

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF LITTLE THOMPSON WATER DISTRICT

The Board of Directors of Little Thompson Water District (LTWD) met in regular session on Thursday, June 20, 2024. Attendance was as follows:

Board of Directors:

Emily McMurtrey, President, Present
Steven Brandenburg, Present
Larry Brandt, Treasurer, Present
Ryan Heiland, Present
Ed Martens, Present
Bill Szmyd, Present
James J. Walker, Present

Staff in Attendance:

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

Other Attendees:

Courtney Wallace, Senior Right-of-Way Professional (SR/WA) of Horrocks Engineers
Tim Sellers, Professional Engineer (P.E.), Project Manager of Horrocks Engineers
Eric Miller, Certified Public Accountant (CPA), Partner in The Adams Group, LLC

CALL TO ORDER

The recitation of the *Pledge of Allegiance* occurred, followed by President Emily McMurtrey calling the meeting to order at 5:00 p.m.

ROLL CALL

Roll call was taken. All Directors were present.

AGENDA REVIEW

There were no changes to the agenda.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

President McMurtrey opened the Public Comments period at 5:01 p.m. There being no public comments, the Public Comments period was closed at 5:02 p.m.

CONSENT AGENDA

It was moved by Director Bill Szmyd, seconded by Director Ed Martens, to approve the Consent Agenda including:

- Minutes of the May 16, 2024, Regular Board Meeting,
- Tap List 701,
- May 2024 Disbursements in the amount \$1,927,122.49:
 - ❖ Operating Account: \$1,599,750.24:
 - ACH Manual Check Numbers 5456 to 5548 – \$1,107,062.15,
 - Check Numbers 11847 to 11902 – \$492,688.09,
 - ❖ Payroll Account: (Two Bi-weekly payroll periods in May) for \$327,372.25:
 - ACH Transmittal Vouchers O-2478 to O-2489 – \$168,923.82,
 - ACH Direct Deposit Numbers N-13611 to N-13687 – \$158,448.43,
- May 2024 Financial Report.

Motion carried unanimously.

DISCUSSION ITEMS

2023 Audit Presentation:

Business Manager Angela Diekhoff introduced Eric Miller, CPA, of The Adams Group, LLC. Mr. Miller presented the results of the 2023 audit to the Board. The following items were reviewed:

- The 2023 Audit was conducted in accordance with auditing standards generally accepted in the United States of America.
 - ❖ The Audit presented to the Board was marked as a draft version, however, there would not be any changes to the Final audit.
- In conjunction with the audit of the financial statements, certain deficiencies in internal control that the Auditors consider to be material weaknesses were identified.

- ❖ Budgetary Basis versus Full Accrual Basis of accounting.
- ❖ Overstated Capital Assets.
- ❖ Accrued Overtime hours should be recorded within the Compensated Absence Liability at Fiscal Year-End.
- A few adjusting journal entries were required.
- Mr. Miller noted that the Auditors are required to advise the Board of any disagreements with Ms. Diekhoff; there were none to report.
 - ❖ Mr. Miller noted that Ms. Diekhoff is great to work with.
- Mr. Miller offered Kudos regarding how the District manages accruals and financials.

It was moved by Director Steve Brandenburg, seconded by President McMurtrey, to approve the 2023 Audit once finalized if there are no significant changes from the Draft version. Motion carried unanimously.

Horrocks H2 and RFO project Update:

District Engineer Brad Eaton introduced Courtney Wallace, SR/WA and Tim Sellers, P.E., Project Manager of Horrocks Engineers. Ms. Wallace and Mr. Sellers then presented the following information to the Board:

- Horrocks Engineers (Horrocks) was commissioned by District Staff in October of 2023 to begin the route planning and easement acquisition for the H2 and RFO transmission pipeline projects.
 - ❖ Horrocks is a multi-discipline, national firm with local offices in Loveland and Denver.
- Route planning for both projects has included the evaluation of potential pipeline corridors using aerial survey, subsurface utility investigation and environmental field investigations provided by the Horrocks team.
- The initial field data collection phase also required public outreach by Horrocks to alert property owners of the two projects and to obtain permission to enter various properties for ground level field investigations.
 - ❖ To further assist with public outreach, Horrocks is hosting a website that will allow interested parties to learn more about the two projects, and to view project information and progress updates.
- Using the field data noted above, Horrocks has prepared comprehensive Global Information System (GIS) mapping which will be used by District Staff to identify desired pipeline alignments for each transmission line.
- Once definitive pipeline alignments have been selected, Horrocks will begin easement negotiations with affected property owners.
- Ms. Wallace and Mr. Sellers gave a presentation of survey techniques, data compilation, and interactive GIS mapping to the Board along with the following highlights:
 - ❖ How the easement process is managed, including property valuation.
 - Ms. Wallace noted that use of Larimer County road right-of-way permit may be needed, and Ms. Wallace is hoping to easily obtain private easements from landowners.
 - ❖ The environmental team looks for historic or cultural items as well as wetland and wildlife activity.
 - ❖ The project timeline was given, with construction possibly starting in 2026.
 - ❖ The District guarantees it will return to mitigate any ground settlement problems.

President McMurtrey called for a break at 5:47 p.m. The meeting reconvened at 5:52 p.m.

Carter Lake Filer Plant (CLFP):

District Manager Amber Kauffman presented the following information to the Board:

- The summary of anticipated costs from NoCo Engineering (NEC) was reviewed again for pretreatment construction activities.
 - ❖ It is proposed that the contract is time and materials so that CLFP only pays for the time required for the construction progress, which can vary greatly based on the quality of the contractor selected.
 - ❖ The proposal amount was near \$3,185,000 assuming a three-year construction window.
 - ❖ The CLFP Board approved the proposed time and materials costs for NEC to perform the construction management / inspections.

- It was brought to the CLFP Board's attention that Plant Superintendent Darrell Larson has decided to work part time for the plant for the duration of the pretreatment construction.
 - ❖ The details of the arrangement will be determined by CLFP Manager Rick Whittet and Mr. Larson.
- The CLFP Board approved Mr. Whittet to hire two new employees.
 - ❖ One to replace Mr. Larson's full-time position and another to add to the regular staff.
 - ❖ There is concern that the overnight staff are there by themselves at night and if anything happened it could be a safety concern.
- CLFP installed the new style of membranes in Cell Six of the north plant after approval from Colorado Department of Public Health and Environment (CDPHE).
 - ❖ Early results on use of the membranes indicate the new style will provide an additional one million-gallon per day (MGD) per cell in the production at the plant.
 - ❖ The new style of membranes will give CLFP a little more cushion in the production of water to meet demands during the construction of pretreatment.
 - ❖ The CLFP Board asked Mr. Whittet to look into the potential to order enough membranes to replace the remaining five cells with the new style membranes.
 - ❖ CLFP believes there is a four-month lead time and the CLFP Board felt that it would be good to order the new membranes to potentially install the membranes in January.
 - The CLFP Board would also like to be sure the order could be cancelled prior to delivery pending performance in Cell Six.
 - The CLFP Board will wait to approve the purchase until CLFP Staff confirm any order cancellation requirements.
 - ❖ To replace all membranes will cost approximately \$2.5 Million (M) and would potentially be added to the CLFP 2025 budget.
- Ms. Kauffman advised the pump had been installed at the Dry Creek Pump Station.
 - ❖ Mr. Whittet will begin pumping Dry Creek Reservoir water on Monday, June 24.

Windy Gap Firming Project (WGFP) Quarterly Update:

District Manager Kauffman presented the following information to the Board:

- Ms. Kauffman, Directors Brandt, Walker, Szmyd, and Martens, along with employees from Brookfield took a tour of Chimney Hollow Reservoir on Wednesday, June 19.
- Colorado river Connectivity Channel (CRCC):
 - ❖ The work on the connectivity channel is nearly complete and a ribbon cutting ceremony is anticipated in October.
- Chimney Hollow:
 - ❖ The current dam height is 210 feet (as of June 4) from the downstream toe.
 - ❖ Construction has begun on the saddle dam.
 - ❖ The grouting program is expected to be completed by the end of July.
 - ❖ The first pipe was placed in the upstream tunnel.
 - ❖ There was a record 1,200 cubic yards of concrete placed on site in one week for the spillway, valve house, and tunnel.
 - ❖ The concrete for the valve house had all been placed and the metal building was going up.
 - ❖ A Bailey Sleeve Valve is in place that breaks 1,100 feet of head from the pressure from the Bald Mountain Tunnel to the valve house.
 - The valves were tested at the manufacturer's facility to 800 pounds per square inch (PSI).
 - All valves will be onsite in about four weeks.
 - ❖ Northern Colorado Water Conservancy District (Northern) has been working with the State Engineer's office to prepare a commissioning / start-up procedure.
 - This will limit the filling of the reservoir to three feet per day with three hold points during the fill for 21 days at each hold point.
 - Pumping will likely be the filling constraint.
 - ❖ The contractor is approximately 13 days ahead of schedule based on the realigned schedule due to change orders.
 - The contractor is about 65 percent complete (by billing) on the project.
 - ❖ There have been two Occupational Safety and Health Administration (OSHA) recordable incidents in the past month.
 - The overall incident rate is very low for this type of construction.

- ❖ The District has been given notice as to the Completion C and E for the firming project.
 - This means that a financing decision will need to be given to Northern by August 26.
 - If the decision is to cash fund, all cash must be to Northern by August 29.
 - Staff are waiting for the District's partner to discuss with their management.

Public Hearing: Action Item: Resolutions 2024-17 and 2024-18 Inclusions and Exclusions:

The Public Hearing had been properly publicized. No written objections were received. President McMurtrey opened the Public Hearing at 6:14 p.m. No public was present, and the Public Hearing was closed at 6:15 p.m.

It was moved by Director Szmyd, seconded by Director Larry Brandt, to adopt Resolution 2024-17 Inclusions (Glassford, H&H Carroll Investment Properties), and Resolution 2024-18 Exclusions (Johnstown North Investments). Motion carried unanimously.

STAFF REPORTS

District Manager's Report: District Manager Kauffman reported on the following:

- District Activities:
 - ❖ District managers attended a second leadership retreat on May 21 with the same facilitators as the one held in November.
 - ❖ The results of the discussion were positive with recognition of some ongoing struggles, particularly tied to workload.
 - ❖ The primary notes are:
 - The District needs to formalize a better way to manage communication and tracking for development review across all departments.
 - ◇ This includes the commitment letter process, review of construction plans, development agreement requirements, issuance of initial and final acceptance, work orders for meter installs, and closeout of the warranty period.
 - Workload is very heavy and is causing issues with competing priorities and a constant fire drill feeling.
 - ◇ Being understaffed is making it hard to be efficient.
 - Weekly Monday morning meetings have been an effective way to keep things rolling and for management to speak with a consistent message and voice.
 - Management started thinking about a new office space and defining what type of design helps facilitate communication between departments.
 - ❖ Ms. Kauffman attended the NoCo Water Alliance meeting on June 30.
 - There was finally confirmation by all that water leaving northern Colorado is a problem and a decision was made by all attendees to review methods to try to reduce the potential for native waters to leave the area.
 - The group also differentiated between the words preservation and protection to help frame the desire to keep native waters in the region.
 - ◇ Northern's Colorado-Big Thompson (CBT) project was supposed to be supplemental water, not the main source of water for the region.
 - The next meeting is July 19.
 - The Board was asked if they would like a presentation by Northern on what is happening on the east slope in water purchases, please let Ms. Kauffman know.
 - ❖ Central Weld County Water District (CWCWD) Manager Stan Linker, CLFP Manager Whittet, Josh Cook P.E. of NEC, Water Resources Manager Amanda Hoff, and Ms. Kauffman met on June 5 to discuss Dry Creek Reservoir future operations and concerns from all the parties.
 - It was a great conversation to ensure all parties are on a path forward to consider needs from all.
 - ❖ Ms. Kauffman attended a meeting at CWCWD offices on June 13 to review the planning that CWCWD is doing for a new transmission line to run east from the 42-inch transmission line past their new treatment plant location out to Evans.
 - Several entities were in the room that would also be interested in CWCWD's plan for a new treatment plant on Weld County Road (WCR) 42.

- A separate meeting is scheduled for the treatment plant on July 16.
- Potential interested parties include Evans, Milliken, Johnstown, Kersey, Frederick, and the District.
- CWCWD has hired a firm to help manage the interested parties.
- There was brief discussion about the pros and cons of creating an authority as opposed to CWCWD being the operator / owner / decision maker.

Discussion followed regarding the following topics:

- Different parts of Colorado are trying to keep their waters in their regions.
- The District does not need to look at raising Dry Creek Reservoir as there is plenty of storage space for future waters.
- If the District were to become involved in the CWCWD treatment project, it would not make the District an indirect participant in the Northern Integrated Supply Project (NISP).
- District Staffing:
 - ❖ The District is currently looking for a new GIS Specialist.
 - We have received several applications and are conducting second interviews to ensure soft and hard skills match the needs of the District.
 - IMEG, our GIS consultant firm, has made great strides in correcting some of the problems we are having with the system.
 - ❖ The District has had very few applications for the Operations Manager position.
 - ❖ The District has postings up for a Water Resources Specialist and Civil Engineer I.
 - ❖ The District will be advertising shortly for a Backhoe Crew Leader but are ensuring salary is commensurate with the construction sector.
 - ❖ The District is also going to be advertising for a Customer Service Representative which was budgeted this year.
- Quarterly Goal Update:
 - ❖ Below is a status update for all the 2024 goals and their rankings. Decent progress has been made but most will take all year.
 - ❖ Raw Water Supply Planning:
 - (Ranked 8-tie) Water loss progress with potential projects, update in policy - evaluating as time permits.
 - (Ranked 11) New Water Supplies presentations with potential policy updates - held first presentation, continue quarterly.
 - (Ranked 2) Raw water master plan - in progress - update next month.
 - ❖ Treatment and Transmission:
 - (Ranked 1) Master Plan completion - in progress.
 - (Ranked 6) Project long term treatment capacity needs and priority locations - will be part of the master plan process.
 - (Ranked 13) Markam Tank Planning including Engineering and Access – not started, getting quote from Kimley-Horn for design.
 - (Ranked 5) Easement acquisition for Northeast Transmission Line and two native water pipeline projects - NE Transmission Line - 15 of 22 easements final, right of entry approved on all properties, for Native Water Project - alignments are being evaluated.
 - ❖ Relationships with Others:
 - (Ranked 12) A successful Joint Board meeting with CWCWD to include issue discussion and resolution of issues - DONE!
 - (Ranked 14) Update the Intergovernmental Agreement (IGA) with Longs Peak Water District (LPWD) and the Town of Mead (Mead) after transition of ownership in Mead Crossing - Not started on IGA but ownership of Mead Crossing officially done.
 - ❖ Business Management:
 - (Ranked 8-tie) Finalize a Development Agreement for use with Developers - DONE!
 - (Ranked 4) Prioritize long term projects and evaluate funding options - will be a part of the master plan.
 - (Ranked 7) Assignment of allotments to all residential taps for implementation of surcharges in 2025 - postcards went out in February to notify all customers.
 - (Ranked 8-tie) Continue with non-residential allotment assignment – no progress.

- ❖ Operations and Technology:
 - (Ranked 15) Determine size of office and land required for future growth. – no progress.
 - (Ranked 3) Finish database for Lead Service Line Inventory prior to October 16 - notification to customers has begun, potholing contractor selected.
- Dry Creek Reservoir Floating Solar Photovoltaic:
 - ❖ Ms. Kauffman advised the Board that 1898 and Company (Burns and McDonnell), the company that had completed the Floating Solar Photovoltaic study, had advised her that another company was interested in using Dry Creek Reservoir to set-up their own system.
 - ❖ Ms. Kauffman noted that if the Board Members were interested the District would have to discuss the option with CWCWD.
 - ❖ Board Members requested additional information.

Business Manager's Report: Business Manager Diekhoff reported on the following:

- Board:
 - ❖ Ms. Diekhoff notified the Board that the Special District Association (SDA) Conference was to be held September 10 through 12, 2024, and asked that Board and Staff notify Recording Secretary Judy O'Malley if they wished to attend.
 - ❖ The 2023 Audit was wrapped up and now Managers begin working on the 2025 Budget Schedule for future Board meetings:
 - August - Budget objectives.
 - September - Budget Review, Proposed Capital Projects, and Non-Operating Expenses.
 - October - Full Budget Review.
 - November - Acceptance of the Budget.
 - December - If needed Acceptance of the 2025 Budget and 2024 Amended Budget.
- EyeOnWater (EOW):
 - ❖ There was another large increase in customer sign-ups for EOW in May.
 - ❖ Ms. Diekhoff thought the increase could have been triggered by the mailing of postcards regarding water allotment.

District Engineer's Report: District Engineer Eaton reported on the following:

- There were 401 new taps and three Accessory Dwelling Units (ADU) Commitment to Serve Requests for May. The 2024 total was 421 taps and 10 ADUs.
- Capital Projects:
 - ❖ 15 of the 22 easements had been acquired for the Northeast Transmission Line project.
 - ❖ Many customers are happy with the increased water pressure from the Loveland / Campion project.
 - Corrections of final punch list items were in progress.
 - ❖ Biweekly design meetings, for the 30-inch Barefoot Line, continue with the contractor, engineer, and Brookfield.
- Development Projects:
 - ❖ Harley Farms is a new development beginning the entitlement process with Mead, and the District has a Commitment Letter in process.
- Other Engineering Department Activities:
 - ❖ Staffing:
 - An offer was extended to a GIS candidate and a response was expected by Friday, June 21.
 - A candidate had not yet been found for the Civil Engineer I position.
 - Water Resources Manager Hoff was reviewing applications for the Water Resources Specialist.
 - ❖ The Lead Service Line Inventory (LSLI) project was progressing thanks to the great efforts of several staff members.
 - The potholing contractor was scheduled to start on July 15 and will mobilize several crews as necessary to meet the August 30 field work deadline.
 - The District received a variance to do potholing without landowner permission.
 - ❖ Director Szmyd asked what would happen if the District does not meet the deadline, Mr. Eaton replied that if there is progress it should not be a problem.

- Business Project Manager Kammy Tinney added that the research efforts of Civil Engineer II Robert (Andy) Thomas have narrowed down the number of properties with unknown service lines.

Water Resources Manager's Report: Water Resources Manager Hoff reported on the following:

- The water use for May had been average.
 - ❖ Director Szmyd questioned what would happen if capacity were reached, Ms. Hoff advised that is when the District uses the carryover water.
 - ❖ Director Martens questioned if the copper sulfate added to Dry Creek Reservoir was working, Ms. Hoff advised Staff would not know until the next samples are taken in July.
 - ❖ District Manager Kauffman noted that CLFP must wait two weeks after the application before water can be pumped from the reservoir.
- Ms. Hoff gave another community outreach to a commercial real estate group.
- Ms. Hoff noted that the weather forecast was hot and dry.

Operations Manager's Report and Water Quality Update: District Manager Kauffman reported on the following:

- Business Manager Diekhoff was managing most of the Operations Manager's duties, with Ms. Kauffman as backup, during the vacancy.
- Locate Requests were average, and Leak Repairs had increased quite a bit.
 - ❖ The Backhoe Crew had been working hard and putting in a lot of hours.
- Monthly Water Quality Report:
 - ❖ Monthly Total Coliform and Disinfection By Product (DBPs) samples were within acceptable parameters.
 - ❖ The Unregulated Contaminant Monitoring Rule (UCMR) Five samples had been reported in May and one constituent was found to be .0008 micrograms per liter higher than the minimum reporting level.
 - The Environmental Protection Agency (EPA) has issued a ruling regarding limits for Per- and polyfluoroalkyl substances (PFAS).
 - Quarterly sampling will be required for the District for at least three additional years.
 - There is no violation unless the running annual average (RAA) exceeds the reporting limit.
 - If that limit is exceeded, the District will be required to make treatment modifications to remove the constituent by April 2029.
 - The Board needs to be aware as the cost implications can be large for the additional treatment.
 - Staff will be evaluating the sampling procedures to reduce the potential for contamination during sampling.
- Project Updates and Notes:
 - ❖ No additional valves had been exercised as Crew Leader Valve Exerciser Alan Cordova was leading the Backhoe Crew during the search for a new Backhoe Crew Leader.

Business Project Manager's Report: Business Project Manager Tinney reported on the following:

- LSLI – Project Update:
 - ❖ With limited response received to communications to customers identified as sites requiring verification, the team requested and received approval from Colorado Department of Public Health and Environment (CDPHE) for a variance in the distance required for potholing of service lines extending from the meter pit.
 - The variance allows the District to access the service line within the three-foot radius already accounted for in each customer's Domestic Water Agreement (DWA) allowing the District to accelerate the potholing process on either side of the meter pit.
 - ❖ Customers continue to have the opportunity to submit a survey which, if the material can be verified, could eliminate the need for potholing on the service side of the line.
 - ❖ The District's contractor will begin the potholing process the week of July 15.

- ❖ The team revisited the District's public outreach communications and efforts to reflect the shift in approach and the revised schedule.
- ❖ Phase I of the LSLI Project will continue for the next three months with conclusion of the first inventory report and Lead Service Line Replacement Plan due to CDPHE on October 16, 2024.
- ❖ Phase II of the LSLI Project includes notification to customers of service line material and the execution of a replacement program.
- ❖ We will continue to provide periodic updates to the Board as the project progresses.
- Policies and Procedures:
 - ❖ Documentation of internal policies and procedures is a high priority activity with emphasis on the policies and procedures for responding to requests for new services.
 - ❖ Processes reviewed and documented to date include:
 - Accounts Payable Procedures,
 - Commitment Letter Process,
 - Water Dedication,
 - Water Credit.
 - ❖ Current procedures under review / revision are:
 - the Development Process,
 - Section 8 Rules and Regulations,
 - Section 17 Rules and Regulations,
 - Non-Potable Water (Irrigation) System Procedures.
- Safety Committee:
 - ❖ The District's Safety Committee was reestablished in late 2023 with a successful handoff from outgoing members Holly Suess and Steve Schaeffer.
 - ❖ The newly constituted committee includes representatives from each department for a total of seven members.
 - ❖ The focus of the committee in 2024 is:
 - Continued education with monthly safety trainings,
 - Review and comment for revisions to the current Safety Manual,
 - Establishing safety participation incentives,
 - Annual update to the District's Emergency Response Plan.

DIRECTOR REPORTS

- Director Brandenburg noted he had cut and raked his hay, and that he had irrigated with Free River water.
- Director Szmyd advised the Loveland Utility Commission (LUC) would be looking at \$175 M in bonding.
 - ❖ Some of the funding needs came from the EPA rules and some from maintenance.
- President McMurtrey apologized to the other Board Members for missing the May Board Meeting.

It was moved by Director Brandenburg to adjourn the meeting at 7:34 p.m.

Respectfully submitted,

Amber Kauffman