

Commission Members Present: Matt Elkins (Zoom), Clinton O'Neill, John Butler, Gary Hausman (Chair), Randy Williams, Dan Herlihey (Vice Chair), Bill Szmyd

LUC Commission Members Absent: Don Cook, Gene Packer, James Laferriere

Council Liaison Present: Steve Olson, Jon Mallo

City Staff Members Present: Chad Birgenheier, Kevin Gertig (Director), Derek Turner, Frank Lindauer, Jim Lees, Todd Hanlin, Travis Johnson, Melanie Reeves, Lynn Valdez, Nathan Alburn (Zoom), Ryan Van Pelt (Zoom), John Beckstrom (Zoom), Michelle Erickson

Guest Attendance: Rob Graves (Zoom), Linda Rosa (Zoom), Jeromy Ginther

CALL TO ORDER: Gary Hausman called the meeting to order at 3:00 PM.

Item 2.1: Adoption of Minutes – Gary Hausman

This item requested a motion to approve the minutes of the August 17, 2022 meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from August 17, 2022.

Motion: Dan Herlihey made the motion.

Second: John Butler seconded the motion. The minutes were **approved** unanimously with a **6-0 vote**. Bill Szmyd arrived late and didn't vote on this item.

CITIZENS REPORT

Item 3.1 Citizens Report

- Jeromy Ginther owns property at 900 East Eisenhower/1100 East Eisenhower, they are on existing buildings that have ¾ inch water taps. He has questions regarding City water policy on upsizing taps. Gary thanked Mr. Ginther and requested his business card so we could reach out to him for a meeting.

INFORMATIONAL ITEMS

Item 4.1: Water and Law Legislative Update – Derek Turner

This item provides a brief update on water-related legislation introduced or under discussion by the Colorado General Assembly during the legislative season, water court developments or items of interest in District 4 of Water Division 1 (The Big Thompson and Little Thompson River basins), and Colorado or Loveland-related water news.

Recommendation: Information Only. No Action Required.

Item 4.2: Electric Legislative Update – Derek Turner

This item and Attachment A are intended to give a brief update on electric-related legislation at both the state and federal level. Loveland Water and Power works closely with Platte River Power Authority (PRPA) and its sister cities but relies primarily on the Colorado Association of Municipal Utilities (CAMU) for information on electric-related legislation.

Recommendation: Information Only. No Action Required.

Item 4.3: Financial Report Update – Jim Lees

This item summarizes the preliminary monthly and year-to date financials for August 2022.

Recommendation: Information Only. No Action Required.

CONSENT AGENDA

Item 5.1: Contract Awards for Water, Wastewater, and Stormwater Linear Infrastructure On-Call Contracting Services – Tanner Randall

The City of Loveland solicited proposals from general contractors for a multi-year contract (renewal each year based on performance) to provide on-call contracting services for miscellaneous water and wastewater system improvements, rehabilitation work, and emergency services. The selected contractor will assist the city with emergency situations in the system by providing necessary equipment, products, and personnel. Additionally, the selected contractor will assist with small capital construction projects for the three utilities. The repair work and small capital construction projects will be awarded on a work order basis, with no work order to exceeding \$400,000. The maximum total per year for each selected contractor is \$1,500,000. However, no work is guaranteed for either contractor but will depend on City budgets, arising emergencies, and required small capital construction work each year.

Upon review of the proposals from general contractors, the City selected C&L Water Solutions and Connell Resources to be the two (2) contractors selected for the above-described work. A City panel, representing engineering and operations, selected these two (2) contractors from a list of four (4) contractors that submitted proposals. All proposals were read and ranked on nine (9) criteria including; Scope of Proposal, Assigned Project Team, Safety Record, Contractor Experience, On-Call Experience, Contractor Capability, Construction Performance, Motivation, and Cost Factors.

Recommendation: Adopt a motion recommending that the LUC award a contract for Water, Wastewater, and Stormwater Linear Infrastructure On-Call Contracting Services to C&L Water Solutions in an amount not to exceed \$1,500,000 and authorize the City Manager to execute the contract on behalf of the City, following consultation with the City Attorney, and to modify the contract in form or substance as deemed necessary to protect the interests of the City.

Motion: Dan Herlihey made the motion.

Second: John Butler seconded the motion. The motion was **approved** unanimously with a **7-0 vote**.

Recommendation: Adopt a motion recommending that the LUC award a contract for Water, Wastewater, and Stormwater Linear Infrastructure On-Call Contracting Services to Connell Resources in an amount not to exceed \$1,500,000 and authorize the City Manager to execute the contract on behalf of the City, following consultation with the City Attorney, and to modify the contract in form or substance as deemed necessary to protect the interests of the City.

Motion: Dan Herlihey made the motion.

Second: John Butler seconded the motion. The motion was **approved** unanimously with a **7-0 vote**.

Item 5.2: P2 Pump Station Funding – John Faulkner

The City of Loveland's (City) P2 Pump Station will be constructed adjacent and to the west of the P1 Pump Station at the southwest corner of Rio Blanco Avenue and 29th Street. The P2 Pump Station will provide system redundancy and capacity for the existing system and to future developments in the northwest region of Loveland within the P2 pressure zone, which is west of Wilson Avenue between Eisenhower Boulevard and West 57th Street.

The proposed 29th Street Pump Station project includes the following:

1. Construction of a concrete and masonry building addition to the existing P1 Pump Station
2. Miscellaneous demo of portions of the existing P1 Pump Station
3. Construction of on-site underground utilities
4. Construction of all interior pumps, piping, valves, and other necessary appurtenances
5. Construction of all HVAC, electrical, and SCADA equipment
6. Construction of new chain link fence
7. Revegetation of all disturbed areas

This project was first presented to the LUC on August 17, 2022 and approved to present to City Council for special appropriations funding. We presented to City Council on September 6, 2022 and received a 9-0 approval for an appropriation of additional funding from the Water Utility Fund. The second reading of the ordinance occurred on September 19, 2022 and received final approval.

Recommendation: Adopt a motion recommending that the LUC award the contract for construction of the 29th Street P2 Pump Station to Glacier Construction Co., Inc. in an amount not to exceed \$5,788,000, and authorize the City Manager to execute the contract on behalf of the City, following consultation with the City Attorney, and to modify the contract in form or substance as deemed necessary to protect the interests of the City.

Motion: John Butler made the motion.

Second: Randy Williams seconded the motion. The motion was **approved** unanimously with a 5-0 vote. *Dan Herlihey recused himself as an employee of HDR. Bill Szmyd arrived late and didn't vote on this item.*

REGULAR AGENDA

Item 6.1: 2023 Water and Power Schedule of Rates, Charges and Fees – Jim Lees

Based on results from this year's cost-of-service rate study, an overall average rate increase of 5.14% is proposed for the Power Utility for 2023. This increase is made up of two components:

- 1) a wholesale power rate increase of 5.7% from Platte River Power Authority (PRPA) is planned for 2023, which, when passed through to customers, generates a 4.22% retail rate increase; and
- 2) a 0.92% rate increase that is proposed to address the combined impact of inflation of materials costs, new staffing, increased costs in Cost Allocations and additional rehabilitative capital needs

An across-the-board rate increase of 7.0% is proposed for the Water Utility for 2023. This increase is to fund capital projects both at the Water Treatment Plant and for the distribution system in order to address aging infrastructure and improve reliability and redundancy.

An across-the-board rate increase of 7.0% is proposed for the Wastewater Utility for 2023. This increase is to fund capital projects both at the Wastewater Treatment Plant and for the collection system in order to address aging infrastructure, improve reliability and redundancy, and for regulatory compliance.

The Impact Fees for Water, Raw Water, Wastewater, and Power are re-calculated annually, so the proposed 2023 Impact Fees are included with this item.

Recommendation: Adopt a motion recommending that City Council approve the proposed changes in the Water and Power Utility Rates, Charges and Fees for 2023.

Motion: Dan Herlihey made the motion.

Second: John Butler seconded the motion. The motion was **approved** unanimously with a **7-0 vote**.

STAFF REPORT

Item 7.1: 2021 Water Loss Audit Report – Michelle Erickson

The Water and Power Department completed its seventh annual Water Loss Audit using AWWA's methodology presented in the Water Audits and Loss Control Programs, Manual of Water Supply Practices M36 by gathering information from existing records, procedures, and databases to categorize where water entered and exited the Loveland Water and Power (LWP) distribution system during the 2021 calendar year. A water loss audit tracks all sources and uses of water within a water system over a specified period and is summarized in a Water Balance Table (see page 2 of Attachment A). The Water Balance Table is based on the theory that all water placed into a distribution system would equal all the water taken out of a distribution system. The sum of each column of components in the Water Balance Table are equal and therefore "balance."

The water audit can help reveal and clarify inefficiencies in water delivery and revenue generation and answer questions such as:

- How much water entered the water system?
- For what purposes was the water used?
- What types of water loss occurred?
- How much water was lost?
- What was the financial cost of water loss?
- What was the volume and the financial cost of non-revenue water?

Our goals in performing these water audits are to identify areas in which we can reduce water losses, improve data validity and decrease non-revenue water where practical and feasible.

Recommendation: Information item only. No action required.

COMMISSION & COUNCIL REPORTS

Commission Reports

Dan Herlihey: Dan's shared that his neighbor had a significant increase in their water bill. Before his neighbor reached out to the city, the city showed up to investigate the increased usage. It turns out that they were cycling their sprinklers two times per night. His neighbor was very appreciative of the proactive nature of the

Gene Packer: Not present.

Bill Szmyd: Was absent at the last LUC meeting because of the Chimney Hollow tour. He highly recommends the tour if you can go to see it. Bill also believes there will be significant benefit to moving to the AMI.

Clinton O'Neill: None.

Don Cook: Not present.

Gary Hausman: Gary mentioned that if you can't take the tour for Chimney Hollow he believes there is an observation site and was curious how you get to that observation site. Gary was also curious about our water supply if the power went out. Kevin Gertig explained that we do emergency drills regularly and we have backup generators in place and the importance of keeping on top of generator maintenance and fuel as preventative measures.

John Butler: John noticed in the paper the other day that AZ had decreased their water consumption by 20%. Just a point of interest.

Matt Elkins: None.

Randy Williams: Randy was curious if there were conversations going on regarding water conservation. Todd Hanlin gave a brief update on the plans to bring in a consultant that can look at what we are doing, the effectiveness of what we are doing, and what processes other communities have in place. There is also a discussion to review non-pot water to see if there are missed opportunities and what we can be doing better. The study is anticipated to get kicked off by the end of the year.

James Laferriere: Not present.

Council reports

Steve Olson: The camping ban is making people frustrated. There are issues with the homeless population particularly at the temporary hotels. Councilor Olson is looking forward to getting the tents fully occupied so we can stop using hotels as temporary housing. P2 Pump Station was approved at Council last night. Two weeks ago there was a presentation at a Council study session by Kevin Gertig and Jason Frisbie (PRPA) on AMI, Steve thought it was an excellent presentation.

Jon Mallo: Jon mentioned an article that came out today after the Council session that he feels gave an inaccurate portrayal of the council meeting.

DIRECTOR'S REPORT

Item 8.1: Director's Report

- Water Vulnerabilities Task Force Update:
 - Councilor Samson made a motion at the August 16th City Council Meeting to direct the City Manager to perform and present on a vulnerability assessment and to partner with appropriate partners and research potential water shortages and solutions.
 - Per the meeting minutes from the August 17th LUC meeting, Councilor Steve Olson, Commissioners Gene Packer, Randy Williams, and Gary Hausman, as well as Loveland staff members Todd Hanlin and Derek Turner were interested in participating in this taskforce.

- Melanie will coordinate the task force meeting via email and the task force will report back to the LUC.
- LUC Presentation to City Council slated for November
 - For the past several years, City Manager Steve Adams has been working with all of the City's Boards and Commissions to issue surveys and collect feedback from members. This survey was conducted in early 2022 and Steve presented the results to the LUC in May (Attachment A). Now that the feedback phase is complete, City Council would like to schedule the LUC members to meet with them.
 - We are looking for 2-3 volunteers from the Commission to participate in the presentation. Melanie will coordinate the presentation and requested items from the City Clerk's Office. Gary Hausman and Dan Herlihey volunteered to make the presentation to Council.

ADJOURN: The meeting was adjourned at 4:48 PM.

Respectfully submitted,
Melanie Reeves
Recording Secretary
Loveland Utilities Commission /s/ Gary Hausman, Chair

