

Commission Members Present: Bill Szmyd, Dan Herlihey (Chair), Don Cook (Vice Chair), Gary Hausman, Gene Packer, Richard Bilancia, Randy Lee Williams, Christopher Say

LUC Commission Members Absent: John Butler, Matt Elkins

Council Liaison Present: Steve Olson

Council Liaison Absent: Andrea Samson

City Staff Members Present: Aaron Rodriguez, Adam Bromley, Catharine Kellogg, Chad Birgenheier, Clinton O'Neill, Derek Turner, Jim Lees, John Faulkner, Kevin Gertig (Director), Melanie Reeves, Nathan Alburn, Ryan Van Pelt, Todd Hanlin, Tracey Hewson, Robert Moore, Noah Cecil.

Guest Attendance: Jason Mumm and Melanie Hobarth (FCS Group)

CALL TO ORDER: Dan Herlihey called the meeting to order at **3:00 PM**.

ADOPTION OF MINUTES

Item 2.1: Adoption of Minutes – Dan Herlihey

This item requested a motion to approve the minutes of the February 21, 2024 meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from February 21, 2024.

Motion: Don Cook made the motion.

Second: Bill Szmyd seconded the motion. The minutes were **approved** with a **6-0 vote**. Gary Hausman was not present for this vote and arrived after.

CITIZENS REPORT

Item 3.1: Citizens Report

None.

INFORMATIONAL ITEMS

Item 4.1: Water and Law Legislative Update – Derek Turner

Derek Turner notified the Commission that he will be leaving the City of Loveland to take a job with the Attorney General's office in Denver. He also introduced **Noah Cecil**, Assistant City Attorney II, as his replacement assisting the Commission and Water and Power.

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 Item Only. No Action Required.

Item 4.2: Water Supply Update – Ryan Van Pelt

This item provides the raw water supply update.

Recommendation: Information Item Only. No Action Required.

Discussion: Gene Packer wanted to know if the Snowtel map included the most recent snowstorm. Ryan Van Pelt confirmed that it included two days of the storm, but not Thursday.

Item 4.3: Electric Legislative Update – Derek Turner

This item is intended to give a brief update on electric-related legislation at both the state and federal level. Loveland representatives participate in the bi-weekly legislative committee meetings convened by the Colorado Association of Municipal Utilities (CAMU) to track legislative developments related to the electric generation industry.

Recommendation: Information Item Only. No Action Required.

Item 4.4: Financial Report Update – Jim Lees

This item summarizes the preliminary monthly and year-to-date financials for February 2024.

Recommendation: Information Item Only. No Action Required.

Discussion: Richard Bilancia had a question on the Raw Water statement regarding cash-in-lieu of water rights (line 5). He wanted to know whether the \$1.1 million dollars listed there indicated we would have a good 'build' year (regarding developments). He also had a question on the Water statement (line 8) other revenue and was curious what that dollar amount indicated. Jim Lees noted that the large amount he indicated on the water statement was due to a grant that we received payment for that we are using on fire mitigation and recovery (putting down mulch, etc.) and he noted that the grant should have been listed in line 9 (Federal and State Grants) and not where it is currently listed. He also wanted to know why our treatment expenses were so far under budget and Jim Lees will need to investigate that item and report back. Finally, Richard also noted that he was happy to see that repayment is being made on the \$15 million dollar loan to Pulse from the Electric Utility. He wanted to know if Pulse needed the full \$15 million dollar loan for their build and Jim confirmed they did.

Item 4.5: Boards and Commissions Super Issue Meeting – Melanie Reeves

Discuss the upcoming Boards and Commissions Super Issue Meeting on Wednesday, April 3, 2024 at 6 p.m. in the City Council Chambers, 500 E. 3rd Street.

Recommendation: Information Item Only. No Action Required.

REGULAR AGENDA**Item 5.1: Seasonal and Tiered Water Rate Designs – Jim Lees**

The purpose of this item is to ask the Loveland Utilities Commission (LUC) to adopt a motion recommending that City Council approve the proposed changes in rate structure to the customer classes for the Water Utility as follows:

- 1) Change the Single-Family Residential customer class from being billed on a Uniform Rate Structure to a Tiered Rate Structure
- 2) Change the Multi-Family Residential customer class and the Commercial customer class from being billed on a Uniform Rate Structure to a Seasonal Rate Structure
- 3) Keep the Irrigation customer class and the City Government customer class on the existing Uniform Rate Structure
- 4) Make the effective date of the changes to the rate structures be January 1, 2025

Recommendation:

Adopt a Motion Recommending that City Council Approve the Proposed Changes in Rate Structure to the Customer Classes for the Water Utility beginning January 1, 2025 as follows:

- 1) Change the Single-Family Residential customer class from a Uniform Rate Structure to a Tiered Rate Structure
- 2) Change the Multi-Family Residential customer class and the Commercial customer class from a Uniform Rate Structure to a Seasonal Rate Structure
- 3) Keep the Irrigation customer class and the City Government customer class on the existing Uniform Rate Structure

Discussion: Dan Herlihey wanted to know how the 2025 budgeting process applies to these changes. **Jim Lees** noted that there is already an assumed increase built into the rates for 2025.

Rich Bilancia had a question regarding the software implementation cost and an assumed increased people cost (to implement the software changes) in the event of these rate changes. Due to the loss of the food tax revenue for the City of Loveland, Rich had concerns that additional city staffers would be able to make the necessary changes if there are cuts in the general fund. **Jim Lees** noted that the Utility Billing department is mostly funded out of Water and Power, and we do not anticipate any issues.

Bill Szymd and **Dan Herlihey** both noted that they felt all questions were answered during the subcommittee meetings.

Gary Hausman stated that he was concerned with a loss of revenue in the event of adopting tiered rates and he noted that his fears were unjustified as proved during the meetings and the presentation by Jason Mumm and Melanie Hobart of FCS Group.

Motion: Don Cook made the motion.

Second: Richard Bilancia seconded the motion. The motion was **approved** unanimously with a 7-0 vote.

Item 5.2: 43rd Street 3.5 MG Water Storage Tank Construction Contract Award – John Faulkner

The purpose of this item is to award the CMAr construction contract to Garney Companies for the guaranteed maximum price (GMP) for the construction of the 43rd Street 3.5 Million Gallon (MG) Post Tensioned Concrete Water Storage Tank Project.

Recommendation:

Adopt a Motion to Award the Contract for the 43rd Street 3.5 MG Water Storage Tank Project to Garney Companies Inc., in an Amount not to Exceed \$11,494,607 and Authorize The City Manager to Execute the Contract on Behalf of the City.

Discussion: Gene Packer wanted to know if there was additional cost to build a buried tank, as designed. John Faulkner noted that there are additional design costs to the tank, but he felt it was within reason.

Bill Szmyd wanted to know how the tank would be secured since there is typically a ladder and height to limit access to the top of a water tank. John noted that these tanks are surrounded by protective fencing and intrusion monitors that notify city staff via our SCADA system that there is a disturbance.

Gary Hausman wanted to know how we planned for the volume of this additional tank, and Chad Birgenheier noted that we had this tank planned in our 10-year CIP based on population increases.

Motion: Don Cook made the motion.

Second: Gary Hausman seconded the motion. The motion was **approved** unanimously with a **7-0** vote.

Item 5.3: Electric Vehicle Charging Station Rates For Commercial Power Customers – Jim Lees

The purpose of this item is to ask the Loveland Utilities Commission (LUC) to adopt a motion recommending that City Council approve the proposed addition of Electric Vehicle Charging Station Rates For Commercial Power Customers to the Water and Power Utility Rates, Charges and Fees for 2024.

Recommendation:

Adopt a Motion Recommending that City Council Approve a Resolution Amending the 2024 Water and Power Utility Rates, Charges, and Fees to add Electric Vehicle Charging Station Rates for Commercial Power Customers.

Motion: Don Cook made the motion.

Second: Bill Szmyd seconded the motion. The motion was **approved** unanimously with a **7-0** vote.

Item 5.4: Loveland Utilities Commission 2023 Annual Report – Kevin Gertig

During the February Loveland Utilities Commission meeting, the commission was notified that the city is requesting an Annual Report for 2023 based on our 2023 Work Plan (Attachment A). A small group of commission members met on March 5, 2024 to create the Annual Report draft (Attachment B) that is proposed for consideration and adoption. This report is intended to align with the City of Loveland Strategic Plan and is due by Monday, April 1, 2024. The City Clerk's Office will provide copies of this document to City Council for their review.

Recommendation:

Adopt a Motion Recommending that the Loveland Utilities Commission Approve the Loveland Utilities Commission Annual Report for 2023.

Motion: Don Cook made the motion.

Second: Gary Hausman seconded the motion. The motion was **approved** unanimously with a 7-0 vote.

COMMISSION & COUNCIL REPORTS**Item 7.1: Commission Reports**

Dan Herlihey: None.

Gene Packer: Gene noted that CSU basketball won their first game last night.

Bill Szmyd: Bill had questions on hacking attacks on wastewater (a news item he recently read). Kevin noted that America has a lot of water utilities and some of the smaller systems do not have the resources to protect themselves. He believes we have a very well-designed system and team to maintain it. Bill also noted that the EPA is ramping up their PFAS testing. Chad Birgenheier noted that we are currently testing for PFAS at the City of Loveland and further information is posted to our website under '[Frequently Asked Questions - Has the City of Loveland tested for Perfluorinated Compounds \(PFAS\)?](#)'. Bill also wanted to know if we had power outages during the last snowstorm. Adam Bromley confirmed that we had a few minimal outages, and they were mostly due to trees falling on lines.

Don Cook: Don noted that there is a fair amount of graffiti on the 29th street transformer and he wasn't sure who to report that to. Adam Bromley will look into the location and those types of concerns can always be reported to the [Water and Power main phone line](#).

Gary Hausman: Gary congratulated Kevin on his appointment to PRPA.

John Butler: N/A

Matt Elkins: N/A

Randy Williams: Randy congratulated Kevin on his appointment to PRPA.

Richard Bilancia: Rich read a reference to the fact that Bill Gates is starting to fund deployment of small cell nuclear reactors.

Christopher Say: Christopher noted that he was in California recently and his sister had several power outages in her subdivision for greater than 14 hours in one week. Christopher noted that he appreciates the level of service that we have here in Loveland for the price that we pay.

Council Reports

Steve Olson: Councilor Olson noted that on March 5th he spoke to Council about the role of Council and he wasn't sure that the message was heard. Council also visited Washington, DC to attend the National League of Cities. Olson spent most of his time with the youth councilors and was able to attend their delegate meetings and take them on a walking tour of some of the monuments. Olson also noted that there are three lawsuits against the majority of council right now.

Andrea Samson: N.A.

DIRECTOR'S REPORT

Item 9.1: Director's Report – Kevin Gertig

1. Platte River Power Authority news release (March 1, 2024): Platte River Board names new chair and vice chair (**Attachment A**). Kevin noted that the meetings are open to the public and also available virtually.
2. Platte River Power Authority news release (February 23, 2024): Utility energy program recognizes customers for saving energy and reducing carbon footprint. (**Attachment B**)
3. Water Project Updates for February – see **Attachment C**.
4. AMI Deployment Project Updates for February - see **Attachment D**.
5. Electric Capital Project Updates - See **Attachment E**.
6. Chimney Hollow Overlook Visits Begin April 17th! Please head to this link to sign up for the [Chimney Hollow Tour Interest List](#)! Due to high demand, individuals are limited to one visit per season. Registration must be made at least two business days prior to the visit. Attendees accepted to take part in a visit will be emailed confirmation details two days prior. Due to site safety, attendees must be at least 18 years of age.
 - a. If you would like to see an independent video of the Chimney Hollow Dam Construction project, please visit: [Building a New Reservoir to Supply 825,000 People with Water!](#)
7. Please make note that our June Loveland Utilities Meeting (scheduled for June 19, 2024) will need to be rescheduled due to the Juneteenth Holiday (a recognized City holiday). We will not vote to move the date of this meeting until May, but please make a note for yourself now. Currently we plan to push the meeting back by one week to June 26, 2024.

ADJOURN: The meeting was adjourned at 5:25 p.m.

Respectfully submitted,
Melanie Reeves
Recording Secretary
Loveland Utilities Commission /s/ Dan Herlihey, Chair

