

**Commission Members Present:** Dan Herlihey, David Schneider, Gary Hausman (Chair), Gene Packer, Larry Roos, John Butler, Randy Williams, Sean Cronin, Tom Vail (Alternate)

**Commission Members Absent:** Stephanie Fancher-English

**Council Liaison:** Steve Olson

**City Staff Members Present:** Brieana Reed-Harmel, Courtney Whittet, Daniel Daneshka, Derek Turner, Frank Lindauer, Jim Lees, Joe Bernosky, John Beckstrom, Michelle Erickson, Ryan Greene, Ryan Van Pelt, Tracey Hewson

**Guest Attendance:** Jason Mumm, Gail Burnhart, Dick Mallot, Paul Crosby

**CALL TO ORDER:** Gary Hausman called the meeting to order at 4:00 pm.

**APPROVAL OF MINUTES:** Hausman asked for a motion to approve the minutes of the June 20, 2018 meeting.

**Comments:** Dave Schneider would like his comments under Commission/Council Reports to reflect he was referring to the EPA changing the definition of Waters of the United States.

**Motion:** Dave Schneider made the motion to approve the minutes with the addition of his comments.

**Second:** John Butler seconded the motion. The minutes were approved unanimously.

### CITIZENS REPORT

Dick Mallot: Loveland Loves BBQ – Water & Power came out and helped them get set up with electricity and it was greatly appreciated.

### INFORMATIONAL ITEMS

#### Item 1: Water Legislative Update

This item is intended to give a brief provide information on which water related bills passed the Colorado General Assembly this last session. Loveland Water and Power relies primarily on the Colorado Water Congress (CWC) for information on water-related legislation.

Informational Item only. No action required.

### CONSENT AGENDA

#### Item 2: 2nd Quarter 2018 Goal Update Report – Joe Bernosky

This is a quarterly review of our progress on our 2018 utility goals.

**Recommendation:** Review the information presented and approve the 2018 2nd Quarter Goals Update Report.

#### Item 3: WAPA and BOR Agreement – Frank Lindauer

This Letter Agreement confirms recent discussions among staff from the City of Loveland, Colorado (Loveland), Bureau of Reclamation (Reclamation), and Western Area Power Administration (WAPA) regarding replacement and upgrade of Loveland's three-phase 13.8/2.4-kV, 150 KVA pole-mounted transformer bank, at Loveland's Sylvandale Tap, to a three-phase 13.8/12.47-kV, 750 KVA pad-mounted transformer.

**Recommendation:** Adopt a motion recommending that the City Council approve an Intergovernmental Agreement with WAPA and Reclamation for Upgrade and Replacement of the 150 kVA Pole-Mounted Transformer Bank at Sylvandale Tap.

Motion: Dan Herlihey made the motion to accept consent agenda item #3 as written. Item #2 was tabled until next month to allow time for review of the information.

Second: John Butler seconded the motion. The motion was approved unanimously.

### REGULAR AGENDA

#### Item 4: 2018 Water and Wastewater Cost-of-Service Rate Study Results – Jim Lees

The purpose of this item is to get recommendations to take to City Council from the Loveland Utilities Commission (LUC) on four items:

- 1) Rates by customer class for 2019 for both the Water and Wastewater Utilities
- 2) 10-year rate tracks and borrowing alternatives for both the Water and Wastewater Utilities
- 3) An update to the Raw Water Development Fee
- 4) A possible addition of a modified System Impact Fee (SIF) for so-called Tiny Homes, where lot size and finished square footage is significantly less than that of a typical single-family home

**Recommendation:** Get recommendations to take to City Council from the LUC on four items:

- 1) Rates by customer class for 2019 for both Water and Wastewater –
  - a) Water - Scenario #2
  - b) Wastewater - Scenario #2

Motion: John Butler made the motion.

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

- 2) 10-year rate tracks and borrowing alternatives for both Water and Wastewater – Scenario #2.

Motion: Dave Schneider made the motion.

Second: Dan Herlihey seconded the motion. The motion was approved 5-3.

- 3) Update to the Raw Water Development Fee as proposed.

Dave Schneider made the motion with the addition that the update occur over the course of 3 years.

Randy Williams seconded the motion. The motion was approved 5-3.

- 4) A possible addition of a modified System Impact Fee (SIF) of so-called Tiny Homes, where lot size and square footage is significantly less than that of a typical single-family home –  
Pending further study.

**Comments:** Invitation to City Council Study Session regarding Rates/Fees on August 14, 2018 at 6:00 pm.

#### Item 5: Platte River Power Authority (PRPA) Fiber Asset Ownership – Briana Reed-Harmel

The purpose of this item is to get direction from the Loveland Utilities Commission (LUC) on a preferred 10-year rate track and borrowing scenario for both the Water and Wastewater Utilities to bring back to the July, 2018 LUC meeting to get a formal recommendation in conjunction with the cost-of-service results for 2019.

Staff Report only. This was mistakenly put on the Regular Agenda. No action required.

#### Item 6: Consideration of PRPA Notice of Transfer for Windy Gap Units - \*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 July 2, 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.

Motion: Dan Herlihey made the motion to enter into Executive Session.

Second: John Butler seconded the motion. The motion was approved unanimously at 6:23 pm.

Motion: Dan Herlihey made the motion to end Executive Session.

Second: Randy Williams seconded the motion. The motion was approved unanimously at 6:37pm.

**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 July 2, 2018 Notice of Transfer.

Motion: Dan Herlihey made the motion.

Second: John Butler seconded the motion. The motion was approved unanimously.

**STAFF REPORTS****Item 7: Quarterly Financial Report Update – Jim Lees**

This item summarizes the monthly and year-to date Preliminary financials for June 2018.

Staff Report only. No action required.

**COMMISSION/COUNCIL REPORTS****Item 7: 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.

**Dan Herlihey:**

**Dave Kavanagh:**

**Dave Schneider:** Shared a picture of overhead lines going through the middle of a Walmart parking lot.

**Gene Packer:** Got the opportunity to help interview for new commission members, had a lot of great applicants.

**Gary Hausman:**

**John Butler:** Great knowledge in the room amongst the commission members, might be beneficial to do study sessions once a month or even just a few times a year.

**Larry Roos:**

**Randy Williams:**

**Sean Cronin:** South Platte Regional Opportunities Working Group is working towards securing funding through the basin roundtables, perhaps some future opportunities to obtain additional water. This is the 5<sup>th</sup> year anniversary of 2013 flood, Water Education Colorado (previously Foundation for Water Education) is putting on a tour on Sept 18<sup>th</sup> will be coming through Loveland.

**Stephanie Fancher-English:**

**Councilor Steve Olson:**

**City Council Study Session – June 26**

**Nothing of Interest**

**City Council Regular Meeting – July 3**

---

Public Comment - Three capital projects related to coordinate timing with other City projects: Boyd Parallel Interceptor, Wilson Avenue Flood Mitigation and North Lake Park Double Switch.

Loveland Communication Advisory Board (LCAB) member appointments.

City Council Regular Meeting – July 10  
Nothing of Interest

City Council Regular Meeting – July 17  
A resolution approving the amended and restated ownership, operations and maintenance agreement for the Home Supply Dam and related facilities

#### DIRECTOR'S REPORT

Item 8: Director's Report – Joe Bernosky

---

**ADJOURN** The meeting was adjourned at 6:56. The next LUC Meeting will be August 29, 2018 at 4:00 pm.

Respectfully submitted,

Courtney Whittet  
Recording Secretary  
Loveland Utilities Commission  
/s/ Gary Hausman, LUC Chairman