.5%

Attachment C

City of Loveland-LIVE Financial Statement-Wastewater For Period Ending 09/30/2019

	TOTAL BUDGET			OVER	
	FYE 12/31/2019	YTD ACTUAL	YTD BUDGET	<UNDER>	VARIANCE
1 **UNRESTRICTED FUNDS**	*	*			
2 REVENUES & SOURCES	*	*			
3 Sanitary Sewer Charges	13,584,364 *	10,096,234	10,185,790	(89,556)	-0.9%
4 High Strength Surcharge	427,327 *	258,609	322,676	(64,067)	-19.9%
5 Interest on Investments	38,862 *	155,648	29,151	126,497	433.9%
6 Other Revenue	1,124,075 *	28,678	25,353	3,325	13.1%
7 Bond Proceeds	4,476,304 *	3,924,824	4,476,304	(551,480)	-12.3%
8 Federal Grants	0 *	0	0	0	0.0%
9 State Grants	0 *	0	0	0	0.0%
10 TOTAL REVENUES & SOURCES	19,650,932 *	14,463,993	15,039,274	(575,281)	-3.8%
11 OPERATING EXPENSES	*	*			
12 Treatment	4,197,196 *	2,988,473	3,040,526	(52,053)	-1.7%
13 Collection System Maintenance	3,570,346 *	2,155,117	2,722,149	(567,032)	-20.8%
14 Administration	1,512,390 *	359,999	1,361,968	(1,001,969)	-73.6%
15 Customer Relations	76,327 *	48,957	58,458	(9,501)	-16.3%
16 PILT	980,820 *	719,770	735,615	(15,845)	-2.2%
17 1% for Arts Transfer	167,020 *	65,197	157,624	(92,427)	-58.6%
18 Services Rendered-Other Departments	928,606 *	696,456	696,456	0	0.0%
19 Debt Service	2,063,177 *	769,499	797,382	(27,883)	-3.5%
20 TOTAL OPERATING EXPENSES	13,495,882 *	7,803,468	9,570,178	(1,766,710)	-18.5%
21 NET OPERATING REVENUE/(LOSS)(excl depr)	6,155,050 *	6,660,525	5,469,096	1,191,429	21.8%
22 CAPITAL EXPENDITURES	14,777,131 *	7,494,971	13,719,211	(6,224,240)	-45.4%
23 REVENUES LESS OPER EXP LESS CAPITAL	(8,622,081) *	(834,446)	(8,250,115)	7,415,669	-89.9%
ENDING BUDGET FUND BALANCE (81% OF OPER					
24 EXP)	6,082,085 *	10,920,396	3,759,217	7,161,179	190.5%
25 WASTEWATER DEBT FUNDS ENDING CASH BALANCE	*	285,334			
26 MINIMUM BALANCE (18% OF OPER EXP)	*	2,429,259			
27 OVER/(UNDER) MINIMUM BALANCE	*	8,491,137			
28 **RESTRICTED FUNDS**	*	*			
29 REVENUES & SOURCES	*	*			
30 SIF Collections	2,774,324 *	1,010,419	1,330,749	(320,330)	-24.1%
31 SIF Interest Income	2,640 *	107,530	1,980	105,550	5330.8%
32 SIF Bond Proceeds	1,837,089 *	2,405,537	1,837,089	568,448	30.9%
33 TOTAL SIF REVENUES & SOURCES	4,614,053 *	3,523,486	3,169,818	353,668	11.2%
34 SIF Capital Expenditures	4,677,835 *	1,328,777	4,312,219	(2,983,442)	-69.2%
35 1% for Arts Transfer	92,384 *	11,131	89,262	(78,131)	-87.5%
36 Debt Service	591,393 *	471,629	443,538	28,091	6.3%
37 TOTAL SIF CAPITAL EXPENDITURES	5,361,612 *	1,811,537	4,845,019	(3,033,482)	-62.6%
38 SIF REVENUE LESS EXPENDITURES	(747,559) *	1,711,948	(1,675,201)	3,387,149	-202.2%
39 SIF ENDING BUDGET FUND BALANCE	3,431,413 *	4,117,839	2,504,520	1,613,319	64.4%
40 TOTAL ENDING CASH BALANCE		15,038,235			
NOTE: YTD ACTUAL DOES NOT INCLUDE ENCUMBRANCES TOTALING		9,155,913			
Wastewater Treated at WWTP (in million gallons)	N/A *	1,643	N/A		
Wastewater Billed To Customers (in million gallons)	1,778 *	1,303	1,335	(32)	-2.4%

Attachment D

City of Loveland
Financial Statement-Power
For Period Ending 09/30/2019

	TOTAL BUDGET	YTD ACTUAL	YTD BUDGET	OVER <UNDER>	VARIANCE
UNRESTRICTED FUNDS					
1 REVENUES & SOURCES:					
2 Electric revenues	\$68,256,630	\$52,487,721	\$52,784,480	(\$296,759)	-0.6%
3 Wheeling charges	\$265,000	\$218,695	\$198,750	\$19,945	10.0%
4 Interest on investments	\$397,580	\$158,053	\$298,185	(\$140,132)	-47.0%
5 Aid-to-construction deposits	\$1,610,000	\$1,063,681	\$1,207,500	(\$143,819)	-11.9%
6 Customer deposit-services	\$310,000	\$244,197	\$232,500	\$11,697	5.0%
7 Late Payment Penalty Fees	\$450,000	\$336,474	\$337,500	(\$1,026)	-0.3%
8 Connect Fees	\$170,000	\$128,919	\$127,500	\$1,419	1.1%
9 Services rendered to other depts.	\$67,500	\$0	\$50,625	(\$50,625)	-100.0%
10 Other revenues	\$386,572	\$415,569	\$289,929	\$125,640	43.3%
11 Federal Grants	\$0	\$0	\$0	\$0	0.0%
12 State Grants	\$0	\$0	\$0	\$0	0.0%
13 Year-end cash adjustments	\$0	\$0	\$0	\$0	0.0%
14 TOTAL REVENUES & SOURCES	\$71,913,282	\$55,053,309	\$55,526,969	(\$473,660)	-0.9%
15 OPERATING EXPENSES:					
16 Hydro oper. & maint.	\$5,128,795	\$213,585	\$3,945,227	(\$3,731,642)	-94.6%
17 Solar oper. & maint.	\$90,000	\$1,200	\$69,231	(\$68,031)	-98.3%
18 Purchased power	\$44,761,779	\$34,512,614	\$34,558,403	(\$45,789)	-0.1%
19 Distribution oper. & maint.	\$5,431,634	\$3,391,805	\$4,178,180	(\$786,375)	-18.8%
21 Customer Relations	\$1,652,984	\$588,972	\$1,271,526	(\$682,554)	-53.7%
22 Administration	\$3,581,360	\$979,039	\$2,754,892	(\$1,775,854)	-64.5%
23 Payment in-lieu-of taxes	\$4,777,960	\$3,622,087	\$3,626,472	(\$4,385)	-0.1%
24 1% for Arts Transfer	\$105,703	\$34,144	\$80,229	(\$46,085)	-57.4%
25 Services rendered-other depts.	\$2,883,905	\$2,162,925	\$2,162,929	(\$4)	0.0%
26 TOTAL OPERATING EXPENSES (excl dephn)	\$68,414,120	\$45,506,371	\$52,647,089	(\$7,140,718)	-13.6%
27 NET OPERATING REVENUE/(LOSS) (excl dephn)	\$3,499,162	\$9,546,938	\$2,879,880	\$6,667,058	
28 CAPITAL EXPENDITURES:					
29 General Plant/Other Generation & Distribution	\$10,852,835	\$5,530,362	\$8,205,997	(\$2,675,635)	-32.6%
30 Aid-to-construction	\$1,530,000	\$1,270,333	\$1,273,846	(\$3,513)	-0.3%
31 Service installations	\$310,000	\$153,897	\$238,462	(\$84,565)	-35.5%
32 TOTAL CAPITAL EXPENDITURES	\$12,692,835	\$6,954,592	\$9,718,305	(\$2,763,713)	-28.4%
33 REVENUES LESS OPER EXP LESS CAPITAL	(\$9,193,673)	\$2,592,346	(\$6,838,424)	\$9,430,771	
34 ENDING BUDGET FUND BALANCE (17% of Oper Exp)	\$10,870,411	\$11,559,957	\$9,698,775	\$1,861,182	19.2%
35 MINIMUM BAL. (18% of OPER EXP)		\$12,314,542			
36 OVER/(UNDER) MINIMUM BALANCE		(\$754,584)			
RESTRICTED FUNDS					
38 PIF Collections	\$2,743,740	\$2,078,804	\$2,057,805	\$20,999	1.0%
39 PIF Interest Income	\$37,450	\$135,065	\$28,088	\$106,977	380.9%
40 Water Loan Payback	\$783,750	\$792,458	\$783,750	\$8,708	1.1%
41 Federal Grants	\$0	\$0	\$0	\$0	0.0%
42 State Grants	\$0	\$0	\$0	\$0	0.0%
43 TOTAL REVENUES	\$3,564,940	\$3,006,326	\$2,869,643	\$136,684	4.8%
44 PIF Feeders	\$5,835,511	\$111,086	\$4,488,855	(\$4,377,769)	-97.5%
45 PIF Substations & Solar	\$2,464,418	\$585,453	\$1,848,314	(\$1,262,861)	-68.3%
46 TOTAL EXPENDITURES	\$8,299,929	\$696,539	\$6,337,168	(\$5,640,629)	-89.0%
47 PIF REVENUES LESS EXPENDITURES	(\$4,734,989)	\$2,309,787	(\$3,467,526)	\$5,777,313	
48 ENDING PIF BUDGET FUND BALANCE	\$2,978,132	\$10,104,188	\$5,023,847	\$5,080,341	101.1%
49 TOTAL ENDING CASH BALANCE		\$21,664,145			

NOTE: YTD ACTUAL does NOT include encumbrances totalling \$3,414,057

50 Energy Purchased (in million kWh) from PRPA	739	552	562	(9)	-1.6%
51 Energy Sold to Customers (in million kWh)	716	536	550	(13)	-2.4%

Attachment E

City of Loveland

Statement of Net Assets - For Fund Water fund - Proprietary consolidated
For Period Ending 9/30/2019

Assets

Current Assets

Equity in Pooled Cash	\$	3,702,775.19
Equity in Pooled Investments		4,015,337.03
Receivables, Net		2,600,857.81
Interfund Loan Receivable		-
Accrued Interest		118,433.93
Inventory, at Cost		299,744.12

Total Current Assets 10,737,148.08

Restricted Assets

Future Raw Water Projects		27,386,488.88
Restricted Cash		212,137.75
System Impact Fees		4,605,453.53
Windy Gap Commitment		-

Total Restricted Assets 32,204,080.16

Property, Plant & Equipment

Land		508,866.43
Intangible Assets/Easements		4,233,247.50
Infrastructure		75,950,237.42
Buildings		3,467,553.01
Equipment		2,401,104.31
Improvements Other Than Buildings		102,726,801.50
Water Rights		76,051,042.47
Construction in Progress		10,369,703.42

Total Property, Plant & Equipment 275,708,556.06
Accumulated Depreciation (56,170,040.82)

Net Property, Plant & Equipment 219,538,515.24

Total Non-Current Assets 251,742,595.40

Total Assets \$ 262,479,743.48

Liabilities

Current Liabilities

Accounts Payable	\$	60,152.21
Accrued Liabilities		199,201.14
Current Portion Ltd Notes		-
Bond Interest Payable		59,333.76
Deferred Revenue		-

Current Portion of Long-Term Debt	279,887.60
Total Current Liabilities	<u>598,574.71</u>
Long-Term Liabilities	
Compensated Absences	228,998.95
External Loan Payable	11,340,000.00
Interfund Loan Payable	1,500,000.00
Total Long-Term Liabilities	<u>13,068,998.95</u>
Total Liabilities	<u>\$ 13,667,573.66</u>

Net Position

Net Investment in Capital Assets	\$ 219,538,515.24
Restricted for Future Capital Improvements	32,204,080.16
Unrestricted	<u>(2,930,425.58)</u>
Total Net Position	<u>\$ 248,812,169.82</u>

NOTES:

Some items on the balance sheet are only changed at the end of the year, such as capital assets and accumulated depreciation.

Attachment F

City of Loveland

Statement of Net Assets - For Fund Wastewater fund - Proprietary consolidated
For Period Ending 09/30/2019

Assets

Current Assets

Equity in Pooled Cash	\$ (1,491,045.07)
Equity in Pooled Investments	12,231,606.49
Receivables, Net	1,695,900.83
Accrued Interest	77,526.99
Inventory, at Cost	3,577.92

Total Current Assets 12,517,567.16

Non-current Assets

Interfund Loan Receivable	-
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Restricted Assets

Restricted Cash	285,333.51
Cash with Fiscal Agent	-
System Impact Fees	4,014,085.43

Total Restricted Assets 4,299,418.94

Property, Plant & Equipment

Land	380,222.08
Intangible Assets/Easements	4,259,215.99
Infrastructure	34,716,381.25
Buildings	3,441,799.26
Equipment	3,167,955.12
Improvements Other Than Buildings	46,429,058.69
Construction in Progress	38,049,046.58

Total Property, Plant & Equipment 130,443,678.97
Accumulated Depreciation (32,320,578.55)

Net Property, Plant & Equipment 98,123,100.42

Total Non-Current Assets 102,422,519.36

Total Assets \$ 114,940,086.52

City of Loveland

Statement of Net Assets - For Fund Wastewater fund - Proprietary consolidated For Period Ending 09/30/2019

Liabilities

Current Liabilities

Accounts Payable	\$	1,458,052.41
Accrued Liabilities		114,938.66
Current Portion Ltd Notes		665,000.00
Bond Interest Payable		160,962.08
Deferred Revenue		-
Current Portion of Long-Term Debt		240,722.09

Total Current Liabilities 2,639,675.24

Long-Term Liabilities

Compensated Absences		196,954.44
External Loan Payable		23,570,000.00

Total Long-Term Liabilities 23,766,954.44

Total Liabilities \$ 26,406,629.68

Net Position

Net Investment in Capital Assets	\$	98,123,100.42
Restricted for Future Capital Improvements		4,299,418.94
Unrestricted		(13,889,062.52)

Total Net Position \$ 88,533,456.84

NOTES:

Some items on the balance sheet are only changed at the end of the year, such as capital assets and accumulated depreciation.

Attachment G

City of Loveland

Statement of Net Assets - For Fund Power fund - Proprietary consolidated
For Period Ending 09/30/2019

Assets

Current Assets

Equity in Pooled Cash	\$	2,907,057.78
Equity in Pooled Investments		8,456,360.04
Receivables, Net		9,573,088.85
Accrued Interest		80,122.19
Inventory, at Cost		3,451,651.52

Total Current Assets		<u>24,468,280.38</u>
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Non-current Assets

Interfund Loan Receivable		1,500,000.00
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Restricted Assets

System Impact Fees		9,998,559.27
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Property, Plant & Equipment

Land		2,498,492.73
Intangible Assets/Easements		4,434,147.39
Infrastructure		177,250,305.08
Buildings		4,067,961.38
Equipment		4,254,226.50
Improvements Other Than Buildings		276,752.99
Construction in Progress		14,181,215.91

Total Property, Plant & Equipment		<u>206,963,101.98</u>
Accumulated Depreciation		(62,294,263.71)

Net Property, Plant & Equipment		<u>144,668,838.27</u>
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Total Non-Current Assets		<u>156,167,397.54</u>
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Total Assets	\$	<u>180,635,677.92</u>
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City of Loveland

Statement of Net Assets - For Fund Power fund - Proprietary consolidated For Period Ending 09/30/2019

Liabilities

Current Liabilities

Accounts Payable	\$	4,569,203.78
Accrued Liabilities		195,764.14
Deposits		3,178,432.78
Current Portion of Long-Term Debt		328,989.58

Total Current Liabilities		<u>8,272,390.28</u>
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Long-Term Liabilities

Compensated Absences		269,173.30
Interfund Loan Payable		-

Total Liabilities	\$	<u>8,541,563.58</u>
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Net Position

Net Investment in Capital Assets	\$	144,668,838.27
Restricted for Future Capital Improvements		9,998,559.27
Unrestricted		17,426,716.80

Total Net Position	\$	<u>172,094,114.34</u>
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NOTES:

Some items on the balance sheet are only changed at the end of the year, such as capital assets and accumulated depreciation.

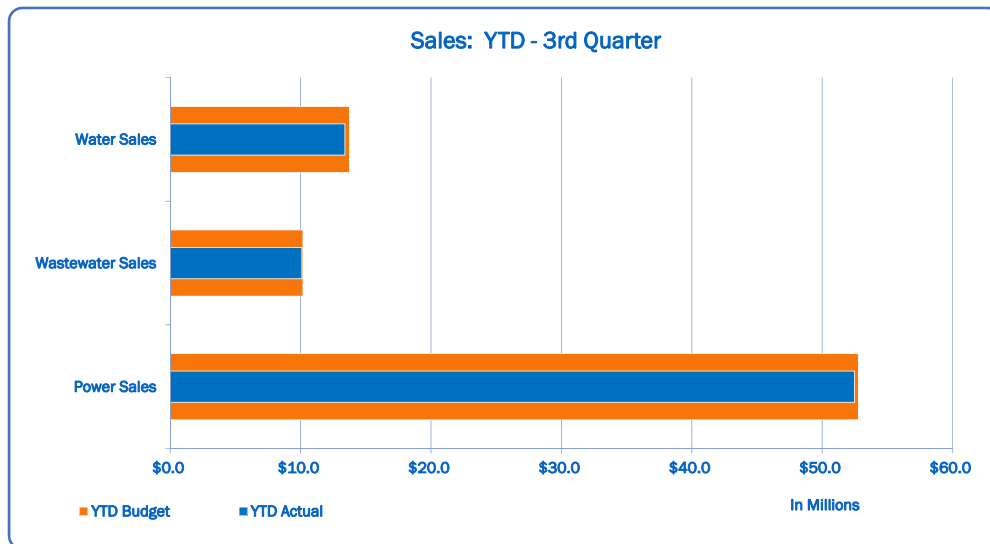
Attachment H

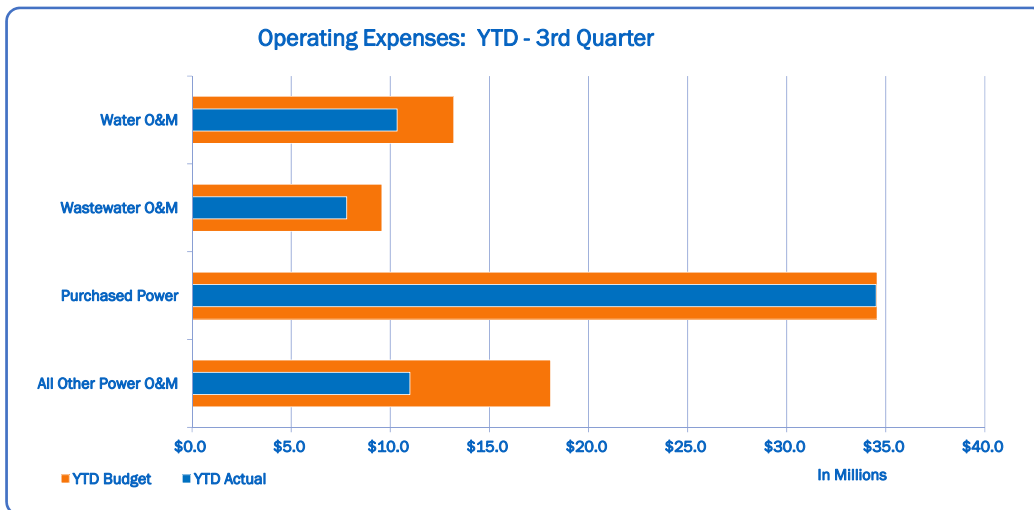
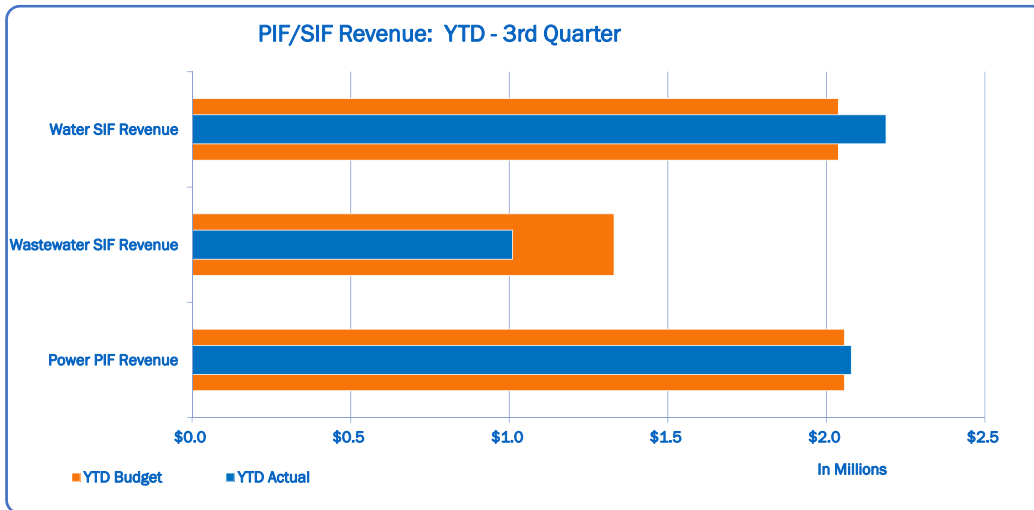


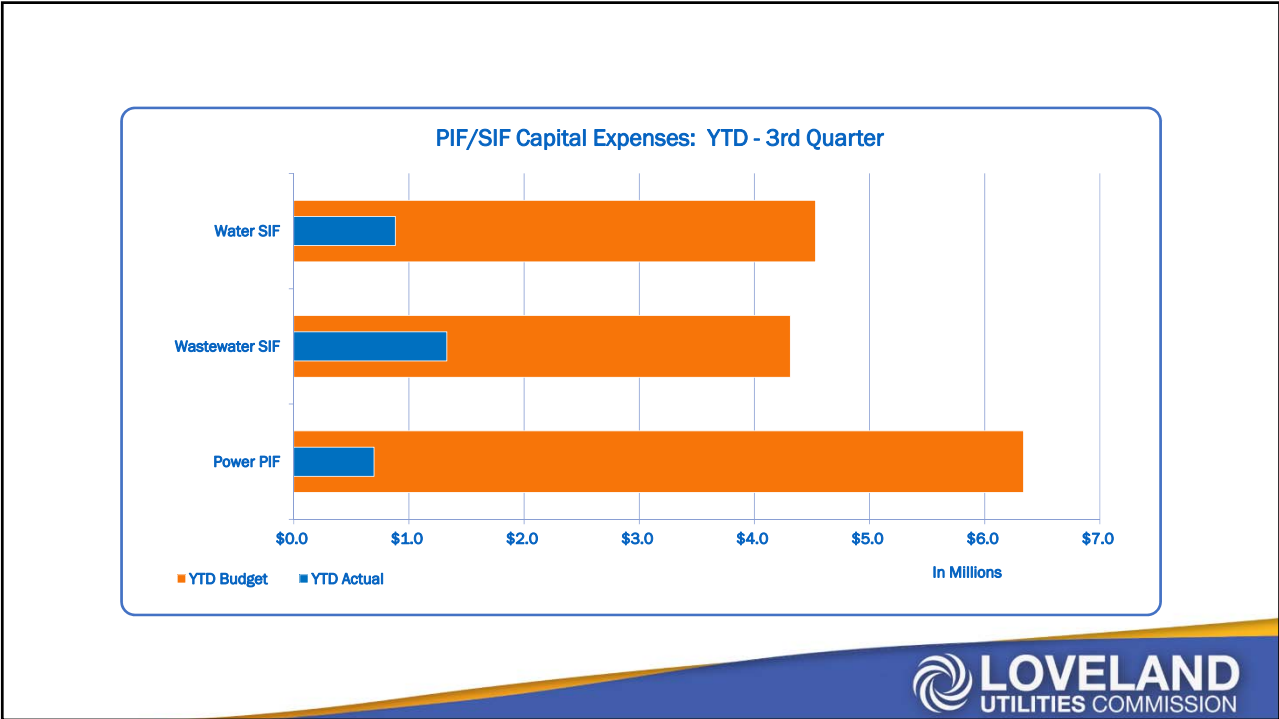
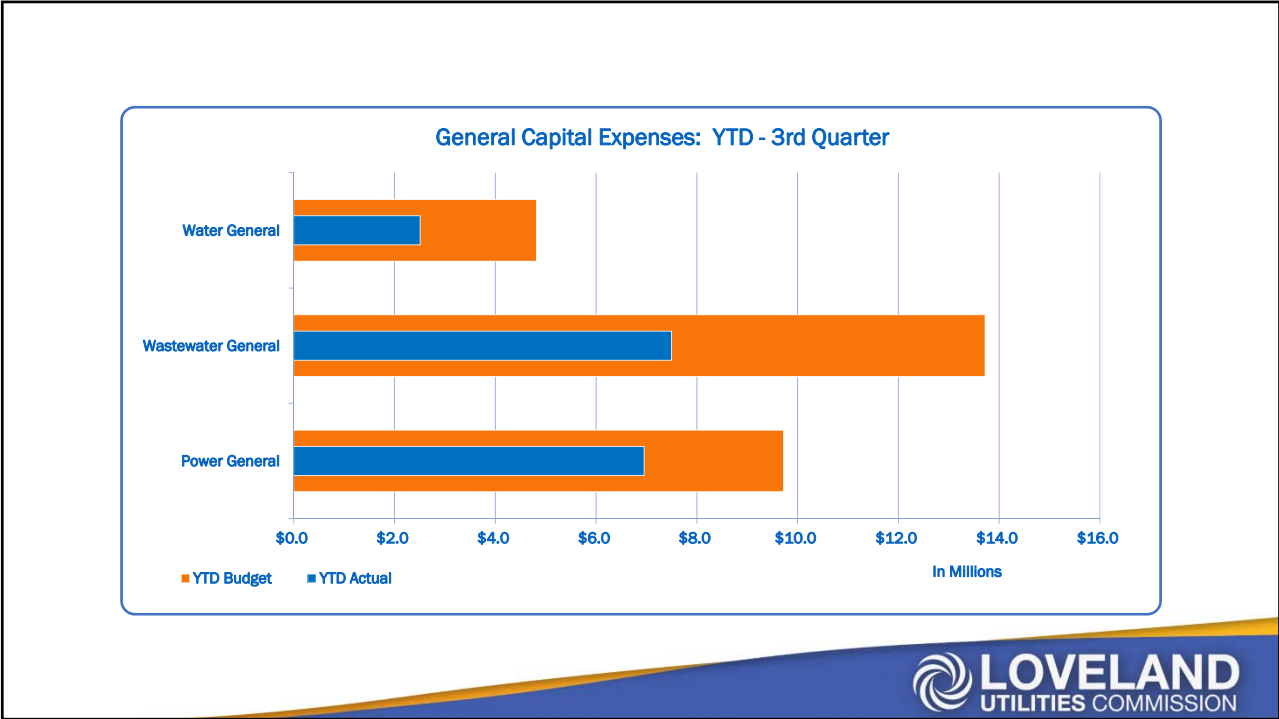
Quarterly Financial Report



Jim Lees,
Utility Accounting Manager
October 16, 2019







QUESTIONS?

Attachment I

City of Loveland

Statement of Net Assets - For Fund Wastewater fund - Proprietary consolidated
For Period Ending 06/30/2019

Assets

Current Assets

Equity in Pooled Cash	\$	(427,109.63)
Equity in Pooled Investments		12,514,072.68
Receivables, Net		1,689,331.83
Accrued Interest		77,526.99
Inventory, at Cost		2,598.12

Total Current Assets		<u>13,856,419.99</u>
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Non-current Assets

Interfund Loan Receivable		-
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Restricted Assets

Restricted Cash		1,030,738.94
Cash with Fiscal Agent		-
System Impact Fees		4,458,474.35

Total Restricted Assets		<u>5,489,213.29</u>
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Property, Plant & Equipment

Land		380,222.08
Intangible Assets/Easements		4,259,215.99
Infrastructure		34,716,381.25
Buildings		3,441,799.26
Equipment		3,167,955.12
Improvements Other Than Buildings		46,429,058.69
Construction in Progress		38,049,046.58

Total Property, Plant & Equipment		<u>130,443,678.97</u>
Accumulated Depreciation		(32,320,578.55)

Net Property, Plant & Equipment		<u>98,123,100.42</u>
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Total Non-Current Assets		<u>103,612,313.71</u>
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Total Assets	\$	<u>117,468,733.70</u>
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City of Loveland

Statement of Net Assets - For Fund Wastewater fund - Proprietary consolidated For Period Ending 06/30/2019

Liabilities

Current Liabilities

Accounts Payable	\$	1,390,962.62
Accrued Liabilities		114,938.66
Current Portion Ltd Notes		665,000.00
Bond Interest Payable		412,320.87
Deferred Revenue		-
Current Portion of Long-Term Debt		240,722.09

Total Current Liabilities 2,823,944.24

Long-Term Liabilities

Compensated Absences		196,954.44
External Loan Payable		24,235,000.00

Total Long-Term Liabilities 24,431,954.44

Total Liabilities \$ 27,255,898.68

Net Position

Net Investment in Capital Assets	\$	98,123,100.42
Restricted for Future Capital Improvements		5,489,213.29
Unrestricted		(13,399,478.69)

Total Net Position \$ 90,212,835.02

NOTES:

Some items on the balance sheet are only changed at the end of the year, such as capital assets and accumulated depreciation.




ITEM TITLE:

Commission & Council Report

SUMMARY:

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

 City Council Report

RECOMMENDATION:

Commission/Council report only.



ITEM TITLE:

Director's Report

EVENTS:

- **Wastewater Treatment Plant Expansion Grand Opening**
Tuesday, October 22, 2019 10 AM to 12 PM
920 S Boise Ave, Loveland, CO 80537

OPERATIONS:

Water Operations:

- **6 Million Gallon Concrete Water Tank:** Design work is underway for a 6 million gallon concrete water storage tank to be located at the west end of 29th Street, just north of our existing 4 million gallon steel tank. The estimated construction cost for this tank is \$8M. Construction will begin in April 2020, with completion expected in April 2021. The tank will provide much needed storage for current and future demands.

Power Operations:

- **East Transformer Replacement:** As included in our 10-year plan, preliminary engineering has commenced to change out the East Substation Transformer No. 1. Loads at East Substation are trending upwards and Transformer No. 1 is 44 years' old and approaching its self-cooled load limit.
- **Area Study:** Engineering staff has completed building a system load model with Milsoft Software and will commence a study into system contingency analysis and load resiliency.
- **Substation Battery Analysis:** The capacity of the substation batteries will be checked by calculation to verify that they are sized adequately to provide power for an 8-hour duration.

CUSTOMER RELATIONS:

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

- Winter Wonderlights – November 15, 2019

Facebook Insights (September 2019):

- Reach (unique users) – 2,762 people
- Engagement (unique users) – 312 people
- Impressions (total count) – 4,468 people

Media:

- North Forty News – September 14, 2019: [Rawhide project earns award.](#)
- Reporter-Herald – October 3, 2019: [Platte River Power Authority seeking proposals for 150 megawatts of new solar capacity](#)