

Commission Members Present: Dan Herlihey (arrived at 5:13 PM) Dave Kavanagh, David Schneider, Gary Hausman (Chair), Gene Packer, Larry Roos, John Butler, Randy Williams, Sean Cronin, Alternate Stephanie Fancher-English

Council Liaison: Steve Olson

City Staff Members Present: Alan Krcmarik, Alicia Calderon, Allison Bohling, Bob Miller, Brieana Reed-Harmel, Chris Giesting, Christine Schraeder, Cree Goodwin, Daniel Daneshka, Derek Turner, Greg George, Gretchen Stanford, Jim Lees, Joe Bernosky, John Beckstrom, Kim O'Field, Leslie Moening, Larry Howard, Michelle Erickson, Nathan Alburn, Roger Berg, Ryan Van Pelt, Tanner Randall

Guest Attendance: Bruce Croissant, Dick Mallot, Fred Garcia, Jane Clevenger, Jess Delgado, Nancy Garcia, Patrick Eitenbichler, Sharolyn Eitenbichler

CALL TO ORDER: Gary Hausman called the meeting to order at 4:01 pm.

Gretchen Stanford announced her resignation.

APPROVAL OF MINUTES: Hausman asked for a motion to approve the minutes of the January 17, 2018 meeting.

Motion: John Butler made the motion.

Second: Dave Schneider seconded the motion. The minutes were approved unanimously.

CITIZENS REPORT

Item 1: Solar Generation – Patrick Eitenbichler

INFORMATIONAL ITEMS

Item 2: Cyber Security – Cree Goodwin

This is a brief description of the current Cyber Security Policy for both the Power and Water divisions.

Informational Item only. No action required.

Item 3: Electric Legislative Update – Kim O'Field

This item and the attachment 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.

Informational Item only. No action required.

Item 4: Water Legislative Update – Ryan Van Pelt

This item is intended to give a brief update on water-related legislation being contemplated by the Colorado General Assembly. Loveland Water and Power relies primarily on the Colorado Water Congress (CWC) for information on water-related legislation.

Informational Item only. No action required.

Item 5: Water Supply Update – Ryan Van Pelt

Raw water supply update.

Informational Item only. No action required.

CONSENT AGENDA**Item 6: Namaqua Pump Stations Improvements and Raw Water Bypass – Leslie Moening**

The purpose of this item is to award a construction contract to the lowest qualified bidder for the Namaqua Pump Stations Improvements and Raw Water Bypass.

Recommendation: Adopt a motion to award the contract for the Namaqua Pump Stations Improvements and Raw Water Bypass to Lillard & Clark Construction Company, Inc. in an amount not to exceed \$879,000.00 and authorize the City Manager to execute the contract on behalf of the City.

Motion: John Butler made the motion to accept consent agenda items as written.

Second: Dave Schneider seconded the motion. The motion was approved unanimously.

REGULAR AGENDA**Item 7: Acquisition of additional storage and revised Third Amendment to Fifth Interim Agreement for Windy Gap Firming Project – Ryan Van Pelt**

The City of Longmont is nearing approval of sale to Platte River Power Authority of 2,000 acre-feet of additional storage capacity in the Windy Gap Firming Project (Chimney Hollow Reservoir). Because PRPA has authority to commit to 16,000 acre-feet of storage capacity, it has offered to the City of Loveland the ability to acquire 136 acre-feet of storage capacity which it will hold after the acquisition from Longmont. The revised storage capacity amounts based on the pending transactions from Longmont to PRPA, and PRPA to Loveland, are reflected in a proposed revised Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland (Fifth Interim Agreement). The Fifth Interim Agreement is necessary to continue development of the Project into detailed engineering design including preparation of plans and specifications, planning and implementation of required mitigation and enhancement measures and related activities. Approval of this proposed Third Amendment would approve the City's additional storage capacity and allocation of funding according to the revised pro-rata storage entitlement in the Project.

Recommendation: Approve a motion recommending the City Manager execute an agreement necessary to acquire an additional 136 acre-feet of storage capacity in the Windy Gap Firming Project (Chimney Hollow Reservoir).

Motion: John Butler made the motion.

Second: Dave Schneider seconded the motion. The motion was approved unanimously.

Recommendation: Approve a motion recommending that City Council adopt a resolution directing the Mayor to execute the revised Third Amendment to the Fifth Interim Agreement between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland.

Motion: John Butler made the motion.

Second: Dave Schneider seconded the motion. The motion was approved unanimously.

Item 8: Consideration of PRPA Notice of Transfer for Windy Gap Units – Proposed Executive Session pursuant to City Charter Section 4-4(c) and Section 24-6-402(4)(a)(e) & (g), C.R.S. – Derek Turner

Pursuant to the December 14, 2017 Agreement Regarding Exercise of Rights of First Refusal to Acquire Windy Gap Water Units from Platte River Power Authority, the City received on January 5, 2018 a Notice of Transfer of Windy Gap Units by PRPA, initiating a 63-day period during which the City of Loveland must exercise or waive its right of first refusal to the units proposed for transfer.

Recommendation: Move that the Commission vote to recess into executive session, under Section 4-4(c) of the City of Loveland Charter and section 24-6-402(4)(a), (e), and (g), Colorado Revised Statutes for the following purposes:

- (1) Consideration of the purchase, acquisition, lease, transfer, or sale of any real, personal or other property interest;
- (2) To discuss matters and determine positions that are the subject of negotiation and are required by law to be kept confidential;
- (3) Review and consider documents protected by the mandatory nondisclosure provisions of the Colorado Open Records Act

Motion: John Butler made the motion.

Second: Randy Williams seconded the motion. The motion was approved unanimously.

Recommendation: Move that the Commission recess from the executive session.

Motion: John Butler made the motion.

Second: Gene Packer seconded the motion. The motion was approved unanimously.

Recommendation: Adopt a Motion Recommending that the City Manager waive the City's right of first refusal for the Windy Gap Units that are the subject of the January 5, 2018 Notice of Transfer.

Motion: John Butler made the motion.

Second: Dave Schneider seconded the motion. The motion was approved unanimously.

Item 9: Northern Water Invitation to Bid on 75 acre-feet of C-BT Water – Joe Bernosky

Northern Colorado Water Conservancy District (Northern Water) is accepting sealed bids to apply for up to seventy-five (75) acre-foot units of Colorado-Big Thompson Project water.

Recommendation: Adopt a motion declining participation in the Northern Water Invitation to Bid on 75 acre-feet of C-BT Water.

Motion: John Butler made the motion.

Second: Dan Herlihey seconded the motion. The motion was approved unanimously.

STAFF REPORTS

Item 10: PVREA Surcharge Recalculation – Briana Reed-Harmel and Alicia Calderón

This item will give a brief background on the electric service takeovers from Poudre Valley Rural Electric Cooperative (PVREA) and a description of the recalculation of surcharge amount owed to PVREA conducted in 2017.

Staff item only. No action required.

Item 11: Preliminary 2017 Financial Report – Jim Lees

This item summarizes the monthly and year-to date Preliminary financials for December 2017.

Staff item only. No action required.

Item 12: Unified Development Code Project – Greg George

Greg George from Public Works gave a brief presentation on the Unified Development Code Project.

Staff item only. No action required.

Item 13: 2018 Goals – Joe Bernosky

This item is to establish 2018 Goals for Staff and the LUC.

Staff item only. No action required.

COMMISSION/COUNCIL REPORTS**Item 14: Commission/Council Reports**

Discuss events that the Loveland Utility Commission Board members attended, special topics and any City Council items related to the Water and Power Department from the past month.

City Council Report:***City Council Study Session - January 23***

Proposed procedure for the January 30 study session on municipal broadband service.

City Council Study Session – January 30

Municipal Broadband Service

City Council Regular Meeting – February 6

Municipal Broadband Service

City Council Special Meeting & Study Session – February 13

Appointment of Joseph J. Bernosky to serve as the appointed director from Loveland on the PRPA board of directors

City Council Regular Meeting – February 20

Municipal Broadband Service

Commission Report:

Dan Herlihey: Nothing to report.

Dave Kavanagh: Discussed a broadband conference he went too and summarized what he learned. Asked Krcmarik, about how bonds for broadband may affect the power division. Discussion ensued about potential options.

Dave Schneider: Mentioned that he appreciates the proactive changes to the budget process, and Councils increased analysis.

Gene Packer: Summarized his experience from the Colorado Water Congress and Poudre Water Congress.

Gary Hausman: Asked about how self-generation customers are effected by power outages. Staff stated that, should be there any fluctuation in frequency from the inverters they will shut down. Each house also has a manual shut off.

John Butler: Nothing to report.

Larry Roos: Summarized his experience from the Colorado Water Congress.

Randy Williams: Requested that LWP bring more items in front of LUC about broadband as it progresses.

Sean Cronin: Recommended, *Water and Power a California Heist* on Netflix.

Stephanie Fancher-English: Nothing to report.

DIRECTOR'S REPORT

Item 15: Director's Report – Joe Bernosky

ADJOURN The meeting was adjourned at 7:30 pm. The next LUC Meeting will be March 21, 2018 at 4:00 pm.

Respectfully submitted,

Allison Bohling
Recording Secretary
Loveland Utilities Commission