

Commission Members Present: Bill Szmyd, Clinton O'Neill, Dan Herlihey (Vice Chair), Don Cook, Gary Hausman (Chair), Gene Packer, John Butler, Matt Elkins (Virtual), Randy Williams, and Richard Rhoads.

LUC Commission Members Absent: N/A

Council Liaison Present: Councilor Jon Mallo and Councilor Steve Olson.

City Staff Members Present: Bill Crowell, Derek Turner, Frank Lindauer, Jim Lees, John Beckstrom, John Faulkner (virtual), Kevin Gertig (Director), Laurie Cecere, Lynn Valdez, Melanie Reeves, Michelle Erickson, Roger Berg (virtual), Ryan Van Pelt, Steve Johnson, Tanner Randall, Todd Hanlin, and Yarani Vazquez.

Guest Attendance: None.

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

Item 2.1: Adoption of Minutes – Gary Hausman

This item requested a motion to approve the minutes of the November 17, 2021 meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from November 17, 2021.

Motion: Dan Herlihey made the motion.

Second: John Butler seconded the motion. The minutes were **approved** unanimously with a **9-0** vote.

CITIZENS REPORT

INFORMATIONAL ITEMS

Item 4.1: Electric Legislative Update – Laurie Cecere

This item and Attachment A 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.

Recommendation: Information Only. No Action Required.

Item 4.2: Financial Report Update – Jim Lees

This item summarizes the preliminary monthly and year-to-date financials for November 2021.

Recommendation: Information Only. No Action Required.

Item 4.3: Water Supply Update – Ryan Van Pelt

This item provides the raw water supply update.

Recommendation: Information Only. No Action Required.

Item 4.4: Water Law and Legislative Update – Derek Turner

This item provides a brief update on:

- (1) Water-related legislation introduced or under discussion by the Colorado General Assembly during the legislative season;
- (2) Water court developments or items of interest in District 4 of Water Division 1 (The Big Thompson and Little Thompson River basins);
- (3) Colorado or Loveland-related water news.

Gary Hausman shared his thoughts on the great loss of Gregory Hobbs, a former Colorado Supreme Court justice who was instrumental in working for the interests of Colorado's water laws and legislation. **Derek Turner** shared that he clerked for Justice Hobbs earlier in his career.

Recommendation: Information Only. No Action Required.

CONSENT AGENDA**Item 5.1: Renewal Contract for Distribution Transformers – Steve Johnson**

The purpose of this item is to award a one-year contract to Western United Electric for Distribution Transformers (2018-68).

Recommendation: Adopt a Motion Recommending that LUC Award the Renewal Contract for Distribution Transformers to Western United Electric in an amount Not-To-Exceed \$1,800,000.00 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.

Steve Johnson cited an increase in prices over the past year, as well as the potential loss of lead times ahead of new projects as a reason to renew this contract. **Johnson** also discussed why the City would like to renew with Western United Electric rather than seeking a new manufacturer because manufacturers are booked into 2023 and don't have available supplies to take on new contracts. **Gene Packer** questioned if these transformers are manufactured in the United States and **Johnson** confirmed that they are.

Motion: **Dan Herlihey** made the motion.

Second: **Don Cook** seconded the motion. The motion was **approved** unanimously with a **9-0 vote**.

REGULAR AGENDA**Item 6.1: Contract for Airport Substation Transformer**

The purpose of this item is to ask the Loveland Utilities Commission to Award a contract to Niagara Transformer of Buffalo, New York for Airport Substation Transformer Project No. 2021-127 for \$1,171,588.00.

Recommendation: Adopt a Motion Recommending that LUC Award the Contract for the Airport Substation Transformer Project to Niagara Transformer in an Amount not to Exceed \$1,171,588.00 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.

Bill Szmyd wanted to know if there is a performance clause in this contract. **Bill Crowell** said that there is not a performance clause in place because of supply chain issues and concerns that the proposal would not be accepted if one was in place. **Don Cook** wanted to know if suppliers ever accept liquidated damages if they don't meet their timeline. **Crowell** explained that an expectation for liquidated damages can sometimes lead to a request for an early completion bonus, so the City weighs the financial impact of both possibilities.

Motion: **Dan Herlihey** made the motion.

Second: **John Butler** seconded the motion. The motion was **approved** unanimously with a **9-0 vote**.

STAFF REPORT

Item 7.1: Integrated Water and Land Use Planning – Michelle Erickson

This item is to provide a brief overview of what the City is currently doing and plans to do between now and 2029 to address water efficiency in outdoor landscaping and irrigation.

Bill Szmyd agrees that the presentation, and ongoing efforts are good, but is still concerned about the immediate threat of drought and the price of water. **Szmyd** is concerned that the measures we have in place are taking too long. **Szmyd** cited that sod is the cheapest option for the developer because the irrigation costs are eventually taken over by the HOA's. **Szmyd** serves on the Little Thompson Board and they are discussing this issue also. **Kevin Gertig** agrees with the concerns regarding timeline and knows that this is an ongoing topic. **Gertig** wants to discuss options to deliver and expedite solutions at a future meeting.

Recommendation: Staff item only. No action required.

Item 7.2: Green Ridge Glade Reservoir Enlargement Feasibility Study – Ryan Van Pelt

This item provides information related to the recently completed feasibility study for enlarging Green Ridge Glade Reservoir.

There were two main questions that the **Commission** asked **Ryan Van Pelt** in regards to the feasibility study:

1. Can Green Ridge Glade Reservoir be used to firm our transbasin Windy Gap water supply?
 - a. We can store part of our Windy Gap water in Green Ridge Glade Reservoir to help firm this water source.
 - b. However, the main purpose of the current Windy Gap Firming Project, aka Chimney Hollow Reservoir, is to firm and store Windy Gap Water.
 - c. City of Loveland is a 10,000 acre-foot participant in the Windy Gap Firming Project, which is estimated to have a storage capacity of 90,000 acre-feet upon completion of the reservoir.
 - d. The City plans on storing its full allotment of Windy Gap water (40 units) in Chimney Hollow Reservoir and initially utilizing this as a drought supply, see page 23 and page 27 of the City

of Loveland 2020 Raw Water Master Plan (<https://www.lovelandwaterandpower.org/city-government/departments/water-and-power/reports-projects/-folder-1756>).

2. What does the City plan on doing with the extra 487 acre-feet of storage in Green Ridge Glade Reservoir?
 - a. If the City decides to move forward with the project, the extra storage will be used to help meet future demand and to increase the firm yield of our water rights.
 - b. Project implementation is not anticipated for another 10 to 20 years out, and by then the City will be able to better evaluate the potential for continued growth and future demand.
 - c. Green Ridge Glade Reservoir is also directly above the City's water treatment plant and is in an ideal location for delivering raw water into the plant by gravity.

Recommendation: General feedback desired from the Loveland Utilities Commission with preference regarding the following items of the feasibility study:

1. Preferred Alternative
2. Permitting and environmental impacts
3. Public outreach
4. Construction

COMMISSION & COUNCIL REPORTS

Item 8.1: Commission Reports

Bill Szmyd: None.

Clinton O'Neill: None.

Dan Herlihey: Herlihey saw a report posted on BizWest: [PRPA seeks proposals for additional 250MW of solar power](#).

Don Cook: None.

Gary Hausman: None.

Gene Packer: None.

John Butler: John Butler thanked Jim Lees and Allison Bohling for helping him with a project. Butler requested a report on the Customer Relations assistance program last Saturday. Kevin Gertig reported some disappointment at the turnout at the event. Gertig observed that we care greatly, but at the end of the day we are an enterprise fund. There has been some local assistance to help pay unpaid bills, but there is still more to be done. Help is available, but how do we reach the people who need it? Gertig is open to suggestions if the commission has any ideas to reach the right people.

Matt Elkins: None.

Randy Williams: None.

Richard Rhoads: None.

Item 8.2: Council reports

Councilor Steve Olson: Councilor Steve Olson was pleased to introduce Councilor Jon Mallo, the alternate council liaison appointed to the Loveland Utilities Commission. Olson also recognized Kevin Gertig's appointment to the Platte River Power Authority Board of Directors. Olson noted that the City Council retreat has been scheduled for Saturday, February 5, 2022. The retreat is open to the public if

anyone wants to attend. Last night at the Council meeting the Board & Commission handbook was reviewed and **Olson** welcomes comments or suggestions from the Commission as it hasn't been updated since 2016. The topic of unpaid utility bills comes up frequently with **City Manager Steve Adams**. We gave roughly \$150,000.00 dollars to [Neighbor to Neighbor](#) to assist people with unpaid utility bills. There is around \$900,000.00 dollars in unpaid utility bills at this time. The decision has been made to not shut off electricity at this time.

Councilor Jon Mallo: Councilor Mallo said that he and **Councilor Olson** have the same view on attendance at commission meetings and they feel it is important to be here. **Mallo** hopes to get educated and up to speed.

Recommendation: Commission & Council item only. No action required

DIRECTOR'S REPORT

Item 9.1: Director's Report

- On Tuesday, December 7, 2021, **Kevin Gertig** was appointed by City Council to serve as the Appointed Director from Loveland on the Platte River Power Authority (PRPA) Board of Directors. Gertig's term will commence immediately (December 2021) and will expire in December 2025.
- Registration is open for the [2022 Colorado Water Congress \(CWC\) Annual Convention](#). The Convention dates are Wednesday, January 26, 2022 to Friday, January 28, 2022. **Gertig** invited the Commission to participate if they are interested and available. Please contact **Melanie Reeves** if you are interested in attending.
- Update on construction at the Water Treatment Plant facility. Please see Attachment B for pictures.
- Justin Whitesell, the Emergency Operations Director of Larimer County Sheriff's Office, will be a guest speaker in January presenting on the Kruger Rock fire in Estes Park.

ADJOURN: The meeting was adjourned at 5:44 p.m.

Respectfully submitted,
Melanie Reeves
Recording Secretary
Loveland Utilities Commission /s/ Gary Hausman, Chair

