

Commission Members Present: Matt Elkins, James Laferriere, Clinton O'Neill, John Butler, Don Cook, Gary Hausman (Chair), Gene Packer, Randy Williams, Dan Herlihey (Vice Chair)

LUC Commission Members Absent: Bill Szmyd

Council Liaison Present: Steve Olson

City Staff Members Present: Christine Schraeder, Cree Goodwin, Kevin Gertig, Derek Turner, Jim Lees, Tanner Randall, Todd Hanlin, Tyler Groce, Melanie Reeves, Lynn Valdez, Nathan Alburn, Carl Woodward, Tracey Hewson, Rebecca Howe, Ryan Van Pelt, John Beckstrom, John Faulkner, Frank Lindauer, Tim Bohling, Erica McDaniel, Michelle Erickson (virtual).

Guest Attendance: Kyle Whitaker, Brad Wind, Mark Hatfield, Dave Mills, Gale Bernhardt, Dick Mallot, Dean Williams, Dammie Godo (virtual), Brad Dixon (virtual), Kierra Thomas (virtual)

CALL TO ORDER: Gary Hausman called the meeting to order at 3:00 PM.

Item 2.1: Adoption of Minutes – Gary Hausman

This item requested a motion to approve the minutes of the July 20, 2022 meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from July 20, 2022.

Motion: Dan Herlihey made the motion.

Second: Don Cook seconded the motion. The minutes were **approved** unanimously with a 7-0 vote. (Randy Williams had not arrived yet and did not vote).

CITIZENS REPORT

Item 3.1 Citizens Report

- Dave Mills has been a resident for 47 years and has been interested in improving the quality of our air for 47 years. He encouraged the acceleration and execution of the project to install AMI metering for all residents and businesses to help transition to wind and solar and away from coal. He also suggested researching the IRA (Inflation Reduction Act) that is part of a bill Biden signed recently because it has tools that may be useful to cities to move away from reliance on natural gas appliances to electric appliances. He has been interested in residential solar for a long time but doesn't have it yet. He recently got a quote on how long it would take to get a payback on an investment on solar and it was 27 years. He said that one of the disadvantages of having low rates for electricity is that the payback on solar isn't as great because electricity is already low. In addition, there is a fixed cost per month that a solar customer pays which negates some of the payback. He has 3 electric vehicles that he charges at home so their use is higher. He believes it doesn't make sense to have the fixed cost for solar, and that there are far more electric vehicles than solar customers which the city is benefitting more from.

INFORMATIONAL ITEMS

Item 4.1: Water and Law Legislative Update – Derek Turner

This item provides a brief update on water-related legislation introduced or under discussion by the Colorado General Assembly during the legislative season, water court developments or items of interest in District 4 of Water Division 1 (The Big Thompson and Little Thompson River basins), and Colorado or Loveland-related water news.

Recommendation: Information Only. No Action Required.

Item 4.2: Electric Legislative Update – Derek Turner

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 4.3: Financial Report Update – Jim Lees

This item summarizes the preliminary monthly and year-to date financials for July 2022.

Recommendation: Information Only. No Action Required.

REGULAR AGENDA

Item 5.1: Colorado River Update – Kyle Whitaker & Todd Hanlin

Kyle Whitaker, the Water Rights Department Manager for Northern Water, provided an update on the Colorado River Compact, including its history and current conservation efforts. Following the presentation by Mr. Whitaker, Water Resources Manager Todd Hanlin gave a brief presentation highlighting the City's water supply sources and demand projections.

Recommendation: Informational item only. No action required.

Item 5.2: Loveland's Metering Program Phase II Update – Mark Hatfield

The City of Loveland is currently contracted with ESource Technology to serve as a consultant for this project for Loveland Water and Power. Mark Hatfield, the Vice President, Innovation of E Source Technology, gave a presentation with valuable information related to the project within the City, the benefits of AMI, AMI trends for US and Colorado, and an opt-out program. Mark Hatfield explains how AMI will affect customers, addresses misinformation, and describes how installing AMI benefits the operations of the City. Loveland Water and Power began the AMI deployment in 2014 with a pilot program for their key account customers. From 2018-2019, Loveland Water and Power deployed AMI meters for commercial and industrial accounts and for each customer in the Big Thompson Canyon. This was considered Phase 1 of the project. Phase 2 of the AMI Deployment Project began in 2020 with the implementation of the Customer Information System (CIS Infinity) database and the MDMS SmartWorks implementation. Mark Hatfield will also make a presentation to the Loveland Communications Advisory Board on September 14, 2022. The Director of Water and Power, Kevin R. Gertig, will present AMI deployment information to City Council on September 13, 2022.

Recommendation: Information item only. No action required.

Item 5.3: P2 Pump Station Funding – John Faulkner

The City of Loveland's (City) P2 Pump Station will be constructed adjacent and to the west of the P1 Pump Station at the southwest corner of Rio Blanco Avenue and 29th Street. The P2 Pump station will provide system redundancy and water to future developments in the northwest region of Loveland within the P2 pressure zone which is roughly west of Wilson Avenue between Eisenhower Boulevard and West 57th Street. This pump station has been on the City's radar for over 15 years and the latest agreement with the developer is that the study, design, and construction cost are shared at 66.7% from the developer and 33.3% from the City. The project construction cost will be reimbursed upon the receipt of plats with the developer recouping their cost first, followed by the City recouping their cost. Under the request from the developer to start the construction of the pump station, the City requested bids from three prequalified contractors and the bid opening was on August 4th, 2022. As a result of inflation, material and equipment availability, and long lead times for equipment and materials, the low bid was 54% higher than budgeted by both the City and developer. Ventara Capital will be making a payment of \$1,802,001.33 for their additional portion of the construction. A sufficient fund balance is available in both the Water Unrestricted Fund and the Water SIF Fund for these appropriations. This transfer of money will not negatively impact future projects.

Recommendation: Approve a motion Recommending that the City Council approve an Ordinance making three Supplemental Appropriations to the 2022 Water Utility Budget:

- 1) An Appropriation of \$660,400 to the Water Utility Unrestricted Fund Capital Expenditure Budget
- 2) An Appropriation of \$2,641,601 to the Water Utility System Impact Fee (SIF) Fund Capital Expenditure Budget
- 3) An Appropriation of \$1,802,001 to the Water Utility System Impact Fee (SIF) Fund Revenue Budget

Motion: John Butler made the motion.

Second: Gene Packer seconded the motion. The motion was **approved** unanimously with a **7-0 vote**. (Dan Herlihey recused himself from the vote since he is an employee of HDR.)

STAFF REPORT**Item 6.1: Annual Consumer Confidence Report Overview – Tim Bohling & Erica McDaniel**

The EPA Consumer Confidence Report Rule of 1998 requires drinking water providers to publish an annual CCR for the purpose of informing the water consumer of potential contaminants and other information about the water they drink. It is specifically formatted to provide information to the consumer regarding multiple aspects of their drinking water from source to tap. The information given to consumers is to increase understanding of drinking water supply and services, and to facilitate consumer participation in decisions that affect public health.

All community water systems are required to include standard information as defined by the EPA and Colorado Department of Public Health and Environment (CDPHE). This includes all water sources used for drinking water treatment, contaminants that may be present in the treated water, and information regarding neighboring water districts that could potentially supplement Loveland's drinking water supply. Other informational requirements are educational material on lead and copper, bottled water and required monitoring for certain contaminants that may affect public health. It also must have compliance information regarding other drinking water regulations, such as special notices and violations. The CCR is posted on LWP's Water Quality webpage. There are additional communication requirements such CCR

availability notifications in the City Update, customer utility bills and social media platforms, along with printed copies for multifamily building and communities.

Loveland's CCR stands out because it not only contains the required information but many other informational topics. This includes additional, non-regulatory testing, local and regional collaborations, and infrastructure, like the new Water Quality Laboratory, all demonstrating Loveland's commitment to ensuring the water it supplies is of the best possible quality.

Recommendation: Information item only. No action required.

COMMISSION & COUNCIL REPORTS

Commission Reports

Dan Herlihey: Shared that he is a board member for the Loveland High Plains Art Council and they just had the annual Art in the Park event.

Gene Packer: He had a couple of questions on the 1st Street project and water main breaks. Tanner gave an update on the project as well as the water main break on highway 34.

Bill Szmyd: Not present.

Clinton O'Neill: None.

Don Cook: Don asked about when the solar rates info was going before City Council. Kevin explained that it will be next week.

Gary Hausman: None.

John Butler: John talked about the joint meeting with the Construction Advisory Board a year or two ago where the water rates were adjusted. John asked about whether those have been reviewed again. John Beckstrom clarified that it is being worked on currently.

Matt Elkins: None.

Randy Williams: Randy commented on the solar field and that the panels seem to be correctly aligned. Christine Schraeder provided an update on what happened and how it has been addressed.

James Laferriere: None.

Council reports

Steve Olson: Talked about the Draper Project last night. Agreed to cost sharing and agreement for parking garage so that is a major development and Councilor Olson talked about some of the benefits of the agreement. There are also some hip streets improvements happening in conjunction with the project. Also updated on the Rocky Mountain Grand project. Kevin clarified that Loveland Water & Power will provide power but not water to this project.

Jon Mallo: Not present.

DIRECTOR'S REPORT

Item 8.1: Director's Report

- Kevin welcomed back Melanie Reeves.
- Kevin gave an update about a CDPHE Tier 3 Violation and that there will be an upcoming public notice.
- Looking for a smaller group of LUC members to work as a task force with our Water Resource Team on water vulnerabilities for City of Loveland and the need to become familiar with the Raw Water Master Plan. Gary asked for volunteers and Gene Packer offered to help.

Randy Williams offered to help. Gary said he would be involved and Steve will also plan to take part.

- COS slated for August 23rd to City Council – would be great to have a few of you present if needed
- Update on supply chain. Currently Water & Power is going ok depending on the material. Kevin is thankful for the support from the LUC on approving supplements to allow our staff to obtain supplies.
- Tanner gave an update on his plan to review the water side of the organization and a few changes with development review, inspecting, and locating.
- Kevin gave an update on the recruitment process for the Power Utility Manager.
- Kevin wanted to share an article as an FYI:
<https://www.energy.gov/energysaver/articles/water-our-most-precious-resource>
- Update on water main breaks and repairs

ADJOURN: The meeting was adjourned at 6:01 PM.

Respectfully submitted,
Tyler Groce
Recording Secretary
Loveland Utilities Commission /s/ Gary Hausman, Chair

