MINUTES OF THE JOINT MEETING OF THE BOARD OF DIRECTORS OF LITTLE THOMPSON WATER DISTRICT AND CENTRAL WELD COUNTY WATER DISTRICT

The Board of Directors of Little Thompson Water District (LTWD) met in a Joint session with the Board of Directors of Central Weld County Water District (CWCWD) on Wednesday, February 28, 2024. Attendance was as follows:

CWCWD Directors and Staff in Attendance:
Albert L. Lind, Vice-President
Katie Strohauer, Secretary-Treasurer
T. Scott Meining, Director
Pete Ulhrich, Director
Stan Linker, District Manager
Roxanne Garcia, District Office Manager

LTWD Staff in Attendance:
Emily McMurtrey, President
Steven Brandenburg, Vice-President
Larry Brandt, Treasurer
Ryan Heiland, Director
Ed Martens, Director
Bill Szmyd, Director
James J. Walker, Director
Amber Kauffman, District Manager
Judy O'Malley, Recording Secretary

CLFP Staff in Attendance:
Rick Whittet, Plant Manager
Bryan Beberniss, Chief Operator

Other Attendees:
Josh Cook, P.E., NoCo Engineering
Andy Williamson, NoCo Engineering
Wes LeVanchy, WEL Consulting, Inc.

CALL TO ORDER

CWCWD Vice-President Albert Lind called the meeting to order at 5:06.

ROLL CALL

Roll call was taken. CWCWD President James W. Park was absent. All other Directors were present.

AGENDA REVIEW

There were no changes to the agenda.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

There were no public comments.

DISCUSSION ITEMS

NoCo Engineering Company (NEC) Pretreatment Presentation:

Josh Cook, P.E., presented the following information to the Boards:

- Mr. Cook provided an architectural visualization to review the design of the pretreatment plant.
  - Some of the main points of the design include:
    - Storage for 32 to 33 million gallons of water per day (MGD).
    - The flow rate to the North Plant will be 10 MGD without pumps and 17.5 MGD with pumps.
    - The Dissolved Air Flotation (DAF) Station will have saturation tanks and two flocculation containers up front.
      - Contact time will be 25 minutes versus the current one to two minutes.
      - The additional contact time will help with turbidity, total organic carbons (TOCs), and taste and odor.
      - Carter Lake Filter Plant (CLFP) has been tested for per- and polyfluoroalkyl substances (PFAS) and a negligible amount was found.
      - Solids that rise to the top will be moved to the sludge pool.
    - A clearwell will be located beneath the pretreatment building that will hold approximately 700,000 gallons of water.
    - The new cost estimate includes everything, even inflation estimates, and is currently at $50,000,000.
      - Mr. Cook did not want to skimp on quality but saved money where possible, by reusing certain materials.

        - ◊ Mr. Cook hired LSI to procure the electrical materials beforehand to avoid delays.
    - Preparation work has started on the South Plant to prevent more than a quick shutdown during construction.

Roundtable Discussion – Dry Creek Reservoir (Dry Creek) Operations: Native Water and Interstate-25 (I-25) Treatment Plant:

Josh Cook, P.E., presented the following information to the Boards:

- Dry Creek has three pumps that can pump between 2.0 and 2.1 MGD.
    - ❖ A one MGD pump will be installed by the end of April.
- Treatment of Dry Creek for geosmin and 2-Methylisoborneol (MIB) will begin in May.
    - ❖ Testing for the presence of these naturally occurring compounds cannot be done while the water is cold.
        - Geosmin and MIB are usually present between June and October.
    - ❖ CWCWD District Manager Stan Linker questioned LTWD District Manager Amber Kauffman regarding the presence of geosmin and MIB in LTWD's native waters.
        - Ms. Kauffman advised that since the drought in 2002 LTWD has been working to diversify the water supplies.
            - ◊ Ms. Kauffman noted the water quality at Lonetree Reservoir shows higher levels of geosmin, MIB, silica and turbidity than Dry Creek Reservoir.
        - Ms. Kauffman further advised the group that LTWD is currently evaluating pumping stations and pipeline layouts to bring the native waters from Lonetree Reservoir to Dry Creek.
            - ◊ LTWD expects it will take one to two years to obtain easements and design for the pipeline layout will occur as easements are obtained.
            - ◊ LTWD is hopeful the native water pumping stations and pipeline will be completed close to the completion of the pretreatment plant for CLFP.

The group discussed the possibility of LTWD using native waters for non-potable systems, which waters LTWD owns that can be used in such a manner, and that LTWD is working with some developments in the Town of Mead (Mead) to set-up non-potable systems.

- LTWD Director Ed Martens questioned the result of LTWD releasing water out of Dry Creek.
    - ❖ Ms. Kauffman advised the only reason Northern Colorado Water Conservancy District (Northern) allowed the release was because LTWD Staff located a party that could have beneficial use of the water.
    - ❖ CLFP Manager Rick Whittet advised the water quality at Dry Creek had begun to degrade in 2012.
    - ❖ Mr. Linker noted Dry Creek was to be used as drought protection.
    - ❖ It is expensive to pump water from Dry Creek to CLFP, but hopefully pumping one MGD will help to turnover the water without as many taste and odor issues.
- A Floating Photovoltaic System could help reduce evaporation and algae growth.
    - ❖ Ms. Kauffman noted that if only LTWD installs a system on half of Dry Creek it may not generate enough energy to sell back to the electricity grid and offset the expense.
    - ❖ Mr. Linker advised CWCWD would not be able to take on another project at this time.
- The costs of demolishing an existing shed and rebuilding a new one at Dry Creek are being evaluated.
- The cost of obtaining a new boat for LTWD Staff to perform water sampling on Dry Creek was being evaluated.
    - ❖ Ms. Kauffman advised Staff were reviewing a more stable style of boat such as a Zodiac.
- CWCWD is still leasing some of their storage space in Dry Creek to other water providers.
- Ms. Kauffman advised LTWD Staff are developing a Raw Water Master Plan.
    - ❖ The Raw Water Master Plan will be used to assist LTWD Staff in determining the best uses for every type of water the district owns and if Windy Gap water can be firmed in Dry Creek, among other concerns.

Roundtable Discussion: CWCWD East I-25 Treatment Plant:

CWCWD District Manager Linker presented the following information to the Boards:

- CWCWD is engaging in a progressive design / build concession of a public-private partnership (P3) process.
  - ❖ The Orrick law firm is drafting an engagement letter between CWCWD and Table Rock Infrastructure Partners (Table Rock) encompassing the following scope:
    - New greenfield water treatment plant, pipeline and storage facility located at a 50-acre greenfield site.
    - The project scope and development process will encompass a Design, Build, Finance, Operate and Maintain (DBFOM) scope with committed 30-year financing and Operations and Maintenance (O and M) agreement in the form of a Concession Agreement (CA).
    - Table Rock will manage a process made up of five tasks:
      - ◊ Task 1: Master Plan, Conceptual Design, Draft Financial Model with up to three options for building the project.
        - ➢ Initial cost estimates typically reflect a 20 to 30 percent contingency.
        - ➢ Part of the Master Plan would include the expectations and demands of the municipalities who would be potential CWCWD customers.
      - ◊ Task 2: Basis of Design Report (BODR) 10 percent design preferred option.
        - ➢ Updated financial model.
      - ◊ Task 3: 30 percent Design and Engineering, updated financial model, first draft concession contract and risk register.
        - ➢ Updated cost estimate 10 to 20 percent contingency.
      - ◊ Task 4: 60 PERCENT PLUS Design and Engineering Guaranteed Maximum Price (GMP) final concession contract and risk register.
      - ◊ Task 5: Plant.
        - ➢ Acceptance testing and initiation of 30-year O and M agreement.
  - ❖ CWCWD retains the right to approve work products at the end of each task and exit the process at its sole discretion if it so chooses not to continue for any reason.
    - If the process continues from task-to-task Table Rock covers development costs, which are ultimately capitalized into project financing in Task 4 if the GMP is approved and CWCWD enters a 30-year concession contract.
    - If CWCWD chooses not to continue the process for any reason at the conclusion of a Task it is obligated to reimburse Table Rock for work products produced and owns the work products having no further obligations to Table Rock.
- Initiate interviews with prospective design engineering firms.
  - ❖ To move the process forward CWCWD needs to interview qualified design engineers to perform the design build scope.
  - ❖ In progressive design build the design engineering partner is selected based on qualifications.
  - ❖ Table Rock would like to initiate joint interviews with three prospective firms:
    - Aecom,
    - Black and Veatch,
    - Jacobs Engineering.
  - ❖ Under progressive design, the entirety of the process is open book and collaborative with CWCWD, starting with the interviewing process.
  - ❖ CWCWD would like to conduct two or three interviews in Greeley the week of March 4, 2024.
    - Black and Veatch, and Aecom.
    - Identify dates and times for two interviews.
    - Jacobs Engineering or an alternate soon thereafter.
- Draft engagement letter.
  - ❖ CWCWD are anticipating circulating a draft engagement letter shortly.
  - ❖ If it is timely, considering progress made by counsel (Orrick, and Kutak Rock LLP) CWCWD propose to go over the letter when they are in Greeley.

Discussion occurred throughout the presentation including the following:

- What type of water will CWCWD be able to treat.
- Which transmission lines will be used to bring Dry Creek water to the CWCWD plant (the 20-inch or the 42-inch).

  - ❖ Contact time will be increased by bringing Dry Creek water to the CWCWD plant easing some of the taste and odor issues.
- If the CWCWD plant is located at Weld County Roads (WCR) 42 and 17 what infrastructure would LTWD need to build to deliver water to its customers.
- The CWCWD plant will have the capacity to deliver up to 125 MGD.
  - ❖ The new plant will not be at full capacity until the need exists.
  - ❖ The CWCWD plant can be a source of water for LTWD in case of a fire near CLFP or during Northern's annual St. Vrain Canal shutdown for maintenance.
- CWCWD will need the plant to treat its shares of Northern Integrated Supply Pipeline (NISP) water.
- CWCWD is looking forward to engaging LTWD as stakeholders in the project.

The meeting was paused for dinner at 7:00 p.m. The meeting resumed at 7:30 p.m.

Roundtable Discussion: LTWD Projected Water Usage for the Next Two to Three Years and Water Restrictions:

District Manager Kauffman presented the following information to the Boards:

- LTWD's Equivalent Taps per Year sales for the last three years were equal to the years Arkins Water Association (Arkins) and Mead merged with LTWD.
  - ❖ Taking the years Arkins and Mead merged with LTWD out of the equation, the percentage of growth from new taps sales over existing taps was very large in the last three years.
  - ❖ CWCWD District Manager Linker advised the number of taps sold by their district in 2023 had decreased from 2022 sales.
    - ▪ CWCWD mainly sells wholesale treated water to the surrounding municipalities.
- Ms. Kauffman noted that LTWD has asked customers to water on specific days based on addresses, and no one is to water on Friday.
  - ❖ With most of LTWD's customers complying with the watering days, peak demands at CLFP have been eased over the summer months most notably on Fridays.
  - ❖ Mr. Linker noted CWCWD is not able to impose watering restrictions on their wholesale customers due to contractual obligations.
- Ms. Kauffman proposed if both districts worked together from both ends the local municipalities may be open to more water conservation efforts.

It was moved by LTWD Director Martens, seconded by CWCWD Manager Linker, to adjourn the meeting at 8:08 p.m. Motion carried unanimously.

Respectfully submitted,

Amber Kauffman, Little Thompson Water District Manager