

Commission Members Present: Bill Szmyd, Dan Herlihey (Chair), Don Cook (Vice Chair), Gary Hausman, Gene Packer, Richard Bilancia, Randy Lee Williams, John Butler, Matt Elkins, 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, Eric Eads, Jim Lees, John Faulkner, Keith Leonard, Kevin Gertig (Director), Melanie Reeves, Nathan Alburn, Ryan Van Pelt, Tracey Hewson, Noah Cecil, Kim Edwards, Rebecca Howe

Guest Attendance: Abbye Neel and Shelby Sommer of Brendle Group.

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 March 20, 2024 meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from March 20, 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: John Butler and Matt Elkins did not vote since they were not present at the March meeting.

CITIZENS REPORT

Item 3.1: Citizens Report

None.

INFORMATIONAL ITEMS

Item 4.1: Water and Law Legislative Update – Ryan Van Pelt

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: Electric Legislative Update – Noah Cecil

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.

REGULAR AGENDA**Item 5.1: Distribution Transformer Contract Amendment – Western United Electric – Keith Leonard**

Staff twice solicited competitive bids for distribution transformers and did not receive qualified bids in either instance. Prices and lead times in the received bids were much higher and longer than those provided under the current contract terms. The alternative being proposed by staff for LUC's approval is a contract amendment, which will extend the contract term and allow staff to place a much-needed distribution transformer order with more agreeable lead times and costs. Staff is currently vetting other transformer manufacturers to add additional approved manufacturers to the specification, gain better proposals on future bids, and execute a new contract later this year.

Recommendation:

Adopt a Motion to Amend the Contract for Purchase of Distribution Transformers with Western United Electric to Extend the Contract Term to September 30, 2024 and Increase the Not To Exceed Amount by \$1,800,000.00, to a Total Not To Exceed Amount of \$3,600,000.00, and Authorize the City Manager to Execute the Contract Amendment 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:

John Butler wanted to know if we were getting the same number of transformers with this additional amount added to this contract. **Keith Leonard** and **Adam Bromley** both discussed the variances that the type of transformer have on cost.

Richard Bilancia wanted to know if we are getting the same quality of transformers as before with increased lead time and increased transformer cost. He also wanted to know if we are overstocking inventory due to these increased lead times. Adam Bromley noted that we are trying to take a lot of variables into account to estimate supply

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: Water Conservation Plan Implementation Follow-up – Nathan Alburn

The City of Loveland Water Division has many comprehensive plans that have been written as guides for preparing for our future regarding the planning and use of our water resources. The reports include the City of Loveland 2020 Raw Water Master Plan, the City of Loveland Water Efficiency Plan (Updated May 2020), and the City of Loveland Drought Management Plan (June 4, 2013). This LUC Agenda Item is a follow-up on a presentation that was shared in May of 2023. Water Resource Staff and Brendle Group, our Water Conservation Consultant, shared the background, key findings, and the next steps to the Water Efficiency Implementation Plan.

Discussion:

Christopher Say wanted to know if the Water Efficiency Implementation Plan was mandated. **Nathan Alburn** let him know that the Implementation Plan is NOT mandated, but the Water Efficiency Plan is. **Councilor Olson** wanted to know when we plan to implement a robust water conservation plan. **Nathan Alburn** noted that we have already started a good plan, as presented. Olson wanted to know if we at risk by conserving water and letting it go downstream to other users. Nathan noted that it takes a lot to be at risk of ‘abandoning’ water rights. **Ryan Van Pelt** noted that with conservation we are freeing up water for future growth so that we don’t need to purchase additional resources. Olson wanted to know if our rates are going up because our water volume is going down. Nathan noted that there are financial drivers to sell more water, but also political drivers to conserve water.

Recommendation: Staff Item Only. No Action Required.

Item 6.2: Distributed Energy Resources Update – Clinton O’Neill

Introduction and overview of the Distributed Energy Resources team.

Discussion:

Randy Williams wanted to know if most of these connections are residential or commercial. **Clinton O’Neill** noted that most of them are residential.

Recommendation: Staff Item Only. No Action Required.

Item 6.3: Quarterly Financial Update – Jim Lees

This item summarizes the preliminary monthly and year-to-date financials for March 2024.

Discussion:

Christopher Say asked about accounts receivable – are they trending up or down? **Jim Lees** would say that they are trending down in the 4th quarter.

Recommendation: Staff Item Only. No Action Required.

Item 6.4: Utility Financial Dashboards Update – Aaron Rodriguez

This agenda item shows the Utility Financial Dashboards based on March 2024 year-to-date financial and operational data.

Recommendation: Staff Item Only. No Action Required.

COMMISSION & COUNCIL REPORTS**Item 7.1:****Commission Reports**

Dan Herlihey: Dan noted that the Boards and Commissions Super Issue meeting was a good presentation with good discussion. Dan was also invited to a meeting this week with other commission chairs to give feedback on the recruiting process for the City Manager.

Gene Packer: Gene was able to take the APPA course, Power 101, and thought it was good. He was wondering if the EPA was coming down with ‘forever chemical’ regulations. Kevin noted that we will have a presentation on PFAS later this year.

Bill Szmyd: Bill appreciated the AMI metering signs that have been placed in neighborhoods. Bill wanted to know if we have a ‘valve exerciser’ program. Chad confirmed that we do. Bill wanted to know if we had considered ‘master meters’ or zones ahead of water AMI to determine what is being consumed before meters are installed.

Don Cook: Don lives near 29th street and was very impressed by the water leak repairs. He felt that there was a minimal impact to residents in the area. He also noted that there was graffiti on a lift station near his house that was removed within a few days.

Gary Hausman: Gary is confident that Water and Power has great employees to get us through this difficult time. He thanked us all for our hard work.

John Butler: None.

Matt Elkins: None.

Randy Williams: Randy inquired if the water main break on 29th street was expected. **Chad Birgenheier** gave an overview of the repair.

Richard Bilancia: Rich saw some positive ideas coming from staff about getting community feedback regarding the budget during the Super Issue meeting. However, he does not think that accepting comments from citizens through the website is a statistically significant way to determine how the citizens feel about the budget issue. Rich would like to find a way to use the utility newsletter to get communication out regarding capital costs for projects that we need to implement to avoid backlash from the public.

Christopher Say: Christopher noticed that they are building natural gas turbines in Wyoming. Snow in the high country appears to be pretty good, but on the 70% allocation by northern Water what does that mean to us? **Kevin Gertig** noted: We don’t have any current restrictions and agriculture is in good shape. We have another storm anticipated over the weekend that may bring additional moisture.

Council Reports

Steve Olson: Steve thanked Jim Lees and Clinton O'Neill for their presentation to Council on April 16th. He gave an overview of the special investigation within the City Council. The investigation within council has been dropped, but the group is moving forward with civil action. Steve expressed concerns about getting the council to move forward with budget cuts as there is still a lot of division.

Andrea Samson: N.A.

DIRECTOR'S REPORT

Item 8.1: Director's Report – Kevin Gertig

1. Water Project Updates for March – see **Attachment A**.
2. AMI Deployment Project Updates for March - see **Attachment B**.
3. Electric Capital Project Updates - See **Attachment C**.
4. Electric and Water Meter Sets – See **Attachment D**.
5. Northern Water Tour Opportunities: If you would like to attend, please register using the links below. If you are unable to register online, please call our events line at 970-622-2234 or email events@northernwater.org. Registration is now open for the East Slope tours:
 - a. [East Slope Tour – Tuesday, May 21, 8 a.m.-4 p.m.](#)
 - b. [East Slope Tour – Tuesday, June 11, 8 a.m.-4 p.m.](#)
6. Spring Recruitment is upon us! The LUC has 3 commission members whose member terms are expiring in June 2024:
 - a. Gary Hausman
 - b. Dan Herlihey
 - c. Matt Elkins

As a reminder, any incumbent who wants to be considered for reappointment needs to submit an application from the City of Loveland [Boards and Commissions website](#).

ADJOURN: The meeting was adjourned at 5:40 p.m.

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

