

**DATE:** June 7, 2011  
**STAFF:** Patty Bigner

**AGENDA ITEM SUMMARY**  
FORT COLLINS CITY COUNCIL

**14**

**SUBJECT**

Resolution 2011-050 Authorizing the Execution of an Updated Intergovernmental Agreement Between the City of Fort Collins, the City of Longmont and Platte River Power Authority.

**EXECUTIVE SUMMARY**

In January 1998, the City of Fort Collins, the City of Longmont and Platte River Power Authority (Platte River) entered into a 10-year intergovernmental agreement (the Agreement) for Platte River to purchase and operate a joint customer information system (CIS) for customer account management and billing on behalf of the two cities. On August 26, 2008, the term of the Agreement was extended for two years.

On August 17, 2010, City Council adopted Resolution 2010-049 extending the term of the Agreement to August 26, 2011, to allow additional time for staff discussion. The staffs of the two cities and Platte River have discussed and agreed on the terms of a draft updated CIS Agreement (Updated CIS IGA) and are bringing forward the draft Updated CIS IGA for Council approval.

**BACKGROUND / DISCUSSION**

In 1998, with the assistance of Platte River Power Authority, Fort Collins and Longmont purchased a joint customer information system to be operated on behalf of the two cities by Platte River. On behalf of Fort Collins and Longmont, Platte River entered into agreements with a vendor for the purchase of the system and an annual technical support program. Platte River also purchased system hardware and operating software and hired technical staff to operate and maintain the customer information system at its facility. Per the terms of the organic contract between the four member municipalities that created Platte River and the terms of the Agreement, the two cities reimburse Platte River for all costs associated with the purchase and operation of the system. Operational expenses include database management, system licenses and upgrades and staff support.

The Agreement gave oversight responsibility to an operations committee comprised of representatives of the two cities and Platte River with little guidance about how that might work. With the Updated CIS IGA, the parties have agreed to a meeting schedule and assigned specific responsibilities to the committee. The operations committee will coordinate efforts and make recommendations to Platte River regarding such matters as staffing needs and support of the CIS project, appropriate security measures, and a disaster recovery plan. The term of the agreement is 10 years.

**FINANCIAL / ECONOMIC IMPACTS**

Annual expenses for Fort Collins Utilities for annual operation and maintenance of the joint customer information system are estimated to be \$430,000. Expenses include licenses, hardware and software, and professional services. Hardware maintenance and staffing costs are also included. These expenses are consistent with expenses for the last ten years, and are budgeted and paid by Utility funds.

**STAFF RECOMMENDATION**

Staff recommends adoption of the Resolution.

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**BOARD / COMMISSION RECOMMENDATION**

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At its May 26, 2011 meeting, the Water Board voted unanimously to recommend approval of the Updated CIS Agreement.

At its June 1, 2011 meeting, the Electric Board will consider whether to recommend Council approve the Updated CIS Agreement.

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**ATTACHMENTS**

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1. Water Board minutes, May 26, 2011
2. Electric Board minutes, June 1, 2011(to be provided in Read-Before packet on June 7, 2011)

**Excerpt from Unapproved Water Board Minutes, May 26, 2011****Intergovernmental Agreement Between the City of Fort Collins, City of Longmont and Platte River Power Authority for the Operations of the Cities' Customer Information System**

Utilities Customer Support Manager Lori Clements introduced the topic. In January 1998, the cities of Longmont and Fort Collins (the "Cities") entered into a 10-year intergovernmental agreement with Platte River Power Authority (Platte River) to purchase and operate a joint customer information system (CIS) for customer account management and billing on behalf of the two cities (hereafter referred to as the "CIS Agreement"). On Aug. 26, 2008, the term of the agreement was extended for two years.

On Aug. 17, 2010, City Council adopted Resolution 2010-049 extending the term of the CIS Agreement to Aug. 26, 2011 to allow additional time for staff discussion. The staffs of the Cities and Platte River have discussed and agreed on the terms of a draft updated CIS Agreement (hereafter referred to as the Updated CIS Agreement") and are bringing forward the draft updated CIS Agreement for Council approval.

Staff from all entities has been meeting for the last year in an attempt to give more definition to the roles and responsibilities of the Operations Committee and what it will do in regards to coordinating efforts and making changes to the agreement. This includes staffing needs, support for the CIS system, security, and disaster recovery, for example. The agreement will be extended for another ten years. It has been in place since 1998.

*Board discussion:*

*Why is the Water Board involved in this discussion when it is primarily related to the electrical side?* The CIS is the billing system and is used for both electrical and water billing.

*Why is Longmont a partner?* Any of the four cities that jointly own Platte River could come together and develop a joint agreement to reduce costs. Longmont and Fort Collins are the only two using the system. The other two cities (Loveland and Estes Park) have their own separate billing systems.

*Did you reach out to other cities?* Utilities Executive Director Brian Janonis stated that it was discussed at the Platte River board level and the other two cities are not interested in joining the agreement.

*What is the advantage to them for not participating?* They have different billing systems.

*Has the City looked at other systems and made cost comparisons?* Prior to 1998, the City issued a Request for Proposal (RFP). The City evaluated several vendor systems and did several demonstrations. It was discussed that, if one of the other entities want to select something else, they have that option. The other entity must be notified and they would work together to look at purchasing another system. The entities cannot opt out without notice. It takes three years to get a billing system up and running. It would not happen in the near future.

*Are we happy with the current billing system and how does it relate to the new Smart Meter program?* It will take work to integrate the Smart Meter system with the CIS. Utilities would not want to make any changes to the system until after the Smart Meter program has been implemented.

*Does the burden of the implementation fall on the City or the private contractor?* Ms. Clements stated she believes it is in the Smart Meter vendor contract to work with the CIS system. There are other cities with the same billing system that have implemented Smart Meter programs. There is experience and a history.

*How much per year does it take to run the software part of the system? How many transactions does it cover?* Fort Collins Utilities pays \$430,000 per year to Platte River to cover items such as staffing, software, and licenses. Fort Collins Utilities issues approximately 75,000 bills a month.

*Does this change the number of people that would be employed?* No, that does not change.

**Vice Chairperson Balderson moved that the Water Board recommend adoption of the Intergovernmental Agreement between the cities of Fort Collins and Longmont and Platte River Power Authority for the operation of a customer information system required for the maintenance and billing of customer accounts. Board Member Malers seconded the motion.**

Vote on the motion: It passed unanimously.

RESOLUTION 2011-050  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING THE EXECUTION OF AN UPDATED INTERGOVERNMENTAL  
AGREEMENT BETWEEN THE CITY OF FORT COLLINS, THE CITY  
OF LONGMONT AND PLATTE RIVER POWER AUTHORITY

WHEREAS, on August 26, 1988, the City of Fort Collins, the City of Longmont (“Longmont”), and Platte River Power Authority (“Platte River”) entered into an intergovernmental agreement (the “Agreement”) for the purpose of acquiring and operating a joint customer information system (“CIS”) at Platte River facilities; and

WHEREAS, the Agreement initially had a ten-year term that was scheduled to expire on August 26, 2008; and

WHEREAS, in August 2008, the parties amended the Agreement to extend its term for an additional two-year period; and

WHEREAS, in August 2010, the parties further amended the Agreement to extend its term for an additional one year period to August 26, 2011; and

WHEREAS, Platte River operates CIS on behalf of Longmont and the City and each city reimburses Platte River for its share of all costs based on the number of customers served by each city; and

WHEREAS, the parties to the Agreement have negotiated a draft updated agreement entitled Customer Information System Updated Intergovernmental Agreement between City of Fort Collins, City of Longmont and Platte River Power Authority (the “Updated CIS IGA”), a copy of which is on file with the City Clerk, dated May 26, 2011; and

WHEREAS, the Updated CIS IGA, if approved by the parties, would amend the provisions of the existing Agreement so as to: more specifically identify the responsibilities of an operating committee that is comprised of members from each of the three entities; address security measures and confidentiality of customer information in light of federal regulatory changes impacting both cities; and identify categories of costs and expenses rather than listing specific expenditures that will likely become obsolete during the agreement term; and

WHEREAS, on May 26, 2011, the Fort Collins Water Board reviewed and considered a version of the Updated CIS IGA that is identical to the version on file with the City Clerk, dated May 26, 2011 and voted unanimously to recommend that the City Council authorize execution of the Updated CIS IGA; and

WHEREAS, on June 1, 2011, the Fort Collins Electric Board will review and consider a version of the Updated CIS IGA that is identical to the version on file with the City Clerk, dated May

26, 2011 and City Council will be advised of the vote of the Electric Board in the June 7, 2011 Read-Before packet; and

WHEREAS, City staff understands that staffs of Longmont and Platte River will be recommending approval of the Updated CIS IGA to their respective governing bodies.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby finds that it is in the best interests of the City to replace and supercede the Agreement with the Updated CIS IGA.

Section 2. That the Updated CIS IGA is hereby approved, and the Mayor is hereby authorized and directed to execute the same on behalf of the City in substantially the form on file in the office of the City Clerk and dated May 26, 2011.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 7th day of June A.D. 2011.

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Mayor

ATTEST:

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City Clerk