

MINUTES OF THE WORK SESSION OF THE BOARD OF DIRECTORS OF LITTLE THOMPSON WATER DISTRICT

The Board of Directors of Little Thompson Water District (LTWD) met in a work session on Monday, February 3, 2025. Attendance was as follows:

Board of Directors:

Emily McMurtrey, President, Attended via Video Conference Call
Steven Brandenburg, Vice-President, *Absent - Excused*
Larry Brandt, Present – *Presiding Officer*
Ryan Heiland, *Absent - Excused*
Ed Martens, Present
Bill Szmyd, Present
James J. Walker, Present

Staff in Attendance:

Amber Kauffman, District Manager
Brad Eaton, District Engineer
Amanda Hoff, Water Resources Manager
Reese Saxton, Operations Manager
Kammy K. Tinney, Business Project Manager
Judy O'Malley, Recording Secretary

Other Attendees:

Anastasia Urban, Brookfield Properties

CALL TO ORDER

The recitation of the *Pledge of Allegiance* occurred, followed by Treasurer Larry Brandt calling the meeting to order at 2:03 p.m.

ROLL CALL

It was moved by Director Ed Martens, seconded by Director Bill Szmyd, to excuse the absence of Directors Steve Brandenburg and Ryan Heiland. Motion carried unanimously.

Roll call was taken. All other directors were present.

AGENDA REVIEW

District Manager Amber Kauffman recommended discussion in Executive Session pursuant to C.R.S. §24-6-404(4) subpart (e) for “determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators” as it pertains to item 5.6.

It was moved by Director Szmyd, seconded by Director Jim Walker, to approve the agenda as presented, including discussion in Executive Session as requested. Motion carried unanimously.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

Treasurer Brandt opened the Public Comments period at 2:06 p.m. Attendees were introduced. There being no additional members of the public present, the Public Comments period was closed at 2:07 p.m.

DISCUSSION ITEMS

Summary of Intergovernmental Agreements (IGAs):

District Manager Kauffman presented the following information to the Board:

The District has kept an inventory of the IGAs but has not been required to file them with any other agency for over a decade. As such, some items get forgotten or expire. Staff thought it was a good time to update the list and identify the expiration of the IGAs. Staff found some IGAs that needed to be resurrected. A table style list of the agreements was presented at the work session for Board review. No action was required other than to note the District will need to work on IGAs soon.

Director Szmyd questioned the change in the statutory requirement, and why the District did not have an IGA for Windy Gap. Business Project Manager Kammy Tinney advised the filing requirement had changed more than a decade ago and District Manager Kauffman advised the District has an Allotment Contract rather than an IGA for Windy Gap. Ms. Kauffman also noted the hard work that Ms. Tinney had put into the updated list.

Longs Peak IGA Update:

District Manager Kauffman presented the following information to the Board:

Longs Peak Water District (Longs Peak) generally serves the area south of the District and north of Longmont. Longs Peak and the District have had service connections for many years. The current IGA expires in February of 2026, Longs Peak District Manager Gary Allen and Ms. Kauffman opted to start early in rewriting the IGA. Some items of note for a new IGA:

- Currently the District manages Longs Peak's Colorado-Big Thompson (C-BT) units which is extra work but not a heavy burden on the District. Both entities would like to have Longs Peak manage its own account at Northern Colorado Water Conservancy District (Northern Water) for this water.
- The service area boundary for Longs Peak and the District has changed based on the Town of Mead's (Mead) desire to have the District provide water service to its residents and businesses. The new IGA should reflect that change and provide for a way to change service providers when development occurs or when the District can provide more reliable service to existing Longs Peak customers. The need for inclusions and exclusions should be spelled out and any potential water supplies tied to the property prior to development should be transferred to the District when appropriate. This is identified in the IGA with Mead, Longs Peak, and the District but not in the IGA directly with Longs Peak.
- The interconnects should be listed in the IGA with their capacities identified. Additional charges should be identified for publication for Longs Peak to receive additional capacity from those interconnects.
- The IGA should mention planned service during Northern Water pipeline outages that affect Longs Peak's ability to provide water to its customers.
- The existing IGA is not clear about how Longs Peak gets new service from the District when it comes to construction of infrastructure and should be defined better.

Discussion occurred throughout the presentation including the topic of potential growth in Longs Peak service area in case the District would have to provide water to new development for Longs Peak. Ms. Kauffman explained that as Longs Peak is in Boulder County there is not much possibility of growth.

North Carter Lake Water District IGA:

District Manager Kauffman presented the following information to the Board:

North Carter Lake Water District (North Carter) generally serves the area around the north side of Carter Lake. North Carter is served entirely by the District from a pump inside the Mariana Pump Station adjacent to Carter Lake Filter Plant (CLFP). North Carter delivers their water to a water tank on the north side of CLFP before delivery to their customers. The current IGA was approved December 1, 1965, and amended on March 14, 2017, with annual renewals unless one party provides notice. North Carter District Manager Gary Allen, also District Manager for Longs Peak, and Ms. Kauffman have already begun working on the Longs Peak Water District IGA and have opted to evaluate rewriting the North Carter - LTWD IGA. The North Carter IGA seems very straight forward. Some items of note for a new IGA:

- Currently the District manages North Carter's C-BT units, which is not a heavy burden on the District but is extra work. Both entities would like to have North Carter manage their own account at Northern Water for this water (this process needs to be verified).
- The service connection should be listed in the IGA with its capacity identified. Additional charges should be identified for publication for North Carter to receive additional capacity from those interconnects, if requested.
- North Carter receives all C-BT water for service to its customers and by contract with Northern Water cannot expand its service area or add additional lots beyond what is already platted without the express written agreement of Northern Water.

Berthoud IGAs:

District Manager Kauffman presented the following information to the Board:

The Town of Berthoud (Berthoud) and the District have been discussing amendments to the existing IGA for over a year to address some changes in service area, customers, abandonment of waterlines, and interconnect facilities. Generally, the District and Berthoud have worked together to help each other, when possible. For example, the District has been providing Berthoud with additional treated water during high usage months as they work toward upgrading their water plant and in the past have even served Berthoud entirely when their plant has undergone upgrades. As Berthoud develops, the District would like to abandon our infrastructure and transition customers to Berthoud where service is available to them as we have done with the Town of Johnstown (Johnstown) and the City of Loveland (Loveland). In other locations, it would be prudent for Berthoud to upgrade the District's emergency connection to serve them where the existing facility cannot support the demands required.

The current IGA does not expire until September 14, 2034; however, it seems prudent to tackle some of the issues sooner rather than later. Berthoud and the District have a long history of working together and have planned for demands in each entity's service area because of negotiated service boundaries. Berthoud has requested the District consider a change in the boundary between the two entities. The District Board has previously reviewed the proposed boundary changes but requested additional information be provided regarding the anticipated impacts on the District.

- **Water Rights**
Berthoud requires any land that is annexed into the town to dedicate associated water rights to the town for water service to the development. This is a new requirement of Berthoud's. In the past, there were some waters that were dedicated to the District even though the development was in the town service area. Currently, Berthoud does not have

a dedicated credit for Home Supply shares. Ms. Kauffman presented a table illustrating the number of homes that can be served by the respective water dedications in each entity. One Single Family Equivalent (SFE) home for Berthoud is a SFE lot with a home and a lot size between 3,500 square-foot (SF) and 12,000 SF and requires 0.4 acre-feet (ac-ft) of water dedication. The District's Conservation Tap is for lots less than 9,000 SF and requires 0.35 ac-ft and the Conservation Plus Tap for lots between 9,000 SF and 13,000 SF requires 0.55 ac-ft of water. Berthoud provides a higher water credit than the District does for Handy Ditch and C-BT units. Ms. Kauffman believes most developers would be more likely to dedicate water to Berthoud.

A potential remedy for the situation where Berthoud receives the native waters, and the District will be the water provider is to add language in the IGA that requires Berthoud to transfer the appropriate water to the District for service. Given that Berthoud is currently not anticipating being involved in the Home Supply ditch, the District could request Home Supply shares to supply developments over any Handy or other water sources dedicated to Berthoud for the development.

A map of the irrigated areas of the respective ditch companies was provided to the Board with an overlay of the Growth Management Area of Berthoud. The map indicated that there are several ditch companies that could end up in Berthoud's water portfolio that the District may, or may not, wish to have in its water portfolio.

- **Infrastructure**

The District's current service boundary was used in the last water master plan to evaluate water demands for sizing future improvements. The District used comprehensive plans from Loveland, Johnstown, Town of Milliken (Milliken), and Mead to determine general density of development and then assign relative demands and speculate an assumed timing to determine the timing of infrastructure requirements. Demands were based on zoning from each entity's comprehensive plan. For example, Berthoud's Comprehensive Plan to assign general demands to the system sometimes had impacts that were negligible but in other places they were significant. Where entities did not assign housing density or used agricultural zoning, the District assumed a density of one home per 2.3 acres. This assignment for ultimate buildout resulted in extreme pipe sizes and water demands and is overall not realistic. However, the exercise does help the District make larger assumptions about when and where to invest in projects.

When Staff reviews the specific boundary adjustments identified previously by Berthoud, the infrastructure impacted in Area A (identified in presentation) includes:

- ❖ The District's joint 42-inch waterline in the corridor with a Pressure Release Valve (PRV) / metering vault along Weld County Road (WCR) 10.
- ❖ A planned upgrade for the District's existing 10-inch Asbestos Cement (AC) line in WCR 1 to a new 16-inch line to serve the direct area as well as providing for fire protection when system feeds are changed.
- ❖ A new 6-inch waterline with a waterline extension agreement along WCR 12 running west from WCR 1.
- ❖ This area includes lands that have been historically irrigated by Handy and Home Supply shares.

Infrastructure impacted from transitioning service area to Berthoud in Area B (identified in the presentation) includes:

- ❖ A 3-inch AC line in WCR 46 with approximately seven taps, in that stretch, but more importantly it must be protected as this line is critical in the loop in that area. No planned expansion in that area due to the vicinity of Johnstown service and their general development.
- ❖ A 2-inch line in WCR 44. Also, a line critical to protect until all services on the loop are removed due to development or through larger, more reliable service provision.
- ❖ This area has historically been irrigated by Home Supply shares.

Infrastructure impacted in Area C (identified in the presentation) transition of service includes:

- ❖ A 12-inch Ductile Iron waterline along WCR 42. This area provides an opportunity for the District to have looped waterlines in the area. The area north of Area C is Northmore Acres and is located between a Johnstown golf course and the Berthoud portion of the Turion development. There is not a lot of opportunity to otherwise ensure looped service. Additionally, Central Weld County Water District (CWCWD) is going to be constructing their new 42-inch / 36-inch treated waterline through this area, which would also ensure adequate service.
- ❖ The area was partially irrigated with Highland water conveyed in the Farmers Ditch. This is water the District has taken in the past for use in non-potable systems.

Area D was identified by Mr. Ken Matthews, Utility Manager for Berthoud, on January 27, 2025. There is a potential developer for this parcel and the Town is interested in serving the development. Consideration of infrastructure impacted in Area D (identified in the presentation) includes:

- ❖ A 6-inch waterline was constructed in the 2018 timeframe in the subdivision to the south with some District dollars to provide redundancy to the District system. Potential additional looping with this line to the 8-inch line in WCR 3 would be helpful through this subdivision.
- ❖ An 8-inch AC waterline in WCR 3.
- ❖ A 6-inch waterline to the north that is fed by a 10-inch AC line in State Highway (SH) 56.
- ❖ The area includes approximately 80 acres that has historically been irrigated by Handy and Home Supply water.

- Revenue

Revenue must be estimated for each area based on the information given and average revenue based on the District's Standard and Conservation Taps because they have the best history and largest base to judge an average annual revenue on. Additionally, an assumption of revenue must be made on a percentage of the taps being Standard and a larger percentage of taps being Conservation taps, depending on the zoning and land use agency. Tables were presented to illustrate the assumptions that were used for each area to generate revenue potential. It is important to note that the density in areas A, B, and D, may not be what Berthoud would permit if the development occurred in a county and is served by the District due to the increased water dedication requirements. Therefore, two alternatives were developed to illustrate the difference. The first table summarized potential revenue lost by the District to Berthoud with Berthoud densities. The second

table illustrated potential revenue to the District if it were to serve the parcels and they develop at lower densities that are generally approved in the counties. Either option may occur, and the District could serve with Berthoud density or would serve in the case of county level development. Additional factors like non-potable systems could impact overall revenue as well. This analysis does not reduce the amount of water revenue if a non-potable system is in place for the development. The average annual revenue from a Conservation Tap was estimated to be \$951.51 and the annual revenue from a 5/8-inch Standard Tap was estimated to be \$1,403.93.

The parcel that does not change in the evaluation is Area C, also known as a portion of Turion. The expected density would not change as the development is in both the Berthoud and Mead service areas.

Discussion was held throughout the presentation. Ms. Kauffman requested Board input. President Emily McMurtrey noted that she was concerned with the potential loss of native water and District revenue should Area A transfer to the Berthoud service area. Director Szmyd did not feel that Area A was worth fighting for. Ms. Kauffman noted that Area C was more beneficial to the District. Further discussion included possible items to include in the updated IGA. General guidance from the Board was to leave the boundaries of the IGA the same unless Berthoud was to offer a benefit to changing the boundaries.

Barefoot Lakes Management Agreement:

District Manager Kauffman presented a summary of changes in the updated agreement with Barefoot for the management of Barefoot Lakes (the Lakes) to the Board. The original agreement was signed on January 22, 2018.

- Recital F and Paragraph 1 were amended to ensure the assignment of the Subsequent Use Water (second use water of the Windy Gap units) was not being altered with this agreement and the District is able to manage that resource as it sees fit.
- Recital G was added to clarify Barefoot's intent to transfer the Lakes and Barefoot's obligations for those lakes to St. Vrain Lakes Metropolitan District (SVLMD).
- Paragraph 2 was amended to clarify changes or restrictions of the reservoir and how it affects both the District pool and the Barefoot pool. In particular adjustments to how the pools are reduced or increased with changes due to sedimentation, administrative or judicial order, or dredging. The Evaporative Obligation was also defined in this section.
- Minor changes to Paragraph 3 were made for the process of acceptance of infrastructure by the District and a potential for a shared pump station facility that would need to be assigned responsibility through a separate agreement, if the shared pump station was desired by both parties.
- Changes to Paragraph 4.1 were made to clarify the water right diverted into the Lakes and the accounting required for any native waters entering the Lakes. The accounting in the Lakes will be done by the District and so additional work / costs that the District does for the accounting required by Barefoot owned waters shall be invoiced to either SVLMD or Barefoot, depending on ownership of the water being introduced.
- Changes to Paragraph 5.1 were made to provide some clarification as to how evaporative losses are going to be met. The evaporative losses are the 343 ac-ft of water mentioned in the agreement. It also clarifies that any water not changed through water court by either party cannot be stored and therefore cannot meet the evaporative loss obligation (343 ac-ft).

- Paragraphs 5.2 through 5.5 were amended to provide clarity on any water supplies introduced into the Lakes and whose pool it goes to as well as how pump capacity is assigned for those new water supplies. Pump capacity is limited due to the design of the pump station and priority of waters pumped is important to document.
- Paragraph 5.6 was amended to assign pumping costs to SVLMD and to ensure that all parties are responsible for their own accounting for water rights management of the waters that they own.
- Paragraph 8 was amended to address Barefoot's desire to disconnect the potable water system from a few irrigation taps and replace those connections with non-potable water that Barefoot owns.
- Paragraph 9 was amended to ensure the parties had appropriate insurance requirements.

Director Brandt questioned what initiated the updates. Ms. Kauffman responded that it was desired and worked on by District Staff and Counsel as well as Barefoot Staff and Counsel.

Greeley Lease:

District Manager Kauffman presented the following information to the Board:

The District Board approved the Water Cost Funding Agreement at the January 16, 2025, Board meeting. This funding agreement allows Barefoot to arrange and pay for a lease of 500 ac-ft of C-BT water, from a third party, in exchange for an advancement of 240 ac-ft of water credit until the Chimney Hollow Reservoir is 66.7 percent full. If the lease expires or is pulled back before Chimney Hollow Reservoir is 66.7 percent full, Barefoot will be responsible for paying the District's standard cash-in-lieu (CIL) price for all taps purchased after the lease expires without additional water credit or refund until the reservoir is 66.7 percent full.

With the approval of the Water Funding Agreement, the City of Greeley (Greeley) and the District are moving forward on a proposed lease for 500 ac-ft of C-BT water. This document was sent under separate cover to Board Members for review. The lease proposed by Greeley has additional markup from the District's water counsel to help provide reliability to the lease for serving our customers. As of January 29, 2025, the District has not received comment on the revised document from Greeley.

If both the District and Greeley approve the proposed lease, the agreement must also be approved by Northern Water.

Discussion occurred throughout including why the agreement with Greeley was the best choice for the lease.

Treasurer Brandt excused most of the Staff and Ms. Urban from the meeting at 3:19 p.m.

EXECUTIVE SESSION

It was moved by Director Martens, seconded by Director Szmyd, to adjourn to Executive Session: Discussion pursuant to C.R.S. §24-6-404(4) subpart (e) for "determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators" as it pertains to item 5.6. The motion carried unanimously, and the Board and District Manager Kauffman adjourned to the Executive Session at 3:20 p.m.

The Board reconvened in Regular Session at 3:36 p.m. upon motion, duly made by Director Szmyd, seconded by Director Brandt.

Director Szmyd noted that he would be interested in filing the updated list of IGAs with the Department of Local Affairs (DOLA) even though it is no longer a statutory requirement.

It was moved by Director Szmyd, seconded by Director Martens, to adjourn the meeting at 3:41 p.m.

Respectfully submitted,

Amber Kauffman
Secretary