

Commission Members Present: Bill Szmyd, Dan Herlihey (Chair), Don Cook (Vice Chair), Gary Hausman, Gene Packer, John Butler, Matt Elkins

LUC Commission Members Absent: Richard Bilancia, Christopher Say, Randy Lee Williams

Council Liaison Present: Steve Olson

Council Liaison Absent: Andrea Samson

City Staff Members Present: Aaron Rodriguez, Adam Bromley, Andy Fayram, Catharine Kellogg, Chad Birgenheier, Clinton O'Neill, Derek Turner, John Faulkner, Kevin Gertig (Director), Kharis Johnston, Kim Edwards, Melanie Reeves, Melissa Morin, Nathan Alburn, Ryan Van Pelt, Rebecca Howe, Tim Bohling, Tracey Hewson.

Guest Attendance: Laura Quattrini, Leigh Gibson (PRPA), Tim Chastain

CALL TO ORDER: Dan Herlihey called the meeting to order at **3:01 PM**.

ADOPTION OF MINUTES

Item 2.1: Adoption of Minutes – Dan Herlihey

This item requested a motion to approve the minutes of the December 20, 2023 meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from December 20, 2023.

Motion: Don Cook made the motion.

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

CITIZENS REPORT

Item 3.1 Citizens Report

None.

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 Item Only. No Action Required.

Item 4.2: Water Supply Update – Ryan Van Pelt

This item provides the raw water supply update.

Recommendation: Information Item Only. No Action Required.

Item 4.3: Financial Report Update – Jim Lees

There will be no financial report update in January. The December financials do not close until after the date of this meeting. There will be a financial report update at the February Loveland Utilities Commission meeting.

Recommendation: Information Item Only. No Action Required.

CONSENT AGENDA**Item 5.1: Request for Wastewater Main Extension and Service for 24 lots for the Walsh Planned Land Division – Melissa Morin**

Matt Walsh has requested permission from City Council to extend the City's wastewater distribution system to Larimer County parcel number #9636100023 at 1118 E 57th St that he owns. The current City Municipal Code requires that City Council approve of utility extensions outside the city limits.

Recommendation:

Approve a Motion Recommending that the City Council Approve by Resolution (1) an Extension of the City's Wastewater Main to Serve the Proposed Walsh Planned Land Division Development at Parcel #9636100023, 1118 E 57th St, and (2) Twenty-Four New Wastewater Service Connections to Such Wastewater Main for the Proposed Development.

Discussion: John Butler requested that this item be removed from the consent agenda so that he could better understand the proposed cost to the city. Melissa Morin, the Civil Engineer for this project informed the commission that the developer is responsible for any costs incurred to extend the sewer system so this will not financially impact the city.

Motion: Don Cook made the motion.

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

Item 5.2: Highway 402 Utility Service Project Amendment 2 – John Faulkner

The project was broken into three phases in the initial contract which included Phase I (Preliminary Design). Amendment 1 was added in Final Design Services (Phase II) and this Amendment 2 includes additional Final Design Services that were not covered in Amendment 1. Phase III (Construction) will be added at the conclusion of the design phase.

Recommendation:

Adopt a Motion Approving a Change Order to the Contract for Highway 402 Utility Service Project with HDR Engineering, Inc. to Increase the Not-To-Exceed Amount to \$1,767,720 and Authorizing the City Manager to Sign the Change Order on Behalf of the City.

Discussion: Dan Herlihey requested that this item be removed from the consent agenda so that he could recuse himself from this vote since it involves his employer, HDR.

Motion: Gary Hausman made the motion.

Second: John Butler seconded the motion. The motion was **approved** with a **6-0** vote.

Dan Herlihey abstained from this vote.

REGULAR AGENDA

Item 6.1: Big Thompson Watershed Coalition Funding Support – Dr. Andy Fayram

The Big Thompson Watershed Coalition (Coalition) has a successful history of completing wildfire mitigation, forest management, in-stream restoration, and public outreach efforts in conjunction with partners such as the Colorado Water Conservation Board, the United States Forest Service, and Loveland Water and Power (LWP) along with many others. For example, in 2022 and 2023, LWP acted as the fiscal agent for the Coalition to utilize approximately \$4 million in United State Forest Service Funds to complete post-wildfire mulching and point restoration projects. In addition, in 2021, LWP provided \$500,000 directly to the Coalition to complete post-wildfire mulching and point restoration of primary interest to LWP. Furthermore, LWP staff participate in Coalition public outreach efforts to educate the public about source water protection.

Recommendation:

Adopt a Motion Recommending that the City Council approve a Resolution Authorizing the Execution of a Grant Agreement with the Big Thompson Watershed Coalition for \$90,000 per year for up to 3 years.

Discussion: Gene Packer asked if the mitigation work was focused more towards the North Fork or the Big Thompson River. Dr. Fayram acknowledged that most of the mitigation work is focused on the North Fork because that is where the majority of the wildfire damage is. Director Kevin Gertig requested that Dr. Fayram or the Big Thompson Watershed Coalition present to the LUC at a future date showing aerial images of the watershed showing where the work was focused. Tim Bohling also noted that one of the stipulations of the grant agreement is a presentation of the way the funds are being used. That presentation may be to the Loveland Utilities Commission or Loveland City Council at a later date.

Motion: Bill Szymd moved to amend the motion to indicate the starting year for this grant agreement to read, “Adopt a Motion Recommending that the City Council approve a Resolution Authorizing the Execution of a Grant Agreement with the Big Thompson Watershed Coalition for \$90,000 per year for up to 3 years starting in the year 2024. Don Cook then made the motion.

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

STAFF REPORT

Item 7.1: Turf Replacement Program – Kim Edwards

Summary of the pilot turf replacement program for 2023 and recommendations for the future. Many other municipalities already have successful turf replacement programs. Our pilot program was also a success which shows how much people want to do lawn conversion projects. This program has created a very positive face of the city towards our residents.

Recommendation:

Information item only. No action required.

Discussion: Gary Hausman asked when the program starts and how you apply. **Kim Edwards** responded that the program starts in January 2024 and you can apply through [Resource Central's website](#).

Item 7.2: City of Loveland Water Bank Overview – Nathan Alburn

The City of Loveland (City) Municipal Code Chapter 19.04 describes the Water Bank and its purposes. “The City has established a Water Bank for the purpose of facilitating transfers of water rights to the City in satisfaction of the City's water rights requirements.”

The Water Bank is one of four methods in which developers can satisfy the water rights requirements for construction of a new City of Loveland water tap/meter. The Water Bank has several benefits that help both the City and developers. This item and associated presentation give a summary of the Water Bank, the current credit balances, and transactions that have occurred in recent years.

Recommendation:

Information item only. No action required.

Discussion: Dan Herlihey wanted to know if water within any of our ditches could be used by other cities or municipalities. **Nathan Alburn** confirmed that it can be purchased and used outside the city.

John Butler wanted to know what happens if the water bank goes away (either by depletion or if we shut it down)? Nathan Alburn noted that if it went away, we would be accepting cash-in-lieu in place of water bank credit.

Gary Hausman noted that the water bank helps landowners and farmers with an option of a place to bring their ditch shares since they are likely selling the land.

Bill Szymd wanted to know what kind of interest the city has from bringing in non-potable water (ditch shares) for raw water irrigation systems. Nathan Alburn noted that there are challenges with a raw water system, but there has been some interest.

Item 7.3: Advanced Metering Infrastructure (AMI) Project Update – Adam Bromley

The purpose of this item is to provide information to the Loveland Utilities Commission (LUC) regarding the AMI Deployment Project in the City of Loveland. AMI stands for Advanced Metering Infrastructure. AMI is a system of meters, communications networks and data management that allows two-way communication between a customer's meter and Loveland Water and Power.

Recommendation:

Information item only. No action required.

Discussion: Dan Herlihey wanted to know if it is possible for a customer to opt back in if they originally wanted to opt-out of the AMI meter? Adam Bromley confirmed that yes, we can convert customers back to AMI.

Item 7.4: Migration away from GreenSwitch Program – Brian Nunnery and Clinton O'Neill

Phasing out of Loveland Water and Power's GreenSwitch program in 2024.

Recommendation:

Information item only. No action required.

COMMISSION & COUNCIL REPORTS**Item 8.1: Commission Reports**

Dan Herlihey: Dan Herlihey gave a brief update of the working group for the Tiered and Seasonal Rates. Dan thought they had a good kickoff meeting doing a deep dive into the information received in the December LUC meeting. The next meeting will be on February 8th and will be publicly advertised.

Gene Packer: Gene Packer informed the group that Xcel is providing some rebates for efficiency. He also mentioned that he is sorry to see Steve Adams depart the city.

Bill Szmyd: Bill Szmyd asked when the mandated date for shutting down Rawhide Energy Station was. **Kevin Gertig** noted that there is no mandated date, but PRPA is looking to remove the station from Platte River's energy mix by December 31, 2029. Kevin also encouraged the commission to tune in to future PRPA board meetings. Bill also wanted to know how employee recruitment is going for Water and Power. Kevin noted that we continue to have challenges, but we are still able to find qualified candidates.

Don Cook: None

Gary Hausman: None

John Butler: John Butler got an email from Smart Electric Power Alliance (SEPA) regarding some electric system education opportunities and wondered if those would be offered to the commission. **Kevin Gertig** will send information on this to the commission via email. Kevin also suggested that there are other opportunities available from American Public Power Association (APPA).

Matt Elkins: None

Randy Williams: N/A

Richard Bilancia: N/A

Christopher Say: N/A

Council reports

Steve Olson: Councilor Olson noted that the new council reversed the previous council's approval of the Centerra South development agreement and there is a lawsuit that has been launched over this decision. Also, Council accepted City Manager Steve Adam's voluntary resignation on January 16, 2024. The ballot measure to approve the removal of tax on food was approved. Councilor Olson estimates this would be an 11-13 million dollar loss of revenue to the general fund. Council agreed to re-start the process to address these general fund deficiencies on January 16, 2024.

Andrea Samson: N.A.

DIRECTOR'S REPORT

Item 9.1: Director's Report – Kevin Gertig

1. Water Project Updates for December – see **Attachment A**.
2. Electric Capital Project Updates - See **Attachment B**.
3. Please see the Financial Disclosure Statement for the Loveland Utilities Commission (**Attachment C**). This form is due to Melanie ASAP by all Commission Members. If you have questions regarding this form, please contact Melanie directly.
4. **Attachment D** is a memo from Platte River Power Authority to the City of Loveland mayor and city council and Loveland Utilities Commission that discusses PRPA's Resource Diversification Policy. This memo is informational only and we will be having PRPA staff periodically update the LUC in the coming months.
 - a. Kevin introduced PRPA's Senior External Affairs Specialist, **Leigh Gibson**, for any questions on this memo or other PRPA questions.
5. Director Kevin Gertig and Utility Accounting Manager Jim Lees will give a brief update on the first meeting of the Seasonal/Tiered Rates Subgroup that occurred on Thursday, January 11, 2024.
6. Please make note that our June Loveland Utilities Meeting (scheduled for June 19, 2024) will need to be rescheduled due to the Juneteenth Holiday (a recognized City holiday). We will not vote to move the date of this meeting until May, but please make note for yourself now. Currently we plan to push the meeting back by one week to June 26, 2024.

ADJOURN: The meeting was adjourned at 5:21 p.m.

Respectfully submitted,
Melanie Reeves
Recording Secretary
Loveland Utilities Commission /s/ Dan Herlihey, Chair

