

Commission Members Present: Dan Herlihey, Gary Hausman (Chair), John Butler, Randy Williams, Sean Cronin, Stephanie Fancher-English,

Commission Members Absent: Don Cook, Gene Packer, Larry Roos, Richard Rhoads

Council Liaison: Steve Olson (Arrived at 5:30pm)

City Staff Members Present: Andrew Paranto, Bill Crowell, Courtney Whittet, Derek Turner, Frank Lindauer, Jim Lees, Joe Bernosky, Larry Howard, Michelle Erickson, Nathan Alburn, Roger Berg, Ryan Van Pelt, Tanner Randall, Travis Johnson, Yarani Vasquez

Guest Attendance: Dick Mallot, Jane Clevenger, Dave Mills, Gail Barnhardt

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

APPROVAL OF MINUTES: Garry Hausman asked for a motion to approve the minutes of the August 21, 2019 meeting.

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

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

Dan Herlihey nominated Gary Hausman for Chair, with a second from John Butler.

Gary Hausman nominated Dan Herlihey for Vice Chair, with a second from John Butler.

CITIZENS REPORT

Dick Mallot advised PRPA is hosting a public open house in Loveland for public

Dave Mills – Would like Water and Power to do what we can to encourage solar installation. Also, would like to mention electric cars. There is wiring at the Foundry for chargers but no chargers, it would be perfect for employees parked at that location all day to charge their electric vehicles. And the charging station at the Library has been damaged for some time.

INFORMATIONAL ITEMS

Item 1: Financial Report Update – Jim Lees

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

Informational Item only. No action required.

CONSENT AGENDA**Item 2 pulled from Consent Agenda****Item 3: Distribution Transformer Contract – Frank Lindauer**

Award of a contract, valid through December 20, 2020, to Western United Electric Supply (WUE) for Ermco distribution transformers, including single-phase pole-mount, single-phase pad mount, and three-phase pad mount units.

Recommendation: Adopt a motion recommending that LUC award the contract for Distribution Transformers to Western United Electric Supply in an amount not to exceed \$1,144,109.45 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.

Item 4: Otak, Inc Contract Amendment for Idylwilde Hydroelectric License Surrender – Christine Schraeder

Otak, Inc Contract Amendment for Idylwilde Hydroelectric License Surrender

Recommendation: Adopt a motion recommending that LUC award the contract amendment for Otak to continue to partner with the City for Idylwilde License Surrender to its completion at the end of 2021 for an amount not to exceed \$773,845.40 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 items on Consent Agenda except Item 2.

Second: Sean Cronin seconded the motion. The items were approved unanimously.

REGULAR AGENDA**Item 2: Primary Underground Cable Contract – Yarani Vazquez**

Award a one-year contract to WESCO and Western United for primary underground cable needs.

Recommendation: Adopt a motion recommending that LUC award the contract for Primary Underground Cable to WESCO in an amount not to exceed \$715,500.00 and Western United in an amount to not exceed \$278,200.00 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: John Butler seconded the motion. The item was approved unanimously.

Item 5: 2020 Water & Power Schedule of Rates, Charges and Fees – Jim Lees

The purpose of this item is to ask the Loveland Utilities Commission to adopt a motion recommending that City Council approve the proposed changes in the Water and Power Schedule of Rates, Charges and Fees for 2020.

Recommendation: Staff seeks direction on determining the LUC's preference on a methodology or general guidelines for determining the market price for CBT units.

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

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

Item 6: 2019 Raw Water Master Plan Discussion – Larry Howard

The City of Loveland is in the process of updating the Raw Water Master Plan (RWMP). Staff seeks direction on points of discussion, which will lead to creation of recommendations for the final RWMP report which will be presented to City Council.

Recommendation:

1. Consider the draft 2019 RWMP and discussion points from this meeting.
Staff recommends delaying decisions for the CIL and NRWSF topics to allow further concept development, evaluation, and discussion.
 1. **1-in-100 Year Drought Planning** – Provide the City’s customers with a full water supply without curtailment up to a 1-in-100 year drought event.
 2. **2019 Raw Water Supply Yield Analysis** – Use as City’s raw water supply model
 3. **Raw Water Demand Target** - Continue using raw water demand target of 30,000 acre-feet
 4. **Policy for Accepting Raw Water** –
 - i. Minimum amount of every payment made using CBT, CIL, or existing Cash Credits in Water Bank
 - ii. Payment Types Allowed: CBT, CIL, Cash Credits, Native Credits
 - iii. 50% Rule Clarification: Exceptions for transactions ≤ 1 AF
 - iv. CBT Credit: Decrease from 1.0 AF/unit to 0.9/AF unit
 - v. CIL and NRWSF saved for later discussion
 5. **Maximize the Benefits of Storage** –
 - i. Complete Chimney Hollow Reservoir
 - ii. Complete Great Western Reservoir
 - iii. Explore and evaluate other water storage opportunities
 6. **Optimize Raw Water Operations** - Explore additional firm yield scenarios using alternative water supply operations
 7. **Evaluate the Most Effective Ways to Make Use of Reusable Supplies** –
 - i. Use for required return flows
 - ii. Exchange Upstream for Municipal Use
 - iii. Sell or Lease to Downstream Users
 - iv. Apply augmentation water policy approved by LUC on May 15, 2019
 - v. Raw Water / Purple Pipe System
2. Adopt a motion directing staff to incorporate the preferred policies and direction for inclusion into the 2019 Raw Water Master Plan for presentation to Council.

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

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

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: Shout out to Mike Scholl, he is moving into the private sector after 11 years with the City. He has made some great accomplishments in the City and leaving big shoes to fill. He completely changed Downtown Loveland with the Foundry.

Gary Hausman: none

John Butler: Worried about the C-BT raising so fast and Cash-In-Lieu prices, wants to make sure we don't shoot ourselves in the foot.

Randy Williams: The Raw Water Master Plan was Pulitzer prize quality technical writing, very clear and comprehensible.

Sean Cronin: none

Stephanie Fancher-English: none

Council Report: Currently in the middle of the budget process, Council has an opportunity to have two study sessions on the budget. Already had the first, and the second one is coming up. Water and Power has some increases with the most significant area of increase being Broadband, understandably.

DIRECTOR'S REPORT**Item 9: Director's Report – Joe Bernosky**

ADJOURN The meeting was adjourned at 6:00 pm. The next LUC Meeting will be October 16, 2019 at 4:00 pm.

Respectfully submitted,

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