

Commission Members Present: Bill Szmyd, Dan Herlihey (Chair), Don Cook (Vice Chair), Gary Hausman, Gene Packer, John Butler, Matt Elkins, Richard Bilancia, Randy Lee Williams, Christopher Say

LUC Commission Members Absent: None.

Council Liaison Present: Steve Olson

Council Liaison Absent: Andrea Samson

City Staff Members Present: Aaron Rodriguez, Adam Bromley, Catharine Kellogg, Chad Birgenheier, Clinton O'Neill, Derek Turner, Jim Lees, John Faulkner, Kevin Gertig (Director), Melanie Reeves, Nathan Alburn, Rosalyn Potter, Ryan Van Pelt, Todd Hanlin, Tracey Hewson.

Guest Attendance: Alfred P. Davis

CALL TO ORDER: Dan Herlihey called the meeting to order at 3:00 PM.

ADOPTION OF MINUTES

Item 2.1: Adoption of Minutes – Dan Herlihey

This item requested a motion to approve the minutes of the January 17, 2024 meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from January 17, 2024.

Motion: Don Cook made the motion.

Second: Gary Hausman seconded the motion. The minutes were approved with a 7-0 vote.

There were two abstentions: Randy Lee Williams and Richard Bilancia did not vote since they were not present at the January meeting.

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.

Discussion: Bill Szmyd wanted to know if the city has a Drought Management plan. Nathan Alburn stated that we currently have a drought management plan from 2013, which can be found on the City Website: [City of Loveland Drought Management Plan \(2013\)](#) and they are working on updating a plan.

Item 4.3: Electric Legislative Update – Derek Turner

This item is intended to give a brief update on electric-related legislation at both the state and federal level. Loveland representatives participate in the bi-weekly legislative committee meetings convened by the Colorado Association of Municipal Utilities (CAMU) to track legislative developments related to the electric generation industry.

Recommendation: Information Item Only. No Action Required.

Item 4.4: Utility Financial Dashboards Update – Aaron Rodriguez

This agenda item shows the Utility Financial Dashboards based on 2023 preliminary year-end financial and operational data.

Recommendation: Information Item Only. No Action Required.

Discussion: Richard Bilancia noted that the Financial Dashboards PDF in the agenda is very small and he requested a different format for ease of reading. Melanie Reeves and Aaron Rodriguez will work to determine if there is a better format that can be published in the agenda.

CONSENT AGENDA**Item 5.1: Supply Contract for Switchgear – Rosalyn Potter**

The purpose of this item is to award a one-year supply contract to Western United Electric Supply Corporation for electric switchgear.

Recommendation:

Adopt a Motion Awarding a Contract for Switchgear to Western United Electric Supply Corporation in an Amount not to Exceed \$511,622.43 and Authorizing 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.

Discussion: Don Cook had some concerns regarding the reasoning behind why we chose this supplier over the others. Western United was the next to highest bid and had the longest lead time so what is the reasoning behind our decision? Adam Bromley stated they had safety concerns with the Federal Pacific supplier, so they decided to transition back to this supplier.

Motion: Don Cook made the motion.

Second: Gary Hausman seconded the motion. The motion was **approved** unanimously with a 9-0 vote.

STAFF REPORT

Item 6.1: Preliminary December 2023 Financial Reports – Jim Lees

This item summarizes the preliminary monthly and year-to-date financials for December 2023.

Recommendation:

Information item only. No action required.

Discussion:

Bill Szmyd had questions regarding inflation and the impacts of rolling projects from one year to the next. He wondered how you adjust for cost increases. He also wanted to know if it is possible to purchase items ahead and keep them stored until they are needed to capture lower pricing. **Jim Lees** confirmed that we can store some inventory (mostly with power items like transformers and switchgear) but not typically with water projects since a lot of those projects are completed by subcontractors who bring their own supplies.

Bill Szmyd also mentioned that the receivables for Water seemed very high and wondered what that can be attributed to. Jim Lees promised to look into it and report back.

Richard Bilancia requested that we more aggressively start budgeting for inflation since, in his experience, the effects of inflation generally last longer than anticipated.

Christopher Say also inquired about our receivables and wanted to know how they are handled.

Kevin Gertig clarified that Utility Billing is under the Finance Department and not Water and Power. Christopher also wanted to know if the receivables shown are all current receivables (bills due within the next 30 days). **Aaron Rodriguez** briefly went over our collections and shutoff policy and noted that after 90 days outstanding accounts are sent to collections.

Item 6.2: LUC Roles and Responsibilities – Derek Turner

As part of a routine update to Loveland Utilities Commission members, this presentation will provide a general overview of LUC Roles and Responsibilities.

Recommendation:

Information item only. No action required.

COMMISSION & COUNCIL REPORTS

Item 7.1: Commission Reports

Dan Herlihey: None.

Gene Packer: Gene noted that Lightning eMotors is no longer in business. He also wanted to know what the proposed development is for Taft and HWY 34 (where he has seen construction). **Councilor Olson** noted that there is no development planned at Taft and HWY 34, but they are widening the road at that location. Finally, he also wanted to know who sets the Mill Levy through increased property tax.

Bill Szmyd: Bill wanted to know if we will be addressing lead service lines. He also had questions regarding the back-up generators for water pump stations. **Chad Birgenheier** discussed the gensets that are back-up at each of the water pump stations as well as both the plants. He also gave an overview of the plan regarding lead service lines and will be presenting on that topic to the LUC at a later date.

Don Cook: Don attended a webinar today by OneWater. OneWater is the newest water management approach being promoted by leading nonprofits and foundations. In the U.S. most water systems including drinking, waste and stormwater are historically managed separately and each has its own costs to safely provide clean water for society. The OneWater approach seeks to address this problem as communities continue to see an increase in the cost of managing water. It also addresses how land is used and how the water cycle is impacted by land-use decisions. He noted that there were about 60 attendees today and speakers were from Denver Water, the City of Aspen, and CSU, among others.

Gary Hausman: Gary wanted to know the progress on Chimney Hollow. **Kevin Gertig** directed Gary to the Northern Water website on the [Chimney Hollow Reservoir Project](#) for specifics.

John Butler: John noted that a Georgia power plant just entered commercial operation. This is the first U.S. nuclear reactor built in decades.

Matt Elkins: None

Randy Williams: None.

Richard Bilancia: Rich got his new electric meter today and commented that the transition went smoothly, and he has had no issues!

Christopher Say: Christopher inquired about load-shedding. **Chad Birgenheier** described some of our challenges and the tests we have done.

Council Reports

Steve Olson: On January 23rd we had a procurement change in authority to allow us to purchase transformers. HIP Streets improvements is moving along, Councilor Olson noted that this was a big achievement for W&P. The DDA will make a pretty sizable contribution to fixing the street level of HIP Streets. Last night funds were approved in the search for a new City Manager. The Spring Creek Development came back last night for a second attempt. This discussion has been very contentious and there was a lot of public comment concerning this. There will be a City Council retreat this Saturday, which is open to the public. Council approved a Climate Task Force. The Centerra decision was rescinded last night. This decision will put the Centerra-related court case on hold. Councilor Olson also briefly updated the Commission on the food sales tax potential impacts.

Andrea Samson: N.A.

DIRECTOR'S REPORT

Item 9.1: Director's Report – Kevin Gertig

Kevin gave an organizational update and noted that Rod Wensing is now the Interim City Manager. However, Kevin will now be reporting to Mark Jackson, the new Interim Deputy City Manager.

Kevin also gave a brief update on his recent tour with Northern Water in Arizona. He felt it was time well spent. He will give an update and provide photos at a later date. The tour covered Phoenix, Yuma, all the way to the border of Mexico, and lots of agricultural sites.

Kevin promised **Bill Szmyd** a full presentation on the lead service line project, including our timeline based on the CDPHE guidelines. **Chad Birgenheier** gave a high-level overview of our plans to meet this new requirement. Chad noted that we are researching building reports, historical meter cards, etc. to prove the dates and possible instance of lead service lines within the stated requirements. We will also be potholing service lines to verify the materials of those lines.

1. Jim Lees will give a brief update on the second meeting of the Seasonal/Tiered Rates Subgroup that met on Thursday, February 8, 2024. He will also discuss next steps.
2. In addition to the 2024 Work Plan that we just completed, the city is requesting an Annual Report for the Loveland Utilities Commission. Our Annual Report that summarized 2022 is **Attachment A**. As a reminder, the annual reports are intended to summarize accomplishments of the previous work plan year (referring to our 2023 Work Plan – **Attachment B**) and are due to the Clerks by **Monday, April 1, 2024**. Melanie will work with the Commission to schedule a few work sessions to complete this task before the deadline. We respectfully request your participation at one or more of these work sessions. We will adopt our final Annual Plan during the March LUC meeting.
3. Water Project Updates for January – see **Attachment C**.
4. AMI Deployment Project Updates for February - see **Attachment D**.
5. Electric Capital Project Updates - See **Attachment E**.
6. Electric and Water Meter Sets for January – See **Attachment F**.
7. 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 5:23 p.m.

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

