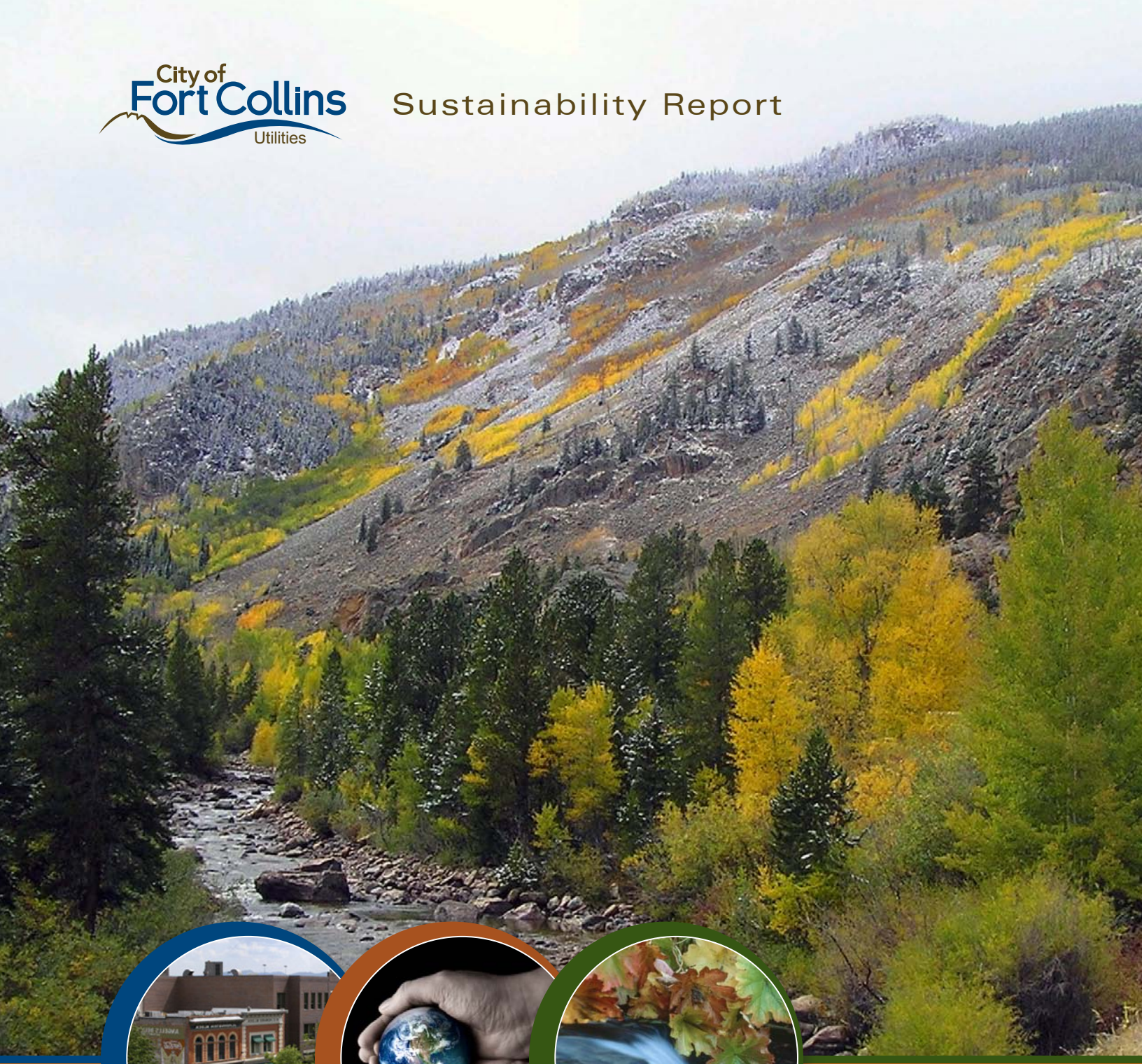
City of Fort Collins Utilities

# Sustainability Report



## Fort Collins Utilities Sustainability Purpose

Inspiring community leadership by reducing environmental impact while benefiting customers, the economy, and society.

| | | 2002 In Accordance | C | C+ | B | B+ | A | A+ |
|---|---|---|---|---|---|---|---|---|
| Mandatory | Self Declared | | GRI REPORT SELF DECLARED | Report Externally Assured | | Report Externally Assured | | Report Externally Assured |
| Optional | Third Party Checked | | | | | | | |
| | GRI Checked | | GRI REPORT GRI CHECKED | | | | | |

Reporting organizations must self-declare a GRI Application Level based on the number of indicators included in the report. C-level reporting is a strong starting point and establishes a solid foundation for measuring progress. *GRI-Checked* indicates that the GRI confirmed that our report meets the criteria established. Fort Collins Utilities is the only U.S. multi-service utility to have both reported at any GRI Application Level and obtained a *GRI-Checked* declaration.

*For more information on GRI Application Levels, please visit www.globalreporting.org.*

# LETTER FROM THE EXECUTIVE DIRECTOR

Dear Fort Collins Utilities Stakeholders,

I am excited to introduce our first Sustainability Report. In the spirit of reflecting the values of our customers, employees and the Fort Collins community, we will be among the first municipal utilities to produce a Sustainability Report. This Sustainability Report outlines our triple bottom line performance (economic, social and environmental) and introduces our 21st Century Utilities initiative which will guide our operations in the years ahead.

As Utilities provides water, wastewater, electric and stormwater services to the community, we recognize the economic, social and environmental impacts of our operations. We are committed to minimizing our negative impacts and enhancing our positive impacts on the community and the environment. This report intends to communicate where we stand on the path to sustainability, our overall progress towards improving our triple bottom line performance as well as providing a foundation for future annual sustainability reporting. This report is a snapshot in time for the years 2006 and 2007 and also communicates our most recent 2008 accomplishment of developing our Sustainability Purpose and Plan.

In late 2007, we began our 21st Century Utilities initiative based on valuable customers' insights and feedback and on our observation and understanding of the many challenges facing municipal utilities in this new century. Some of these challenges are associated with climate change, future water supplies, ageing infrastructure, security, land use and community safety and well-being.

As a result of the numerous multi-disciplinary meetings involved with the development of our 21st Century Utilities initiative, we have begun the process of identifying which areas are critical for our attention. These areas are identified as "Issues" in the report – and each of these Issues has a staff team charged with strategy development. In the coming year, we will begin to fully implement these strategies. We will broaden staff participation and begin to introduce our plans to community stakeholders. We look forward to reporting on the progress of these Issues and community participation in our future Sustainability Reports.

We thank you for the opportunity to share this important first step with you and welcome your thoughts and feedback.

Sincerely,
Brian Janonis, P.E.
Executive Director
Fort Collins Utilities

# ABOUT THIS REPORT

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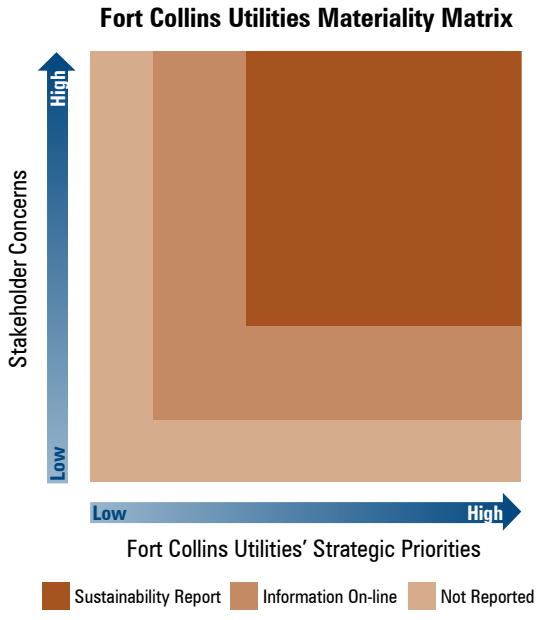
**R. W. Beck, Inc.** provided comprehensive sustainability program services; staff located in Denver and across the country.

## Our First Sustainability Report

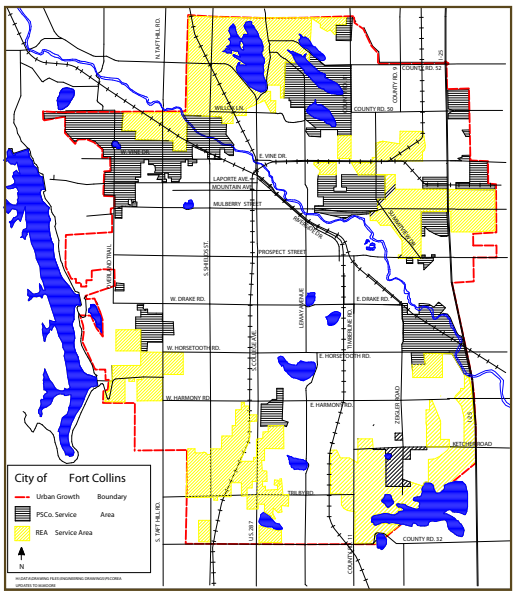
Fort Collins Utilities has a long-standing history of being committed to our customers, employees, natural environment and stakeholders. We have continuously strived to do our best in assuming our economic, social and environmental responsibilities and in meeting stakeholder expectations. In order to sustain these efforts and continuously improve our organization and operations, we have dedicated a great deal of time, energy and resources to re-examine our overall economic, social and environmental performance. This Sustainability Report aims to communicate the findings, performance and plans moving forward.

The content and strategy incorporated in this Sustainability Report was developed by a Core Sustainability Team (CST) with support, review and feedback from senior management and an advisory panel comprised of key stakeholders representing the City, business, institutional, governmental, and non-governmental organizations. To create this advisory panel, we identified and selected stakeholders based on their level of interaction with us in daily operations, their level of activity and engagement in the local community and the alignment of our interests in the community and sustainable development. The composition of this panel strove to 1) balance the viewpoints of our current engagement practices with our employees, customers, suppliers, partners and the City; and 2) strike an overall balance between economic, social and environmental interests.

Many internal and external forces impact how we conduct our business, how we operate as an organization and how we interface with our diverse range of stakeholders. We have therefore chosen to focus our immediate efforts and this initial dialogue on issues we have identified as being most relevant or material to our stakeholders. The issues discussed in this report are those that are within our direct sphere of control as well as those that matter most to our stakeholders. This report presents an overview of who we are, how we are organized and how we perceive and manage sustainability, as well as our economic, social and environmental performance. For further information we encourage you to visit our website at http://www.fcgov.com/utilities to learn more about us, our performance and our sustainability initiatives and programs.



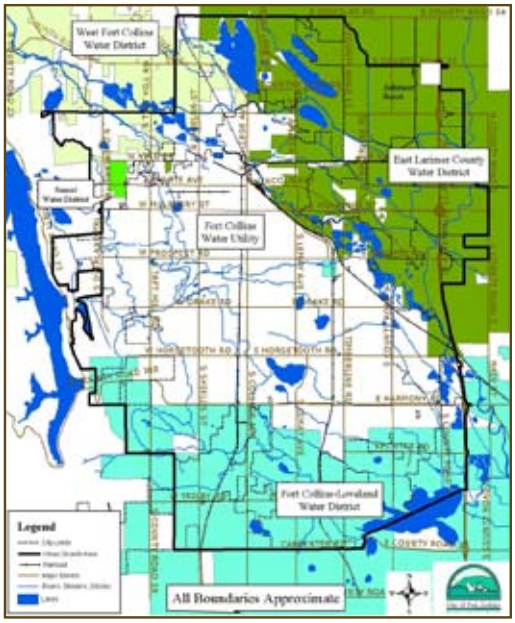
**Fort Collins Electric Service Area**




This Sustainability Report focuses on our sphere of direct control, which includes processes related to delivering electricity, water, wastewater and stormwater, as well as our administrative and general services related to delivering these core services to the community.

As part of our ongoing commitment to transparency, clarity and accuracy, we have chosen to adopt the principles and guidelines of the Global Reporting Initiative (GRI)/G3, the draft GRI Electric Utilities Sector Supplement (EUSS) made available to the public in January 2007 and Water Utilities Indicators (WUI) developed by R. W. Beck. In developing this report, we relied on 2006-2007 data compiled from operational units, audited financial reports, the Customer Connections and Human Resources Departments and the Environmental, Health & Safety Management Teams. While our data boundaries for this initial report are fiscal years 2006 - 2007, we include 2008 highlights of the development of our sustainability program and plan.

**Fort Collins Treated Water Service Areas**




## Stakeholder Feedback

We strive to meet the expectations of our stakeholders and look forward to your comments so that we can better meet your expectations in the future.

For additional information about our sustainability programs and initiatives and/or feedback on this report, please contact Patty Bigner, Sustainability Champion, at pbigner@fcgov.com.

# ABOUT US

Fort Collins Utilities is a municipally owned multi-service utility employing about 380 people to provide electric, water, wastewater and stormwater services to the city of Fort Collins and surrounding areas. While operations are performed by in-house utility staff, we rely on contractors and consultants for specific projects, such as capital infrastructure and professional services. As a municipal utility and a Service Area, we exist to serve the utility needs of the community and do not operate for a profit. At Fort Collins Utilities we are able to issue tax-free debt and our stormwater utility has received federal grant funding. In 2006, Utilities generated $171 million in revenues with $131.5 million in expenses, a $6.6 million payment in-lieu of tax (PILOT) contribution to the City's General Fund, and $15.6 million of capital projects completed within the Fort Collins community; while in 2007 Utilities generated $179 million in revenues with $144 million in expenses, a $6.8 million PILOT, and $16.9 million of capital projects completed within the Fort Collins community.

## Fort Collins Timeline

**1864** Fort Collins founded as military fort

**1873** City incorporated

**1882** Residents vote to build a waterworks system for domestic and fire protection purposes

**1935** Fort Collins Light & Power created by public vote

**1948** The Mulberry Water Reclamation Facility on line as City's first wastewater treatment facility

**1968** Drake Water Reclamation Facility opens

**1973** Fort Collins joins with others to form Platte River Power Authority

**1980** Stormwater Utility created

**1984** REACH program established to assist low-income families

**1987** Drake Water Reclamation Facility receives the EPA Operations and Maintenance Excellence Award

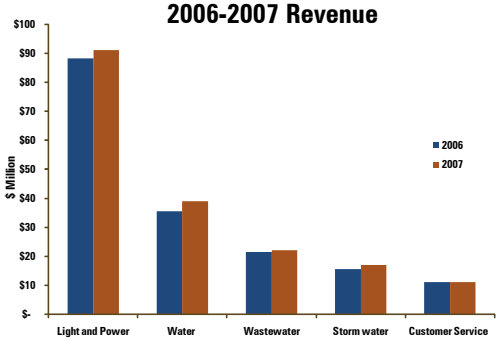
**1988** Local LEAP program established to assist low-income families

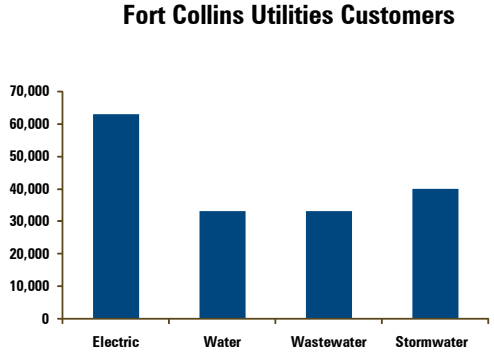
**1990s** Energy/Water Efficiency and Public Outreach Programs established

**1998** Voluntary renewable wind energy purchase option started

**2007** *Shared Vision Planning* during Halligan-Seaman Reservoir permitting commenced

Sustainability Program development commenced




## Electric

Utilities delivers safe, reliable and affordable electric service to about 63,000 homes and businesses in the Fort Collins community. We delivered 1,442,892 megawatt hours (MWh) in 2006 and 1,484,987 in 2007. Utilities receives generation and transmission services from Platte River Power Authority (Platte River), which consists of four communities in northern Colorado. We operate and maintain the electric distribution system facilities, including 175 miles of distribution lines, distribution substations and the City's streetlight system.

Due to an ambitious undergrounding program, almost all of Utilities' distribution lines are now buried underground, with only 11 of the 175 total miles of distribution lines remaining overhead. This progressive undergrounding program directly supports our reliability goals and contributed to our lower than average number of interruptions and interruption durations.

To meet its wholesale member's power and energy obligations, Platte River utilizes a power generation portfolio consisting of:

- A 274 megawatt (MW) coal-fired unit at the Rawhide Energy Station
- A portion of two 428 MW coal-fired units at the Yampa River Project
- Four 65 MW natural gas-fired combustion turbines at the Rawhide Energy Station
- Federal hydropower delivered via purchase from Western Area

Power Administration

- Ten wind turbines totaling 8.3 MW near Medicine Bow, Wyoming
- Purchases from the wholesale electricity market

For reporting purposes, the electric utility boundary includes Utilities' electric operations related to delivering energy to their customers, as well as certain environmental metrics regarding the Utilities' portion of Platte River's generation of power and consumption of materials (fuel).

**Number of Customers by Type**

| Electric | 2006 | 2007 |
|---|---|---|
| Residential | 55,464 | 55,735 |
| Commercial/Industrial | 6,702 | 6,955 |
| Other | 302 | 300 |

## Water

Fort Collins Utilities serves the water supply, treatment and distribution needs of customers by managing water supply and storage resources, processing water at treatment facilities, distributing treated water and assuring water quality during each step. Utilities' treated water not only meets, but often exceeds, state and federal regulations for water purity.

The Cache la Poudre River and Horsetooth Reservoir (via ownership in the Colorado-Big Thompson Project) are the two main sources of water for Utilities, with the Joe Wright Reservoir providing some of our water storage capacity needs. Utilities owns and operates one 87 million gallons-per-day water treatment facility to ensure that a sufficient supply of safe and aesthetically pleasing drinking water is delivered to our customers through our 530 miles of water mains. In 2006, customers' daily water use was 172 gallons per capita per day, which equates to 156 gallons per capita per day when normalized for weather conditions. In 2007, customers' daily water use per capita dropped to 162 gallons and 156 gallons when normalized for weather conditions.

For reporting purposes, Utilities' water utility boundary includes the diversion of raw water and distribution of water to customers, as well as related administrative and support activities.

**Number of Customers by Type**

| Water | 2006 | 2007 |
|---|---|---|
| Residential | 30,843 | 30,469 |
| Commercial | 2,101 | 2,311 |

### Our Headquarters:

City of Fort Collins Utilities
700 Wood St.
Fort Collins, CO 80521

## Wastewater

Utilities wastewater operations ensure that water returned to the Cache la Poudre watershed is cleaned and treated to remove contaminants. Utilities collects wastewater through 435 miles of sanitary sewer lines and treats the wastewater at two water reclamation facilities which provide a total of 29 million gallons per day of treatment capacity. Before water is returned to waterways, the Pollution Control Laboratory ensures it meets or surpasses state and federal standards. Utilities' two wastewater treatment plants treated 5,429 million gallons in 2006 and 5,683 million gallons in 2007.

For our reporting purposes, Utilities wastewater utility boundary includes wastewater treatment, collection of wastewater from customers, discharging of treated wastewater, and related administrative and support activities.

**Number of Customers by Type**

| Wastewater | 2006 | 2007 |
|---|---|---|
| Residential | 31,255 | 31,012 |
| Commercial | 1,813 | 1,980 |

## Stormwater

The stormwater utility works to solve drainage problems, reduce future flooding, and to repair, maintain and enhance water quality and water drainage facilities throughout the City's 12 drainage basins. We educate the public on water quality and flooding issues, identify flooding risks, protect residents and structures from flooding, operate and maintain all flood control and water quality infrastructure, and work to improve the quality of streams, rivers and other watershed habitat. We manage and maintain 175 miles of stormwater piping, 63 regional drainage channels and 90 detention ponds totaling 320 acres.

For reporting purposes, the stormwater utility boundary includes all operations and facilities in the 12 basins in and around the Fort Collins community.

**Number of Customers by Type**

| Stormwater | 2006 | 2007 |
|---|---|---|
| Residential | 33,056 | 33,397 |
| Commercial | 6,814 | 6,920 |

### Water Utilities

Since 1981, we have been conducting water treatment pilot plant studies for research and development (R&D) related to water treatment. In 1990, we constructed a permanent Pilot Plant Facility for R&D and testing of new, leading edge water treatment processes before they are placed in full commercial operation at the plant. The Pilot Plant Facility was designed to be flexible for a wide range of R&D and testing objectives including providing data:

1) to optimize plant operations
2) for pre-design of new plant processes, and
3) to upgrade existing plant processes

Over the years our Pilot Plant Facility has addressed many issues resulting in significant economic and water treatment process benefits which have been the basis for publishing more than 20 water treatment related articles and presentations.

## Customer and Employee Relations

The Customer and Employee Relations Department supports the four utility services by providing customer service, marketing, education, occupational heath and safety, training, key account management and energy and water efficiency services. We conduct customer outreach and manage customer satisfaction by providing programs such as Business and Residential Environmental Program Series, WaterSHED water quality outreach and the annual Children's Water Festival.

A significant focus in customer and employee relations is related to helping customers manage their energy and water use to benefit the customer, community and Utilities. We help customers make informed decisions regarding energy and water use by building awareness, implementing efficiency and conservation programs, and providing technical expertise. Some of our most popular and successful support, outreach and customer programs include:

- Key Account customer relationships and outreach
- REACH low-income weatherization for electric customers
- Voluntary Green Energy Program
- Residential Lighting Program
- Integrated Design Assistance Program
- Annual Children's Water Festival
- Business and Residential Environmental Program Series
- WaterSHED water quality outreach
- Utilities' internal Industrial Hygiene and Safety

The Customer and Employee Relations department reporting boundaries include all of our operations, which include our customer-focused services and internal support of utility service areas.

### Local Market Presence

Utilities' operations and services directly and indirectly benefit the community and the local economy in a variety of ways. For example, while there are no formal policies stating a preference for locally based suppliers, most materials and supplies are purchased locally. While most materials and supplies are not manufactured locally, such purchases do contribute to the local economy and benefit the local community by supporting local businesses.

## City Direction

**Mission:**

Exceptional service for an exceptional community.

**Vision:**

We are passionate about creating a vibrant, world-class community.

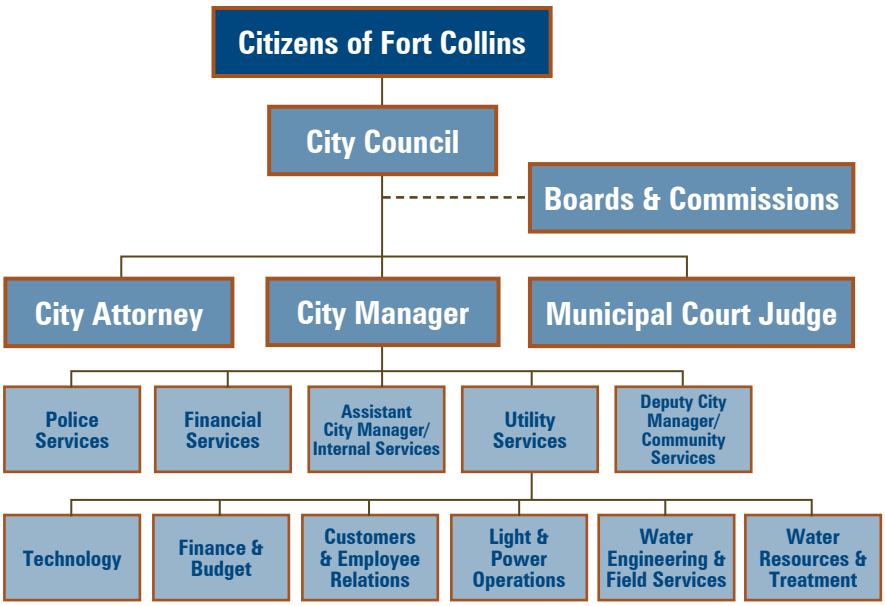
**Values:**

Outstanding Service
Innovation & Creativity
Respect
Integrity
Initiative
Collaboration & Teamwork
Stewardship


For additional information regarding the city's codes of conduct, policies or practices, please visit our website at *http://fcgov.com/cityclerk/pdf/bcmanual.pdf.*

# GOVERNANCE

The governance structure of the City of Fort Collins and the Utilities is fairly typical of municipal organizations across the United States. The City has a Council-Manager form of government. In the case of Fort Collins, the City owns and operates a Service Area, multi-utility system that provides electric, water, wastewater and stormwater services. Similar to some but not all other city utility systems, Fort Collins Utilities is governed by the City Council and has two advisory boards – one for water, wastewater and stormwater and another for electric services. The following diagram shows the basic organizational structure and relationships:




Fort Collins Utilities activities are governed by City policy as set by Council. For policy setting that directly relates to Utilities area of responsibility, Council seeks input from staff. Such policy matters include energy and water policy direction (conservation goals), greenhouse gas reduction and renewable portfolio standard goals. Similarly budgets are developed with input from Utilities and final review/ratification by Council. Municipally owned utilities generate revenue for the cities that own them; this is the case in Fort Collins as well.

The City Manager is responsible for daily operations and organizational oversight of all City departments including Utilities, providing direction and budgetary oversight. The Utilities Executive Director reports to the City Manager. The Executive Director and his team of direct reports provide Utilities business and operations leadership and are responsible for setting utility strategy in alignment with policy and direction from the City. Some Utilities' administrative functions (e.g., certain aspects of Human Resources and Information Technology) are supported by City staff. In general, the Utilities receive policy direction from Council, then aligns its management and operation with that direction while keeping Council well informed.

As a city government, citizens have direct access to City officials at virtually any time. All Council meetings are open to the public with clear procedures for public comment outlined and followed. All Council meetings are taped and broadcast via a local cable channel. In addition, the City and Utilities conduct regular citizen/customer surveys; Council is briefed on those findings.

The Fort Collins community includes an active and involved citizenry so the input received is broad and varied. Overall input received over the past two years has surfaced issues related to many topics including greenhouse gas reductions, renewable portfolio standards, potential environmental program responses, stormwater system plans, energy policy and utility rates among many others.

**The Fort Collins City Council** is composed of six district council members who are elected on a non-partisan basis for a term of four years, and a mayor who is elected at-large for a two-year term. The mayor pro tem is chosen from among the entire council and serves a term of two years.

As the community's legislative body, City Council is responsible for enacting City ordinances, appropriating funds to conduct City business, and providing policy direction to City staff. By provision of the City Charter, Council has the power of appointment over the City Manager, City Attorney and Municipal Court Judge.

**The City of Fort Collins Electric Board** advises the City Council on policy matters pertaining to the municipal electric system. The Board acts as the final appeal and hearing body for customer complaints, except as is otherwise provided in Chapter 26, Article XII of the City Code regarding termination of utility service. It acts as a sounding board to staff for the purpose of identifying the ratepayers' service delivery expectations in addition to other duties provided by ordinance of the City Council. The Electric Board holds monthly meetings.

**The City of Fort Collins Water Board** advises the City Council regarding water, wastewater and stormwater policy issues such as water rights, planning, acquisition and management, conservation, public education, floodplain regulations, storm drainage and development design criteria. The Board reviews and makes recommendations on Water, Wastewater and Stormwater Utilities budgets, fees, water quality and local, state and federal water legislation. At times, the Board also acts as a quasi-judicial body on floodplain regulation variances. The Board cooperates with regional entities to coordinate planning and maintains a dialogue on regional water issues. The Board is also involved in master planning and provides advice and citizen input regarding proposed policies and actions affecting Utilities customers. The Water Board holds monthly meetings.

**Fort Collins Utilities** supplies Fort Collins residents and businesses round-the-clock electric, water, stormwater and wastewater services. Our dedicated staff strive to offer safe, environmentally responsible and cost-effective programs and services. City policy states that Service Area Directors (Utilities Executive Director) and department heads (Utilities Service Unit Managers and Department Managers) must live in The Fort Collins Urban Growth Area or within 5 miles of city limits.

Governor's Energy Office

The State of Colorado Climate Action Plan has set targets for both renewable portfolio standards (RPS) and greenhouse gas (GHG) reductions. State legislation has set renewable portfolio standards (RPS) that require Fort Collins Utilities, because of its size, to provide 10% of generation resources from renewable energy. In 2008, Fort Collins City Council aligned with the state-level requirements, supporting both their long-term stewardship mission and community values.

### City of Fort Collins Targets

**RPS Standards**

10% generation from renewable sources by 2020

**GHG Reduction Goal**

20% reduction by 2020 (from 2005 levels)

80% reduction by 2050 (from 2005 levels)

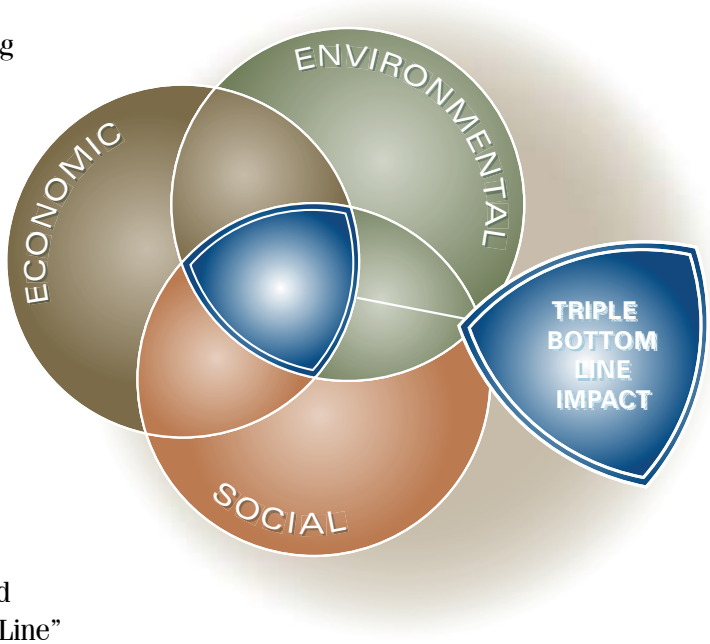
# MANAGING SUSTAINABILITY

Our collaborative work among the Senior Management Team and Core Sustainability Team (CST) as well as the engagement and thoughtful dialogue with the Advisory Panel led to the development of Fort Collins Utilities' sustainability purpose, which forms the foundation for our overall direction.

**Fort Collins Utilities Sustainability Purpose**

Inspiring community leadership by reducing environmental impact while benefiting customers, the economy and society.

We believe that this purpose statement has a long life span and is intended as the key unifying organizational direction due to its alignment with both external and internal perspectives. We also recognize that accomplishing this sustainability purpose will require great effort and dedication from all of our employees.




Building upon this sustainability purpose and our evolving core services, we are committed to taking a "Triple Bottom Line" approach to sustainability.

The essence of this approach hinges on the integration and balance of the three pillars of sustainability – economic, environmental and social responsibility.

## Continuous Improvement

Fort Collins Utilities has intentionally viewed sustainability as a key organizational initiative. As such, we are committed to the continuous improvement required to drive the necessary perspectives, practices and accountability into our organization according to the process shown on the following page.

### Our Policies

**The Electric Energy Supply Policy** adopted in 2003, is Fort Collins Utilities' commitment to a cleaner environment, competitive rates and a reliable system. The policy sets specific targets to encourage the use of efficiency to help meet this need, instead of relying solely on additional capacity. *http://fcgov.com/electric/energy_policy.php*

**The Water Supply and Demand Management Policy** guides Utilities in balancing supply and demand, even during drought conditions. *http://fcgov.com/water/pdf/wsdm-policy.pdf*

For additional electric, water and stormwater standards, guidelines and regulations please visit our website at *http://fcgov.com/utilities/builders.php.*


## Program Prioritization

A key component of our Sustainability Management System is the planning phase where we select and prioritize the many "green" program options. In order to identify the next best dollar spent on programs that support our sustainability purpose and related goals, we rely on an optimization model. This model is an analytical tool that carries out a simultaneous evaluation of a variety of factors to yield an optimum solution. In this case, the factors that fed into the model included sustainability goals, such as greenhouse gas reduction targets, energy efficiency goals, and renewable portfolio standard requirements, as well as a series of boundary conditions, such as limitations on rate increases and financial resources.

### "Green" Program Option Examples:

- Energy Efficiency Program
- Green Energy
- Energy Star Programs
- Rebate Programs
- Tiered Water Rates
- Water Leak Detection
- Water Conservation Kits & Audits
- Stormwater Outreach and Education
- Partnerships with State and Federal Agencies

### Our Commitments

We aim to express our commitment to sustainability and environmental stewardship by embedding that perspective in all Utilities' practices and operations. From our policies and commitment to sustainability we have developed or adopted goals to:

- Reduce GHG emission by 20% by 2020
- Provide a minimum of 10% of Utilities load from renewable energy by 2020
- Water consumption goal of 140 gallons per capita per day by 2020
- 21 miles of streams restored by 2035
- FEMA Community Rating System (CRS) ratings – maintain class 4
- Additional structures removed/protected from floodplain 1,735 by 2035
- Amount of developed land actively managed with stormwater quality best management practices: 100% by 2035
- Continue setting an example by implementing applicable programs offered to our stakeholders

# OUR EMPLOYEES

## Culture

As a major employer in the community, we strive to offer a work environment that encourages teamwork, values the individual and is passionate about providing world-class service.

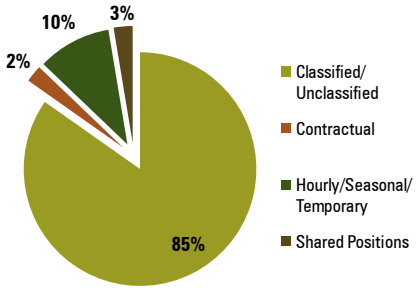
Fort Collins Utilities is an Equal Opportunity Employer committed to providing a work environment that is free from discrimination and harassment. To ensure such a workplace environment, all new employees are required to complete a training session that reviews zero-tolerance policies for harassment and discrimination, while supervisors are required to complete ongoing training programs to identify and eradicate all forms of harassment and discrimination in the workplace.

Employees who believe that they are subject to harassment or discrimination or have observed actions of harassment or discrimination are encouraged to promptly report it to a department supervisor or the Director of Human Resources. Supervisors must, in turn, immediately report to the Director of Human Resources all complaints, observed incidents or suspected incidents. The Human Resources Department investigates all complaints and recommends appropriate action. We are proud to report that within Utilities, there have not been any incidents of harassment or discrimination in 2006-2007.

In alignment with our core values, all employees are trained in the City's procurement and anti-corruption policies upon orientation, while supervisors receive anti-corruption training on an annual basis.

Per the City of Fort Collins Charter, city employees are not allowed to organize unless approved by voters; therefore, there are currently no collective bargaining agreements or unions within Utilities. As a result, there have not been any labor-related work disruptions. We value positive employee morale and encourage engagement with employees to ensure that their needs are met and that their concerns are addressed. The City conducts regular employee surveys and supports the activities of an employee-selected committee of City staff.

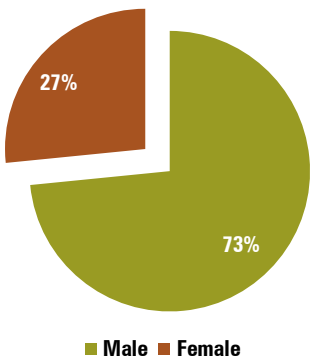
### Workforce by Employment Type




### Workforce Composition

| Ethnicity | 2006 - 2007 |
|---|---|
| Caucasian (not of Hispanic origin) | 90 % |
| Hispanic | 6% |
| Asian or Pacific Islander | 2% |
| Native American/ Native Alaskan | 1% |
| African American | 1% |

### 2006-2007 Gender Distribution




### City of Fort Collins World Class People

Providing world-class service is more than just a job, it's a source of pride. Meet a few of the City of Fort Collins Utilities employees that see their job as a way to contribute to what makes Fort Collins great.

*"I am a country boy, so I like working outside. I take pride in what I do."*

**Anthony Vigil**
*Maintenance Technician*
Landscape

*"I think all City employees are world-class."*

**DeEtta Carr**
*Purchasing Coordinator*
Water Utility Consultant

*"I appreciate the freedom to complete work orders in the way I feel is safest and most efficient."*

**Don Fox**
*Line Crew Chief*
Light and Power

## Benefits

Full-time, classified employees have access to full benefits; while benefits are pro-rated for part-time employees. Contract employees may have access to all benefits except for retirement, and hourly employees may purchase medical benefits at full premium price.

**Total Benefits Obligation**

| 2006 | 2007 |
|---|---|
| $5,979,449 | $6,515,254 |

## The Wellness Program

The Wellness Program aims to provide employees and their families with exceptional services to motivate them towards healthy lifestyle choices, and ultimately healthier, more productive lives. Wellness benefits include:

- Access to three fitness centers for employee use
- Classes and personalized programs for employees
- Well-Day incentives that encourage employees to maintain a level of health and wellness that reduces the risk of illness and injury. To ensure their success, support and encouragement is available to assist with various stages of change

## Talent & Performance Management

The ability to meet the needs of our residents lies largely in the hands of our talented and skilled workforce. We anticipate that a significant percentage of our workforce will retire within the next 5 years. In order to ensure that we maintain our level of excellence and renew our skilled workforce in the years to come, we are committed to attracting new workers and retaining current employees.

We are also committed to providing ongoing learning and development opportunities to executives and employees alike. For example, the City has tuition reimbursement programs for employees to further their education and pursue degrees at the university level or at trade schools.

Per City policy, all full-time employees must participate in an annual review process in which performance is discussed and goals are formulated to guide contributions and career development.

### Our Benefits:

- Medical Insurance
- Dental Insurance
- Life Insurance
- Long-Term Disability
- Vision Insurance
- Flexible Spending Accounts
- Retirement
- Paid Vacation
- Paid Sick Leave
- Short-Term Disability
- Paid Holidays
- Employee Assistance Program
- Award-winning Wellness Program

### The Wellness Program

Classes and personalized programs include:

- Personalized fitness programs, exercise prescriptions and fitness testing
- Discounts on Recreation Center passes
- Fitness and relaxation classes such as pilates, yoga and aerobics
- Tobacco Cessation - resources and classes
- A variety of Wellness/ Personal Enrichment classes
- Wellness Library - Books, videos, and other resources
- Ergonomic evaluations for employee work spaces

# HEALTH & SAFETY MANAGEMENT

The health and safety of our employees and community members is of utmost importance. We are consistently looking for ways to improve our operations and minimize the risks our employees and citizens are exposed to in their daily activities. Through collaboration, hard work and dedication, our employees and staff are committed to meeting the needs of our customers without compromising safety.

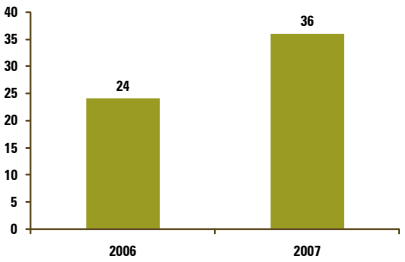
The City's Risk Management Division is responsible for the establishment of safe work and service environment in which employees, as well as members of the general public, can enjoy safety and security in the course of their daily pursuits. Risk Management's Occupational Health & Safety program serves as an umbrella, providing the basic safety requirements, from which departments are encouraged to build safe, consistent work practices that foster safety excellence and continuous improvement.

The Risk Management Division oversees the City Safety & Wellness Team, an informal group established to promote a strong safety culture among employees and the varying departments. The Team consists of representatives from several departments and meets on a monthly basis. Utilities representatives typically include employees from Water Field Services, Electric Field Services, Wellness, Regulatory & Government Affairs and the Utilities' Industrial Hygienist.

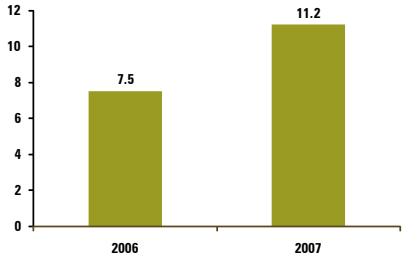
Utilities' Department managers are responsible for establishing department specific safety policies and procedures designed to protect employees from unique hazards found in the respective departments and providing guidance in establishing goals and directives for their department safety efforts.

Health and Safety data is prepared, reviewed and analyzed on a quarterly basis while incident investigations are conducted periodically by workgroups. Utilities also rely on external consultants to periodically perform Risk Management Audits, where gaps are identified and addressed.

**Number of Reportable Injuries**




**Rates of Injury**




## 2006 - 2007 Injuries

One of the factors that contributed to the increase in injuries in 2007 is the large amount of snow received. Several unusually heavy snow storms occurred in December 2006 and continued into 2007. After a few weeks, the snow became compacted and formed a thick layer of ice which remained for months.

Eight of the 36 injuries in 2007 were due to Slip & Fall on ice/ snow, representing 22% of reportable injuries in Utilities.

## Potential Risks for Employees - Chronic Disease

Several musculoskeletal injuries that occurred in 2006 and 2007 were likely due to repetitive trauma. Strains and sprains occurred among employees involved in the construction and repair of utilities and in water/wastewater treatment. Repetitive trauma is also believed to be the cause of injuries such as carpal tunnel syndrome among employees in administrative positions. The parts of the body affected include the back, shoulder, knee, wrist, neck, and legs.

Potential sources of chronic disease include:

- Musculoskeletal Disorders
- Occupational Hearing Loss
- Respiratory Disease/Chemical Exposure to gases, vapors and dusts
- Infectious Diseases such as hepatitis, HIV and other pathogens
- Allergies and Other Respiratory Disorders/Exposure to fungi, biosolids, and other biological agents

# ENGAGING WITH OUR COMMUNITY

While being a municipal utility allows collaboration with other City entities and government agencies, employees may not engage in certain activities and practices while representing Utilities. Such activities include involvement with public policy lobbying or using their positions to influence or support elections or candidates. Utilities and City employees also are prohibited from participating in political activities, except voting, while on duty. Utilities employees may not be on City Council, may not serve on boards or commissions appointed by Council and may not work for or monetarily support Council candidates. However, while not on duty, employees may support candidates, sign petitions, campaign and be politically active.

Utilities' staff members have participated in the City's Safety & Wellness and Sustainable Action Teams. In this capacity, staff provided direction with regard to safety objectives and environmental management systems and assisted in planning the annual Supervisor's Safety Breakfast, Employee Health Fair and employee safety training. For additional information on the City of Fort Collins Action Plan For Sustainability, please view the 2006 report available at http://fcgov.com/sustainability/annualreports/2006-report.pdf.

Utilities is also committed to engaging with local schools, community organizations, businesses and residents. Our educational and outreach programs range from safety to energy efficiency and water conservation. For example, a 30-minute presentation educates neighborhood groups, schools, clubs, homeowners and businesses on safety measures to undertake prior to starting an outdoor project in close proximity to overhead power lines. For more information, please visit http://fcgov.com/utilities/sfty-look_up.php.

Other outreach programs include the Industrial Pretreatment Program, which works with businesses and industries to ensure wastes they discharge do not interfere with water treatment processes. Program goals are designed to:

1) Ensure industrial users meet all applicable pretreatment standards.
2) Prevent introduction of toxic and incompatible pollutants into the treatment system that might pass through to the environment in harmful quantities and concentrations.
3) Prevent contamination of treated biosolids.

## Education & Conservation Outreach

**Environmental Program Series:** http://fcgov.com/utilities/eps.php

**Business Environmental Program Series:** http://fcgov.com/utilities/business-eps.php

**Storm Drain Stenciling:** http://fcgov.com/utilities/edu-kd-strm_drain.php

**Safety Outreach Programs and Resources:** http://fcgov.com/utilities/safety.php

## Energy

**Residential**

- Rebates & Programs
- Tips
- New Home Efficiency
- Existing Home Efficiency
- Resources

**Business**

- Rebates & Programs
- Tips
- Build/Improve A Building
- Resources

## Water

**Outdoor Water Use**

- Xeriscape
- Daily Lawn Watering Guide
- Tips - WaterWISE Lawn Care
- Sprinkler Systems
- Free Sprinkler-System Audits

**Indoor Water Use**

- Tips
- Clothes and Dishwasher Rebates
- Toilet Recycling
- Zero-Interest Loans

Dear Dr. WaterWISE,

When our teacher said you were coming to school, we thought it would be a puppet show or something! We were so surprised to find out you're a real scientist and a girl! Thank you for bringing the kit with our own personal water logs, measuring tape, shower timers and leak-detector tablets.

We had lots of fun collecting data and graphing our water use in our water logs. We were surprised how much water the toilet uses in an average day. By the way, when one of us put in the blue droplet thing in his toilet at home and didn't tell Mom, she was very worried when the water turned blue!

## Youth Education & Conservation Outreach

Utilities has a robust youth education program with dedicated staff. Program highlights include the following:

### Dr. WaterWISE

Dr. WaterWISE provides scientific, hands-on, water-conservation activities that help third, fourth and fifth graders be water wise. Dr. WaterWISE visits classrooms to analyze students' individual water habits, discuss ways to reduce water use and teach students that water is a precious resource.

### WaterSHED

WaterSHED educators lead river field trips and wetland studies for students in third through 12th grade. Hands-on science and math activities take classroom concepts outdoors for active, effective learning that are tailored to each grade level.

### Energy Rules!

Students participate in hands-on energy labs that reinforce the science standards specific to their grade level. Teachers may choose to be a school's energy champion and form an energy team. Students and staff form teams to take charge of energy use in their schools and earn rebates for saving energy.

### Storm Drain Stenciling

Storm drain stenciling is an educational, fun and interactive way to engage children and adults in preventing water pollution. Stenciled messages on a storm drain, such as "Dump No Waste, Drains to Poudre," reminds neighbors and passersby that these drains lead directly to our water sources.

### Fort Collins Children's Water Festival

Each spring, approximately 1,400 third grade students and their teachers from public, private and home schools attend the Fort Collins Children's Water Festival at Colorado State University. Sponsored by Fort Collins Utilities, Northern Colorado Water Conservancy District (NCWCD) and the Bureau of Reclamation, the festival is packed with fun, hands-on activities that teach students about water. It is the longest running water festival in the state.

Students spend half a day attending classroom presentations, visiting the exhibit hall, and perhaps compete in a friendly trivia contest or watch a "mad scientist." Emphasis is placed on hands-on, age-appropriate activities. Educational topics include: wetlands and rivers; aquatic insects and wildlife; water resources, supply and conservation; water quality and safety; agricultural uses; water chemistry; water and wastewater treatment; drought and flooding; and the importance of water in the human body.

## Low-Income Programs

Fort Collins Utilities has offered low-income assistance programs for many years. Two key programs include the Payment Assistance Fund and Residential Energy Assistance through Community Help (REACH). Together, these programs assisted 320 customers in 2006 and 349 customers in 2007.

## Payment Assistance Fund

This fund helps keep heat, electricity and water on for local families and senior citizens who are struggling to pay their bills. The program is funded entirely by customer donations. The fund has helped hundreds of residents since 2004. Information at: http://fcgov.com/utilities/pay-assistance.php

## REACH

To tap into the resources offered through the Residential Energy Assistance through Community Help (REACH) Program, eligible residents can apply according to family size and income guidelines for free home weatherization services that may reduce energy use 10 to 40%, including:

- Safety testing of furnaces and water heaters
- Testing for home air leakage
- Insulation and weather stripping
- Furnace tune-ups, repair or replacement
- Low-flow showerheads
- Water heater blanket
- Duct sealing
- Compact fluorescent lighting
- Energy-savings information

Utilizing a whole-house approach, Fort Collins Utilities partners with Longs Peak Energy Conservation (a division of Boulder County Housing Authority) to offer REACH services. Information at: http://fcgov.com/conservation/res-reach.php

## Life-Support System Notification

Fort Collins Utilities encourages customers with life-support systems to make arrangements to accommodate power outages. Although not guaranteed and offered on limited occasions, Utilities will notify customers of planned power interruptions. Information at: http://fcgov.com/utilities/contact-life_support.php

It's very strange that if you use, say 31.8 gallons each day you think that is so little; but it really is a whole lot. Now, whenever we wash our hands, we rinse, turn off the water to scrub and then rinse again. We know it's just a small change, but if everyone did it, or any other water saving thing like it, we might be able to save at least five gallons every day.

It was so cool when you had Zach put all of those gallon-jugs on the rope to show how much water he used in one day. We would have to carry that around if we didn't have faucets and machinery.

We told our parents all the things we learned about water. Their mouths opened up a little. We think they were proud of us. Thank you for teaching us the value of water.

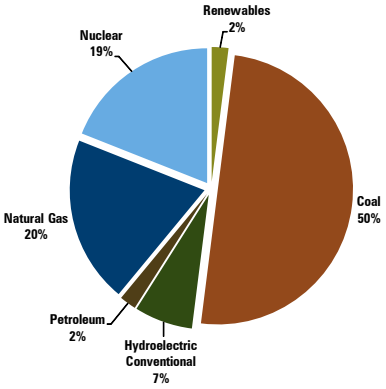
From,
Your Water Savers

(Andy Kinard's Fifth Grade Class, Kruse Elementary School, March 2003)

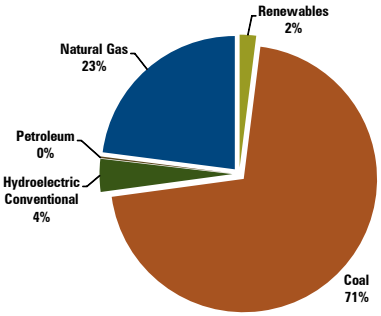
# ENVIRONMENTAL MANAGEMENT

As with all utilities, we have a significant impact on the environment because our operations rely on the use of natural resources to deliver services to our customers. At Fort Collins Utilities, we directly or indirectly use natural resources such as water, coal, natural gas and gasoline to deliver and support our services. We also utilize chemicals, wood, steel, copper and aluminum in providing water, wastewater, stormwater and electric services. Due to our reliance on natural resources and as expressed in our sustainability purpose, we feel it is our duty to reduce our environmental impact while continuing to benefit our customers, the economy and society.

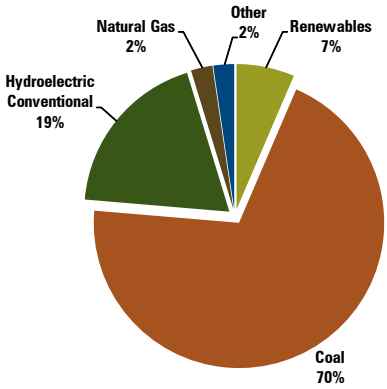
**National Power Generation Fuel Mix**




**Colorado Power Generation Fuel Mix**




**Utilities Power Generation Fuel Mix**




While our approach to managing environmental impacts includes regulatory compliance, our commitment to being an environmental steward often moves us beyond compliance. We have developed energy and water policies which define goals and strategies for providing water and electric services in a more sustainable manner and more proactively than most local, state and federal requirements.

**Environmental Policy and Commitments**

- Energy Supply Policy
- Water Conservation Plan
- Stormwater Masterplan

## Our Environmental Footprint

To operate and deliver water, wastewater, stormwater and electric utility services, Utilities impacts the environment by emitting greenhouse gas (GHG); consuming fossil fuels, energy and materials; impacting biodiversity; diverting fresh water; and discharging treated wastewater. While our core operations have impacts on the environment, our sustainability purpose states our clear commitment to reduce our negative impacts while increasing the positive ones.

| Power Generation Resource Type | 2006 | 2007 |
|---|---|---|
| Coal | 72% | 70% |
| Hydro | 17% | 19% |
| Renewables | 6% | 6% |
| Natural Gas | 2% | 2% |
| Other | 2% | 2% |
| Total | 100% | 100% |

**Note: Numbers may not add up due to rounding.**

## Emissions, Effluents and Waste

Our membership in Platte River accounts for a substantial portion of our environmental impacts. Platte River owns and operates the power generation resources which provide energy for our local needs, and these resources result in significant environmental impacts. While Utilities does not directly own and operate the power generation facilities, as a member of Platte River we are responsible and account for our portion of Platte River's emissions, coal consumption and other environmental impacts.

Of the generation resources utilized by Platte River to generate electricity for Utilities and three other member cities, coal accounts for the majority of the total power generated. In 1998, Utilities began providing a voluntary renewable wind energy purchase options for customers and in 2004 began purchasing additional wind energy and renewable energy credits. Since 2007, our renewable energy purchases may include wind, solar, geothermal, biomass and small hydroelectric generation.

In the United States, electric utilities currently account for about 40% of all of the GHG related emissions. Consistent with national data, our electric utility is responsible for almost all of our GHG related emissions. To fully account for our GHG related emissions, our total emissions are reported in two ways: 1) the Platte River ownership allocation method and 2) Utilities' direct electric load method. The ownership allocation method for GHG emissions will be significantly higher than our direct load related emissions because the Platte River generation facilities provide more power than the combined members require. While Utilities' customers do not directly consume this surplus power, they do economically benefit from the surplus power sales, thus their GHG emissions are captured in the ownership allocation method. By showing both levels of emissions, it will allow us to fully report our full allocation of Platte River emissions, while also allowing us to document the effects of increased renewable energy purchases by customers and Utilities in addition to our energy efficiency efforts.

In 2007 our total ownership level GHG emissions increased 1.2% from 2006 to 1,827,549 tons of $CO_2$ equivalent. Our total direct load level GHG emissions increased 0.8% from 2006 to 1,271,080 tons of $CO_2$ equivalent. The electric utility accounts for more than 99% of our total reported GHG emissions every year. The remaining portion of our GHG emissions (3,755 tons of $CO_2$ equivalent in 2007) come from our vehicle and facility related GHG emissions.

Our significant reliance on coal for power generation presents both a significant risk and an opportunity. With more than 70% of our power coming from coal, we have an opportunity to significantly reduce our GHG emissions; however, that reduction would likely mean increased cost because coal is currently one of the most inexpensive fuel sources, speaking from a purely economic standpoint. However, the cost of coal must also take into account the environmental and social costs associated with climate change and taking no action in reducing GHG emissions. In addition, pending federal legislation could also significantly increase the cost of coal generation by factoring in

**GHG (tons)**
Platte River Ownership

| 2006 | 2007 |
|---|---|
| 1,806,519 | 1,827,549 |

**GHG (tons)**
Utilities Direct Load

| 2006 | 2007 |
|---|---|
| 1,260,835 | 1,271,080 |

**NOx (tons)**

| 2006 | 2007 |
|---|---|
| 1,820 | 1,802 |

**SOx (tons)**

| 2006 | 2007 |
|---|---|
| 601 | 595 |

**Our own Vehicle Storage Facility** went through the Integrated Design Assistance Program process and is currently a Leadership in Energy and Environmental Design Certified building. We also implemented energy efficiency upgrades at the City Manager's office and Police Services Facility.

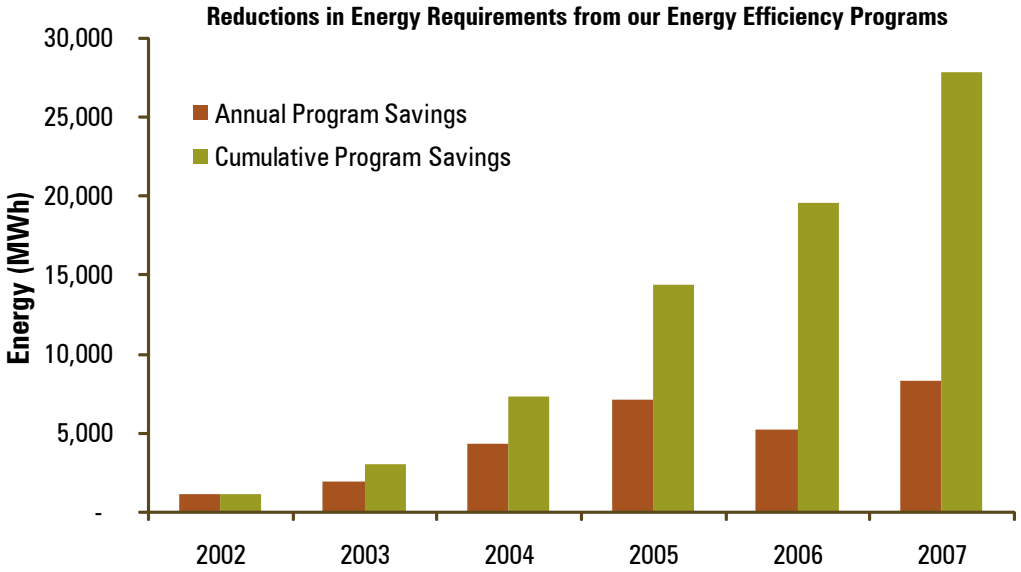
For additional information, please visit http://www.fcgov.com/conservation/pdf/cs-vsbldg.pdf.

the cost of carbon. In the Fort Collins community and at Utilities, we are committed to defining a path to reduce our emissions while making sure we keep energy affordable, particularly for our low-income customers.

## Energy Efficiency and Renewable Energy

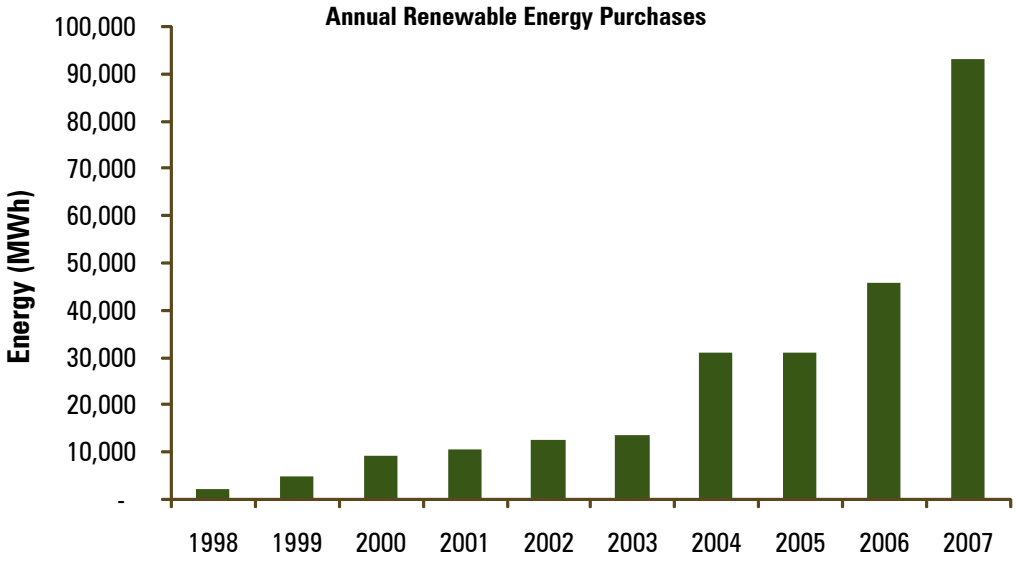
At Utilities, we are developing strategies to reduce GHG emissions that are in-line with the City's GHG reduction goals for 2020. We have also developed an Energy Policy that guides our strategies related to GHG emissions reductions, resource planning, reliability and power supply.

We recognize that energy efficiency is one of the most cost-effective ways to reduce our GHG emissions while at the same time saving our customers' money. Thus, we continue to devote resources to improving our energy efficiency programs and believe these energy efficiency programs will continue to produce significant energy and GHG reductions through reduced customer energy use in the near future. With a mix of rebates, financial incentives, education and training related energy efficiency programs, we are expecting our energy efficiency programs to achieve an annual energy reduction of 1 percent of our annual total load (approximately 14,500 MWh per year) by 2009. In 2006, we helped our customers save 5,155 MWhs with energy efficiency programs such as residential and commercial lighting programs, residential home energy audits, the Integrated Design Assistance Program (IDAP) and cooling rebate programs.




In addition to helping our customers build more efficient buildings and use electricity more efficiently, we have implemented energy efficiency programs internally. We are making City and Utilities buildings more energy efficient and environmentally friendly by utilizing the Electric Efficiency Program (EEP) with Platte River and our Integrated Design Assistance Program (IDAP).

As our voluntary renewable energy program (Green Energy) has grown in popularity with our customers, we have also begun purchasing additional renewable energy beyond the voluntary program to reduce GHG emissions and support renewable energy development in the marketplace. Our voluntary program grew to 1,518 customers and 45,600 MWhs in 2006, while our additional renewable energy purchases resulted in a total of 93,000 MWhs of customer and Utilities funded renewable energy in 2007. In addition to our support of utility-scale renewable energy projects, we have also begun supporting local solar generation by promoting customer installed photovoltaic systems.




**Platte River Medicine Bow Wind Project**

## Material Use and Waste

In 2007, our allocation of Platte River's power generation resulted in the consumption of 899,000 tons of coal, which was an increase of 32,000 tons from 2006. Coal is by far our greatest material consumption. The consumption of coal for power generation also results in waste ash which is our largest source of waste generation. We were responsible for generating 39,030 tons of waste ash in 2007, while an additional 577 tons of ash was recycled and designated for beneficial use.

Another major source of waste generation from our services is our wastewater utility. Our wastewater utility removed 95 percent or more of the biosolids from the wastewater effluent prior to returning the effluent to the watershed. In 2006, this biosolids removal resulted in 9,148 tons of biosolids at the wastewater treatment plants that were recycled and reused as fertilizer locally. In 2007, our biosolids removal increased to 9,990 tons which were recycled and reused as fertilizer.

While the most significant use of materials and creation of waste is directly related to providing utility services, we also have a substantial local environmental and economic impact related to supporting these services. Due to the economic impact Utilities and other City departments have in the community, the City has adopted environmentally-friendly purchasing guidelines to enhance the economic impact in the

**Coal Consumption (tons)**

| 2006 | 2007 |
|---|---|
| 867,000 | 899,000 |

**Waste Ash**

| 2006 | 2007 |
|---|---|
| 31,880 | 39,030 |

**Recycled Ash**

| 2006 | 2007 |
|---|---|
| 378 | 577 |

community while also reducing their environmental footprint. We have adopted the City's Purchasing Guidelines, where applicable, for materials and supplies purchases. The guidelines include considerations for products' environmental impact and specify preference for products with recycled content.

## Energy Consumption

Aside from power generation, our largest sources of energy consumption are our fleet vehicles and plant facilities. Our direct energy consumption is related to delivering and supporting our four utility services and includes energy consumption at our treatment plants and other facilities and fuel consumption by our fleet vehicles.

In 2007, 91% of our total electric energy use and 53% of our total natural gas use was directly related to our water and wastewater treatment facilities, while the remaining energy and natural gas use was related to our support facilities. Our fleet vehicles were responsible for a total of 171,957 gallons of fuel consumption in 2006 and 163,262 in 2007. However, by participating in a City initiative to use more sustainable fuels, we were able to provide 36% (61,486 gallons) of our total fuel needs with bio-diesel in 2006 and 38% (62,496 gallons) in 2007, thus reducing our emissions and our dependence on gasoline.

| Direct Energy Consumption | 2006 | 2007 |
|---|---|---|
| Electricity (MWh) | 19,336 | 18,577 |
| Natural Gas (Therms) | 352,951 | 368,771 |

## Water Use and Discharge

As a water and wastewater utility, we must divert and treat raw water for drinking supplies and collect, treat and clean wastewater or sewage for discharge and return it to the waterways. We provide clean, safe drinking water to our customers by diverting and storing raw water from the watershed in and around the Fort Collins area. In addition to our water and wastewater utilities, we use water at our electric utility to generate electricity through our membership in Platte River.

The City receives its water supplies from the Poudre, Michigan and Colorado River basins. The City owns several Poudre River water rights and has a substantial ownership of Colorado-Big Thompson (CBT) Project units, which are delivered to the City via the Horsetooth Reservoir. In addition, the City owns and operates the Michigan Ditch which delivers Michigan River water into the Poudre River basin and is regulated through the City's Joe Wright Reservoir. In 2006, we diverted 29,027 acre-feet (AF) of raw water from the Cache la Poudre River and Horsetooth Reservoir to provide drinking water to Fort Collins. In 2007 our treated raw water needs decreased to 28,028 AF.

| Utilities Total Raw Water Diverted AF | 2006 | 2007 |
|---|---|---|
| Cache la Poudre River | 15,870 | 15,289 |
| Horsetooth Reservoir | 13,157 | 12,739 |
| TOTAL | 29,027 | 28,028 |

In addition to our treated water needs, our membership in Platte River results in additional water diverted from the Colorado (via the Windy Gap and CBT Projects) and Yampa Rivers for power generation needs at the Rawhide and Craig generation facilities. The total amount of water used by Platte River is approximately 6,000 AF per year. In an effort to reduce the amount of raw water utilized at Platte River Rawhide Energy Station, we provide 4,200 AF of treated wastewater effluent for cooling needs at the power plant which reduces the raw water diversion requirements for the plant.

Utilities' two wastewater treatment plants treated 5,249 million gallons in 2006, and 5,683 million gallons in 2007. The reuse of treated wastewater by Platte River equates to approximately 25% of the total wastewater treated; the remaining 75% of treated wastewater is discharged back to the local watershed for reuse downstream.

### Reusing Water

Due to the nature of our water rights we are only able to truly recycle and reuse a small portion of our treated wastewater effluent, most of which is sent to the Rawhide Energy Station. Most Utilities water rights are classified as a single-use water right in Colorado and cannot be reused by the City.

In addition to the reuse of water by Platte River, we recycle side stream flows in our wastewater treatment process. Side stream flows are flows returned to the head of the plant for use in the treatment process, and although they are recycled, they are not reused or re-consumed. Side stream flows at the Drake Water Reclamation Facility were 391 million gallons for 2006 and 386 million gallons for 2007.

## Managing and Protecting Our Water Resources

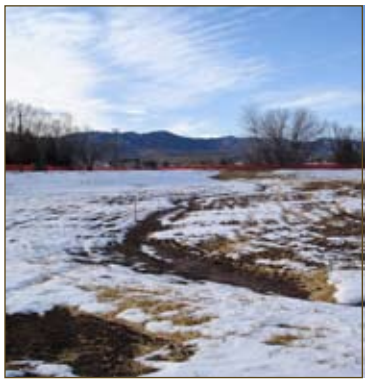
Utilities' drinking water comes from the Cache la Poudre River and CBT watersheds. These watersheds consist of the large areas of land that drain snowmelt and rainfall to the Poudre River and to the Big Thompson River, Horsetooth Reservoir and other components of the CBT Project. Watershed protection involves minimizing the negative impacts to the quality of these waters from activities on both land and water.

The Water Supply & Demand Management Policy guides Utilities in balancing our community's supply and demand, even during drought conditions. Furthermore, our stormwater utility helps manage and protect the regional water supply and watershed by improving water quality and reducing pollution to our waterways. We have been a member of the Big Thompson Watershed Forum for several years and partner with other organizations on regional projects to monitor and analyze water quality in the CBT watershed. We are also developing a water quality monitoring program

**In 2007, we began updating our water conservation plan** to reduce our community's water consumption levels and reduce future water demand. For additional information on water and energy conservation programs, please visit our website to view the plans and annual reports at: http://fcgov.com/conservation and at http://fcgov.com/water/pdf/2006-wc-annual_report.pdf

**The stormwater utility and the City's Natural Resources department** have collaborated to design and implement projects which meet multiple community needs and triple bottom line goals.

**Red Fox Meadows**



**Red Fox Meadows**

for the upper Cache la Poudre watershed in collaboration with other drinking water providers that use this water, and we work with other entities to monitor and protect watersheds upstream of our intakes. In accordance with federal regulations, we deliver water quality reports to consumers each year, available on our website at: http://fcgov.com/water/dwqr.php.

## Preserving Biodiversity

Horsetooth Reservoir

As a multi-service utility and large consumer of natural resources, we have a direct impact on and must interact with local areas of biodiversity. For example, construction of our facilities and infrastructure or consumption of natural resources has the potential to impact wetlands, watersheds and stream habitat; however, we have taken steps to mitigate our impacts and even improve habitats where available. At this time, neither the City of Fort Collins, nor Utilities keeps an inventory of specific areas of high biodiversity value around the City other than the areas directly affected by our operations such as water diversion.

Our water storage and collection activities related to our water utility affect the local water resources and habitats; however, we are monitoring and striving to minimize these impacts. Our raw water diversion and storage systems include dams and a diversion structure on the Cache la Poudre River which affect the local river habitat. Our treated wastewater also discharges to the Cache la Poudre River drainage, and we ensure that all discharges are de-chlorinated prior to the release into the river system. Power generation activities through Platte River lead to GHG emissions and raw water diversion from the area, as well.

Fish Ladder

Although a fish ladder or passage system around the dam is not provided at the Joe Wright Reservoir, minimum flows are maintained in all seasons to support fish habitats. A fish ladder is provided at our Cache la Poudre diversion structure to allow for safe fish passage around the structure. In addition to the water supply impacts, we have substantial public outreach programs to educate children and adults about the local habitat and biodiversity in order to minimize biodiversity impacts.

While we affect the local biodiversity in the Cache la Poudre River drainage system and surrounding areas by storing/diverting water and generating power, our position as a municipal utility also affords us a unique opportunity to enhance and protect biodiversity areas and habitats on a larger scale by working collaboratively with other City departments and stakeholders.

An example of this partnering is seen with our stormwater utility's unique collaboration with the City's Natural Resources Department which aims to improve, protect or enhance local biodiversity areas and habitat while also providing community open space and natural areas.

The mission of the Natural Areas program is to conserve and enhance lands with natural area value to serve as community open space. The stormwater utility protects residents from flooding and manages stormwater quality in the local watershed. Our stormwater utility helps to protect local river drainages from pollution and creates or protects additional habitat through the development of drainage easements, wetlands, ponds and channels. By partnering with the City's Natural Areas program, we are able to satisfy both City and Utilities' needs and goals. This collaboration allows us to enhance the areas' biodiversity by expanding the wetlands, improving the stream habitat and providing native vegetation while also connecting wildlife corridors and providing open space. The economic and social impacts associated with this approach include increasing property values, protecting residences from flooding, improving water quality, increasing access to recreation activities, providing onsite biodiversity education and protecting the health, safety and welfare of the community.

## Environmental Investments and Fines

In 2006 and 2007, Utilities had no significant spills to report. However, in 2006 we received a fine from the City for a 260-gallon discharge of alum into the sanitary sewer, which caused the wastewater treatment facilities to experience a negative impact on the biological treatment process. The discharge violated city code, and Utilities was fined $1,000 for the incident.

Our investments in environmental protection are embedded in our operations and how we deliver electric, water, wastewater and stormwater services to our customers. The majority of our stormwater utility is a direct investment in the local environmental protection in addition to the additional societal benefits. In 2006 and 2007, some of our environmental investments included:

- Innovative partnerships for stormwater projects
- Developing a comprehensive environmental management system
- Five full-time employees to support environmental management system
- Children's Water Festivals with more than 1,400 students attending
- Residential environmental lecture series and High Plains landscape workshops
- Teacher training program with the Nature Conservancy and Poudre School District for watershed education
- Stormwater outreach including 6,300 student and 970 adult contact hours
- Paint disposal outreach for 244 contractors and 15 paint stores
- Storm drain stenciling to encourage a reduction in pollution runoff
- Electric utility energy efficiency and education programs
- Water utility water conservation and education programs

## Awards & Recognition Received in 2006

The Water Treatment Facility received its second Bronze Environmental Achievement Award from the Colorado Department of Public Health and Environment. This award honors the facility for its energy optimization accomplishments, resulting in substantial natural gas savings.

Utilities received the Bronze Environmental Achievement award from Colorado Department of Public Health and Environment recognizing voluntary and significant environmental achievements. Utilities was nominated and awarded for their improvements to drinking water quality, water treatment and distribution operations.

## Acknowledgements

The first effort in defining a cohesive and robust sustainability direction was perhaps the most demanding and required participants to participate in a transformative process. As such, we respectfully acknowledge those who joined us in this pivotal work as listed below.

### Advisory Panel

Darin Atteberry
City Manager

Patty Bigner
Fort Collins Utilities

Dan Bihn
Bihn Systems

Julie Brewen
Fort Collins Housing Authority

Mark Easter
Sierra Club

Bill Farland
Research - Colorado State University

Bill Franzen
Poudre School District

Paul Fromme
Trout Unlimited

Brian Janonis
Utilities Executive Director

Brian Moeck
Platte River Power Authority

Mark Machacek
Northern Colorado Renewable Energy Society

Robin Pierce
Fort Collins Utilities

Tom Roiniotis
Longmont Power Utility

John Sanderson
The Nature Conservancy

John Stokes
Natural Resources Department

Gary Wockner
Save the Poudre

Steve Wolley
Avago

# MOVING FORWARD

Having presented our management and governance systems, as well as our economic, social and environmental performance, we would like to now share the sustainability planning process that we used to develop our approach and an overview of the implementation plan for moving forward.

Our Sustainability Plan was developed using a joint process that tapped into the knowledge and perspectives of internal and external stakeholders:

- Core Sustainability Team (CST) comprised of a cross-section of staff, management, and executives; this team met every two to four weeks over the course of five months, from March through July 2008
- Briefings of the broader staff teams to solicit input and keep them apprised of the direction as it was developed
- An Advisory Panel comprised of external stakeholders met on a monthly basis to solicit feedback and build support,
- This team has agreed to continue serving in an advisory capacity during plan implementation

This process has re-affirmed our commitment to integrating sustainability principles into our strategy, culture and operations and underscored our realization of the dedication required to balance the economic, social, and environmental aspects in supporting a true Triple Bottom Line approach. To this end, we have developed a comprehensive Sustainability Plan that creates the foundation for our long-term direction. We identified the key issues, developed associated strategies and key performance indicators and outlined a detailed tactical implementation plan which will largely direct our efforts moving forward. Our initial plan for the coming years has a triple focus:

1) The cultural transformation and workforce alignment necessary to drive our sustainability initiatives.
2) Educating and partnering with our stakeholders.
3) Embedding sustainability principles into our management processes and daily operations. In order to accomplish this, we have identified four broad issues that we will be working on in the coming years as summarized below.

The content above represents overarching strategy. The comprehensive plan includes details and accountabilities for implementation by designating roles and responsibilities, identifying priorities, allocating budgets, specifying schedules and detailing tactical action plans. Moreover, individually named Sponsors and Champions have been assigned to each of the four Issues/Strategy sets to ensure accountability and build success.

## Sustainability Plan

| ISSUES: | STRATEGIES: |
|---|---|
| **Cultural Transformation:** A cultural transformation that embeds sustainability needs to be achieved throughout the organization. | 1. A plan for cultural transformation creates a platform for organizational effectiveness.<br>2. Visible leadership through consistent words and actions facilitates cultural transformation.<br>3. An effective internal communications program enables cultural change and acceptance.<br>4. Incorporating sustainability into policies and procedures establishes a framework for cultural transformation.<br>5. A meaningful rewards/recognition program inspires innovation and risk taking. |
| **Stakeholder Engagement:** Stakeholders must be educated and motivated to support sustainability efforts. | 1. Leading by example inspires stakeholder participation.<br>2. Expanding trusted relationships with stakeholders establishes the Utilities as community partners and leaders in sustainability.<br>3. Educated stakeholders understand and support utility sustainability initiatives.<br>4. Proactive, thematic communication improves stakeholder relations.<br>5. Incentivizing stakeholder participation increases support for sustainability programs. |
| **Triple Bottom Line Focus:** Business practices must be optimized that balance economic, social and environmental considerations. | 1. Ethics embedded in all Utility practice forms the foundation of how we conduct business.<br>2. Oversight of specific sustainability programs guides Utilities and community toward achieving goals.<br>3. Identification and optimization of business practices enables an effective Triple Bottom Line focus.<br>4. Incorporating tangible and intangible benefits/costs quantifies the value of sustainability programs and practices. |
| **Workforce Empowerment:** The Utilities' workforce should be empowered, engaged and supported to achieve sustainability goals. | 1. Clearly defined goals and roles empower employees to make decisions that support a sustainable utility.<br>2. A supportive environment encourages employees to take the risks necessary for exceptional performance.<br>3. Educational opportunities related to sustainability goals provide opportunities for employee advancement and growth. |

## Core Sustainability Team

Brian Janonis
Executive Director
Patty Bigner
Customer & Employee Relations Manager
Terri Bryant
Finance & Budget Manager
Curt Miller
Technology Manager
Kevin Gertig
Water Resources & Treatment Operations Manager
Steve Catanach
Light & Power Operations Manager
Rodney Albers
Drainage System Supervisor
Kraig Bader
Standards Engineering Division Manager
Marcee Camenson
Community Education Coordinator
Lori Clements-Grote
Customer Support Manager
Steve Comstock
Water Reclamation and Biosolids Manager
Lou Cordova
Supervising Crew Chief
Donnie Dustin
Water Resources Engineer
Jack Everett
Electric Utility Project Manager
Matt Fater
Special Projects Manager
Jason Graham
Pollution Control Service Supervisor
Jim Hibbard
Water Engineering & Field Services Operations Manager
Janet McTague
Electric Utility Project Manager
Jill Oropeza
Water Shed Specialist
Tom Rock
Electric Field Services Manager
Tiana Jennings Smith
Energy Services Program Coordinator
Wayne Sterler
Electric Distribution Safety & Training Supervisor
Doug Swartz
Energy Services Engineer
Carol Webb
Regulatory & Government Affairs Manager

As part of realizing our sustainability purpose, we have developed this summary level report as well as a highly detailed plan with the intent of building transparent understanding of our ambitions and performance as well as the challenges that lie ahead.

This effort is merely the beginning of our journey towards the Utility for the 21st Century vision. We want to both emphasize our commitment and reach out to the entire community as citizens vested in a sustainable Fort Collins, state, country and planet. We welcome your feedback and look forward to presenting our progress in the months and years ahead.

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● Full Disclosure
❍ Partial Disclosure
NA Not Applicable

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City of Fort Collins Utilities

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