

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

**LUC Commission Members Absent:** Richard Bilancia, Christopher Say

**Council Liaison Present:** Steve Olson

**Council Liaison Absent:** Andrea Samson

**City Staff Members Present:** Aaron Rodriguez, Adam Bromley, Brian Gandy, Brian Waldes, Catharine Kellogg, Chad Birgenheier, Clinton O'Neill, Donald Cecil, Jim Lees, Kevin Gertig (Director), Melanie Reeves, Nathan Alburn, Ryan Van Pelt, Rosalyn Potter, Todd Hanlin, Tracey Hewson, Noah Cecil

**Guest Attendance:** None

**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 April 17, 2024 meeting.

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

**Motion:** Don Cook made the motion.

**Second:** Gary Hausman seconded the motion. The minutes were **approved** with an **8-0 vote**.

### 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: Procurement Update – Noah Cecil**

Assistant City Attorney, Noah Cecil, will give a brief presentation of the City of Loveland Procurement Procedures and how these changes are affecting the Loveland Utilities Commission (LUC).

On April 16, 2024, Loveland City Council adopted Ordinance No. 6699 “Amending Loveland Municipal Code Chapter 3.12 Regarding Procurement and Amending Loveland Municipal Code Subsection 2.60.180(B)(2) Regarding Loveland Utilities Commission Authority”

Ordinance No. 6699 removed the requirement for City Council and LUC to review contracts “of \$500,000 or more.” LMC 3.12.060(A); LMC 2.60.180(B)(2)

Now ... “if sufficient funds for any contract have previously been budgeted and appropriated by city council, the contract may be approved by the city manager or his designee” without Council or LUC review. LMC 3.12.060(A)

The ordinance became effective on April 30, 2024.

**Discussion:** **Dan Herlihey** wanted to know what the driving factor was behind this change to the procurement code. **Noah Cecil** indicated that the procurement team felt that this would allow for more institutional efficiency, as confirmed by **Rosalyn Potter**.

**Gene Packer** requested further clarification of the commission’s previous authority, which was provided by Noah Cecil, and he stated that he does not agree with this newly adopted ordinance.

**John Butler** questioned why we still have a utilities commission if we no longer approve contracts. Noah clarified that the commission fulfills an advisory capacity, as well as approving change orders per the new procurement code.

**Councilor Olson** spoke to John Butler’s concerns and wanted to specify that city council reviews very few contracts and Councilor Olson feels that this procurement change speaks to the issues we have had with transformers and extended wait times for those items.

**Kevin Gertig** clarified that we adhere to the delegation of authority and standard procurement procedures within the city. He also noted that we had a presentation by **Molly Elder** in November 2023 as part of the Procurement Presentation to Boards and Commissions.

**Matt Elkin** requested to see a purchasing authority matrix at a future meeting, to better understand the levels of purchasing authority within the city.

**Gary Hausman** thinks that this is a good change and wanted to understand the liability commission members hold. He pondered, ‘can we be sued, as commission members based on the decisions that we have made within our authority as commission members?’ Noah Cecil noted that this question is beyond the purview of this presentation but felt confident that commission members can feel safe in their duties as commissioners. He also stated that any items that come to the commission for review or approval are thoroughly vetted and recommended by staff members.

**Brian Waldes** noted that the LUC still has budgetary authority for these contracts and projects and clarified that this change to the procurement code is at the administrative level, which he noted was becoming an obstacle at the operational level.

**Recommendation:** Information Item Only. No Action Required.

#### **Item 4.4: Financial Report Update – Jim Lees**

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

**Recommendation:** Information Item Only. No Action Required.

#### **Item 4.5: Financial Dashboards – Aaron Rodriguez**

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

**Recommendation:** Information Item Only. No Action Required.

### **REGULAR AGENDA**

#### **Item 5.1: Appointment of LUC Members as Liaisons for the 2025 Budget Process – Jim Lees**

Staff is seeking two LUC liaisons who are interested in participating in the 2025 budget review meetings for the Water, Raw Water, Wastewater and Power Utilities. The scheduled meetings for the liaisons will be:

- Friday, May 17th from 8:00 am to 10:00 am. Topic: Power
- Wednesday, May 22nd from 1:00 pm to 3:30 pm. Topic: Water, Raw Water and Wastewater

The proposed budgets will be presented, and direction will be requested at these meetings.

**Recommendation:**

Select Two Liaisons from the Loveland Utilities Commission to Participate in the 2025 Budget Review Meetings.

**Jim Lees** asked for volunteers: **Gary Hausman** and **Don Cook** will both attend the Power budget discussion on Friday, May 17<sup>th</sup> and **Gary Hausman** and **Richard Bilancia** will both attend the Water, Raw Water and Wastewater budget discussion on May 22<sup>nd</sup>.

### **STAFF REPORT**

#### **Item 6.1: Utility Billing – Process and Account Overview – Brian Waldes**

The Utility Billing Division is comprised of three areas, billing, customer service, and the meter reading team. Though the meter reading team recently moved into Water & Power's organizational framework, the rest of the Utility Billing remains a division of the Finance Department.

Billing is responsible for inputting all the meter readings, generating over 43,846 utility bills with over 110,000 charges for monthly services. This division of Finance creates charges for the Electric, Water, Wastewater, Stormwater and Solid Waste Utilities, along with the Street Maintenance Program; all within two days of reading the meter. This generates an excess of \$140 million in revenues per year for the City of Loveland Enterprise Funds. Customer Service is responsible for responding to inquiries that these bills generate, including signing up new customers for service, disconnecting services due to requests or

payment concerns, and responding to a myriad of questions from our community. Customer Service received over 54,974 telephone inquiries and helped 3,685 customers at the counter last year.

Utility Billing maintains a close watch on payment delinquencies and works diligently with customers to get their accounts back on track. According to UB's April 28th report, 98.46% of all account balances are currently within the 0 to 60 day payment window. The total monies due from delinquent accounts past due by more than 60 days is only \$105, 244. That is only 1.54% of the total \$6,830,288 being billed out in April.

The Utility Billing process affords our community multiple opportunities to ensure their utility bill remains in good standing. Attachment 2, the Delinquency and Finalled Accounts Cheat Sheet, explains in detail how a utility account could progress through our code-compliant system should payments not be made on time. Throughout this process, UB staff work with community members to ensure their questions are answered and their account issues are remedied in a timely manner.

**Discussion:** **Dan Herlihey** wanted to know at what point in this process that you write-off the debt. **Brian Waldes** clarified that they write-off debt yearly with an auditor where they assess the collections and determine what should be written off.

**Gary Hausman** wanted to know if there are penalties for late payment. Brian Waldes confirmed that there are penalties for late payment. Also, Gary was reviewing the monthly financial dashboards and noted that the transfers to the city were 17% for Water and asked what that category included or if PILT (payment in lieu of taxes) had increased to 17%. **Aaron Rodriguez** explained that PILT was 7% for all 3 utilities and that category included all the transfer of funding to the City. 1% for the Arts, PILT, and our allocations for services the City provides for the utilities.

**Bill Szymd** noted that the state offers utility support for low-income electric but thinks that we got rid of the assistance for water and wastewater. **Brian Waldes** noted that we work with Neighbor to Neighbor and the House of Neighborly Services in Loveland for assistance.

**Recommendation:** Staff Item Only. No Action Required.

### **Item 6.2: North Taft Avenue & US 34 Water Line Replacement – Robert Moore**

Construction of the North Taft Avenue & US 34 Water Line Replacement project is part of a collective venture with the Loveland Public Works Department project known as the North Taft & US 34 Improvements. This project addresses road widening north and south of US 34 on North Taft Avenue and intersection improvements on US 34 and North Taft Avenue. Proposed road work follows recommendations in the Loveland Transportation Master Plan. This corridor will also benefit from improvements to Loveland's waterline infrastructure suggested in the Loveland Water Master Plan. The Water Master Plan recommendations for this corridor include increasing the existing water pipe north of US 34 on North Taft Avenue from 12-inch cast iron pipe to 16-inch PVC pipe. The 12-inch cast iron pipe south of US 34 is to be replaced with 12-inch C900 PVC pipe. Existing Taft Avenue cast iron pipes have been in place for more than 50 years and are entering the collective phase where leaks and other operational disruptions statistically become more frequent. The proposed project will replace approximately 1,391 linear feet of 12-inch cast iron pipe south of US 34 with 12-inch C900 PVC pipe. North of US 34, approximately 1,387 linear feet of 12-inch cast iron pipe will be replaced with 16-inch C900 PVC pipe. Cost savings associated with asphalt replacement from waterline construction will be realized since asphalt surface replacement is part of the Public Works project.

**Discussion:** Bill Szmyd wanted to know what other road projects or water pipe projects will be underway in this area in the city. There are no other projects at this location that we are currently aware of. Noah Cecil and Chad Birgenheier helped to clarify the difference between change orders and budgeted or appropriated funds.

Randy Williams wanted to know what portion of this project is sanitary sewer. Robert Moore pointed to the appropriate area on the map.

Gene Packer wanted to know if we have a means of advertising this project to the city. Kevin Gertig noted that we advertised this project to the city and hosted an open house a few weeks ago with maps and additional education for community members. Gary Hausman noted he saw it advertised in ENR magazine.

**Recommendation:** Staff Item Only. No Action Required.

### Item 6.3: Green Ridge Glade Reservoir Oxygenation (W2306C) – Design Services Contract – Donald Cecil

The Green Ridge Glade Reservoir Oxygenation Project (Oxygenation Project) proposes to install a hypolimnetic oxygenation system at the Chasteen's Grove Water Treatment Plant (WTP) and Green Ridge Glade (GRG) Reservoir. The oxygenation system will supplement oxygen in lower levels of the reservoir, improving water quality, and effectively increasing the firm capacity within the reservoir. Loveland Water & Power (LWP) hired Jacobs Engineering Group, Inc. (Jacobs) to study current reservoir conditions and design the oxygenation system.

**Discussion:** Gene Packer wanted to know how much liquid oxygen would be required monthly if this system is implemented. Donald Cecil noted that the large tank will be in place to eliminate the need for a lot of deliveries, but deliveries will still be needed every few months.

Councilor Olson wanted to know what would happen to the solar bees that are currently in place on the reservoir. Kevin Gertig noted that the solar bees will be decommissioned or repurposed.

Donald Cecil also noted that we chose to own and not lease this new system as it made sense as an investment.

Bill Szmyd wanted to know if this system will eliminate the need for copper sulfate. Chad Birgenheier confirmed that this system will help with several taste, odor, and treatment issues.

**Recommendation:** Staff Item Only. No Action Required.

### Item 6.4: Design Services Contract for Brown and Caldwell (WRF Capacity Improvements) – Brian Gandy

The 2024 WRF Capacity Improvements project was derived from the completion of the 2023 Water Reclamation Facility (WRF) Master Plan (Master Plan). The previous study of current and future needs of the WRF was last completed in 2010 through the Wastewater Utility Plan Update. The recent master planning effort was a comprehensive analysis of current and future needs driven by regulatory agencies, population growth, observed changes in the characteristics of the incoming wastewater, and aging infrastructure. The Master Plan helped to identify critical gaps in the level of service and inadequacies in redundancy and resiliency. These gaps showed an immediate need in several treatment processes to remain in compliance with regulatory agencies that govern Loveland's WRF facility.

**Discussion:** Dan Herlihey wanted to know if any of the required construction will increase the footprint of the site at the treatment plant. No – this construction all fits within the current footprint.

**Kevin Gertig** noted that updates will continue to be imperative, per our master plan, to keep up with the regulations and compliance.

**Bill Szmyd** wanted to know if we are better off raising the rates to keep up with these improvements or better off bonding for these improvements. **Jim Lees** noted that we do have rate increases planned out to the year 2031.

**Gary Hausman** noticed that our debt load is fairly large right now and he can remember when we didn't have any debt at the utility. **Jim Lees** noted that debt is a balancing act – you are spreading payments out over 25-30 years so that customers can pay for this over time.

**Bill Szmyd** noted that we need to message this information out to our customers because all they will see is the rate increase. It is not too early to start this messaging. **Kevin Gertig** confirmed that our customer experience group is going to be handling the messaging on this item.

**Randy Williams** wanted to know why we hear about water line replacements, but we don't often hear about sewer line failures. Do we anticipate a problem with chronic sewer line failures? **Chad Birgenheier** confirmed that we do sometimes have sewer line failures and need to go in and redirect a sewer flow. However, these types of failures are less visible to the public. He also detailed our aggressive replacement program for manhole lining.

**Recommendation:** Staff Item Only. No Action Required.

## COMMISSION & COUNCIL REPORTS

### Item 7.1:

#### Commission Reports

**Dan Herlihey:** None.

**Gene Packer:** None.

**Bill Szmyd:** Bill noted that there is a new Colorado Water Congress book – if we are getting some Bill would like one. Bill has concerns with PRPA: the charter for PRPA is *providing reliable, environmentally responsible and financially sustainable energy and services to the communities* and he doesn't feel that they are sticking with their charter (no longer cost-effective or reliable). Bill also feels that a lot of the power generation plants for PRPA are very vulnerable due to their remote nature.

**Don Cook:** None.

**Gary Hausman:** Gary appreciates Kevin's leadership and appreciates all the hard work of all the city employees in face of all the challenges we are experiencing today.

**John Butler:** John got his new AMI meter the other day.

**Matt Elkins:** Matt disagrees with the changes in the procurement code. Sometimes the fastest answer is not the best answer if we eliminate the overwatch we currently have in place.

**Randy Williams:** None.

**Richard Bilancia:** N.A.

**Christopher Say:** N.A.

## Council Reports

**Steve Olson:** Councilor Olson recently gave a presentation to the City Council in favor of capitalism and noted that most of the council is not in favor of capitalism based on their responses to his presentation. Olson noted that there are still members of council who do not believe that we have a budget crisis – those councilors are in favor of using the emergency funds budget we have in place to get us through a year and then try to convince the citizens to implement a tax increase.

**Andrea Samson:** N.A.

## DIRECTOR'S REPORT

### Item 8.1: Director's Report – Kevin Gertig

1. Water Project Updates for April – see **Attachment A**.
2. AMI Deployment Project Updates for May - see **Attachment B**.
3. Electric Capital Project Updates - See **Attachment C**.
4. Loveland Water and Power's lawn replacement program was featured in the Loveland Reporter-Herald – April 20, 2024: Going native: Water-wise landscaping spreads across Loveland. See **Attachment D**.
5. Press Release: Platte River expands Efficiency Works Homes program for low-income customers – See **Attachment E**.
6. Be Dam Aware Community Event – See **Attachment F**.
  - a. Date: Saturday, May 18, 2024
  - b. Location: Tower Loop, Cherry Creek State Park
  - c. Time: 10:00 AM – 1:00 PM
7. Over the weekend Director Kevin Gertig participated in the NoCo Time Trials sponsored by Platte River Power Authority! The Time Trials are a solar and battery model car competition for middle school students from Platte River's owner communities and the nearby region. The event supports STEM education, sparks interest in electrical energy careers and introduces students to the same noncarbon energy technologies Platte River is pursuing. With guidance from their teachers/coaches, students build cars using solar or battery technology and use their creativity and education to build and race against other schools. Students win various awards for design, speed and school spirit. You can see how much fun they had at the [4<sup>th</sup> annual NoCo Time Trials in 2023!](#)
8. North American Lake Management Society hosts a '[Lakes Appreciation Month Poster Contest](#)' for grades K-12!
9. Electric and Water Meter Sets – See **Attachment G**.
10. **Due to the Juneteenth Holiday on Wednesday, June 19, 2024, the June LUC meeting on that day will be cancelled.** We are looking to schedule a 'special meeting' on either Wednesday, June 12<sup>th</sup> from 4-6 p.m. or Wednesday, June 26<sup>th</sup> from 3-5 p.m.

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After discussion and a quick show of hands it was determined that we will meet next on Wednesday, June 12<sup>th</sup> from 4-6 p.m. in a joint meeting with the Loveland Communications Advisory Board (LCAB).

**ADJOURN:** The meeting was adjourned at 5:23 p.m.

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

