

**Commission Members Present:** Dan Herlihey, Don Cook, Gary Hausman (Chair), Gene Packer, Larry Roos, John Butler, Randy Williams, Richard Rhoads, Sean Cronin (Arrived 4:17pm)

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

**Council Liaison:** Steve Olson

**City Staff Members Present:** Andrew Paranto, Alan Krcmarik, Bill Crowell, Christine Schraeder, Courtney Whittet, Derek Turner, Jim Lees, Joe Bernosky, John Beckstrom, Jon Shepard, Michelle Erickson, Nathan Alburn, Roger Berg, Ryan Van Pelt, Tanner Randall

**Guest Attendance:** Trista Fugate, Jean Clevenger, Gale Burnheart, Syliva Mccune, Bruce Crossiant, Richard Jurin, Mark Beauchamp (via video conference)

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

**INTRODUCTION OF NEW BOARD MEMBERS – Richard Rhoads and Don Cook**

**APPROVAL OF MINUTES:** Herlihey asked for a motion to approve the minutes of the June 19, 2019 meeting.

**Motion:** Dan Herlihey made the motion to approve the minutes as amended.

**Second:** Gene Packer seconded the motion. The minutes were approved unanimously.

### CITIZENS REPORT

Bruce Croissant has been having some problems that he believes the LUC is working to remedy. He believes the rate structure from 2012 was correct, but then it was changed and the new methodology to determine the base charge is incorrect.

### CONSENT AGENDA

**Item 1 – Pulled from Consent Agenda**

**Item 1.5: Big Thompson Canyon Voltage Conversion – Phase 3 Contract Increase – Jon Shepard**

The purpose of this item is for the approval of an increase to the contract for construction of Big Thompson Canyon Voltage Conversion Phase 3 to include construction of the final sections of work.

**Recommendation:** Adopt a motion recommending that City Council approve the change order to the contract for Circuit 911 Voltage Conversion – Phase 3 with Power Contracting, LLC. to increase the not-to-exceed amount to \$1,765,157.71 and authorize the City Manager to sign the change order on behalf of the City.

**Motion:** Dan Herlihey made the motion to approve item.

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

### REGULAR AGENDA

**Item 1: Award Idylwilde FERC License Surrender – Phase 2 Contract to Meridiam Partners, LLC – Christine Schraeder**

This part of the Idylwilde License Surrender Project consists of penstock removal from the surge pipe across City and Forest Service land, up to the private property on Idlewild Lane. This includes the removal of five steel trestles and

one wooden trestle, as well as removal of all visible pipe and removal in two areas where the pipe impedes natural drainages. All other buried pipe will be sealed and abandoned in place.

**Recommendation:** Adopt a motion recommending that LUC award the contract for Idylwilde License Surrender Phase 2 to Meridiam Partners in an amount not to exceed \$584,996.28 and authorize 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.

Motion: Dan Herlihey made the motion to approve the item.

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

### **Item 2: Power Cost of Service Rate Study Update – Jim Lees**

The purpose of this item is to get a recommendation from the LUC on a proposed 2020 Power rate design for all rate classes except Residential Self-Generation; and get a recommendation from the LUC to take to City Council on a proposed 2020 rate design for the Residential Self-Generation class.

**Recommendation:** Provide direction on rate design for the three key study components outlined earlier.

Motion: Dan Herlihey made the motion to recommend the proposed power rates for 2020 to City Council for all rate classes except self-generation.

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

Motion: Dan Herlihey made the motion to recommend that Option 3 be used for Self Generation the recommendation to City Council

Second: Randy Williams seconded the motion. The item was approved 8-1.

### **Item 3: Proposed Amendments to Title 19, Sections 19.04.010, Definitions, and 19.04.020, Water rights required for development – Nathan Alburn**

The Water Division Staff have recently completed a Water Use Study analyzing recent indoor and outdoor water use for existing residential housing developments. Results indicate water use per capita has lowered since the last time the water rights requirements were updated in the Municipal Code. Staff recommends responding to this data by implementing changes in the City's raw water requirements for future developments.

**Recommendation:** Approve a motion recommending that the City Council approve the proposed revisions to Sections 19.04.010, "Definitions", and 19.04.020, "Water rights required for development" of the Loveland Municipal Code, as shown in the attached proposed ordinance or as revised in form and substance as necessary.

Motion: Dan Herlihey made the motion to approve the item.

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

### **Item 4: LUC Resolution Recognizing the Market Value of One Unit of Colorado-Big Thompson Project Water – Nathan Alburn**

This item presents an updated evaluation of the City of Loveland's (City's) Cash in Lieu price charged to satisfy water rights required for development, based on data on the market price of one Colorado-Big Thompson Project (C-BT) unit.

**Recommendation:** Approve Resolution R-03-2019U (Attachment A), recognizing the City's current C-BT market value at \$37,453/unit.

Motion: Dan Herlihey made the motion to approve the item.

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

### STAFF REPORTS

#### Item 5: Water Distribution Master Plan Update – Tanner Randall

This item reviews the City's effort over the last two years to update its computerized water model and how the results have shaped the latest Water Distribution Master Plan. The presentation will be a high level review of the contents of the plan.

Staff item only. No action required.

#### Item 6: Quarterly Financial Report Update – Jim Lees

This item summarizes the monthly and year-to date financials for June 2019.

Staff item only. No action required.

### COMMISSION/COUNCIL REPORTS

#### Item 8: 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:** Went on a 2 ½ week trip to Chile, was in the path of totality for the solar eclipse and went skiing in the Andes. Saw a considerable amount of wind generation on 5-hour drive from Santiago to La Serena.

**Don Cook:**

**Gene Packer:**

**Gary Hausman:** Was in Hawaii during the last meeting, they are pushing for solar as they are having problems producing enough power.

**John Butler:** Looking for update on the litigation on Chimney Hollow.

**Larry Roos:**

**Randy Williams:**

**Richard Rhoades:**

**Sean Cronin:** Appointed by Colorado Water Conservation Board on the local economic work group, please convey any thoughts or opinions that you would like to share. Recently installed a pool, neighbor thought it was going to be hundreds of dollars to fill the pool, it was \$13. We have great rates!

**Stephanie Fancher-English:**

**Council Report:** Taking the sale and cultivation to the citizens as a ballot issue. ½ percent Sales Tax will also go on the ballot, the majority of which is for a \$61M recreation center and only 20% for infrastructure.

### DIRECTOR'S REPORT

#### Item 9: Director's Report – Joe Bernosky

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**ADJOURN** The meeting was adjourned at 7:11 pm. The next LUC Meeting will be August 21, 2019 at 4:00 pm.

Respectfully submitted,

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