

**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 22, 2023. Attendance was as follows:

Board of Directors:

Emily McMurtrey, President, Present
Steven Brandenburg, Present
Larry Brandt, Present
Ryan Heiland, Absent - *Excused*
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
Ken Lambrecht, Operations Manager
Nancy Koch, Water Resources Manager
Amanda Hoff, Water Resources Administrator
Kammy K. Tinney, Business Project Manager
Judy O'Malley, Recording Secretary

Other Attendees:

Eric Miller, Certified Public Accountant (CPA) of the Adams Group

CALL TO ORDER

President Emily McMurtrey called the meeting to order at 5:04 p.m. followed by the recitation of the *Pledge of Allegiance*.

ROLL CALL

It was moved by Director Steve Brandenburg, seconded by Director Larry Brandt, to excuse the absence of Director Ryan Heiland. Motion carried unanimously.

Roll call was taken. All other Directors were present.

AGENDA REVIEW

Staff recommended an Executive Session per Colorado Revises Statute 24-6-402 subsection 4 part (e) in order to determine positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instruction negotiators in regard to Discussion Item 6.2.

It was moved by Director Ed Martens, seconded by Director Szmyd, to enter into Executive Session citing §24-6-402(4)(e) C.R.S. to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators in the matter of the Handy Ditch Company. Motion carried unanimously.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

President McMurtrey opened the Public Comments period. There were no public comments, and the Public Comments period was closed.

CONSENT AGENDA

It was moved by Director Szmyd, seconded by Director Brandenburg, to approve the Consent Agenda including:

- Minutes of the May 18, 2023, Regular Board Meeting,
- Tap List 689,
- May 2023 Disbursements in the amount \$1,764,231.59:
 - ❖ Operating Account: \$1,437,837.89:
 - ACH Manual Check Numbers 4568 to 4628 – \$822,081.53,
 - Check Numbers 11262 to 11351 – \$615,756.36,
 - ❖ Payroll Account: (Two Bi-weekly payroll periods in May) for \$326,393.70:
 - ACH Transmittal Vouchers O-2324 to O-2335 – \$170,565.27,
 - ACH Direct Deposit Numbers N-12608 to N-12684 – \$155,828.43,
- May 2023 Financial Report,
- Gopher Gulch Main Line Water Extension Agreement.

Motion carried unanimously.

DISCUSSION ITEMS

Audit Presentation:

Business Manager Angela Diekhoff introduced Eric Miller, CPA of the Adams Group. Mr. Miller presented the results of the 2022 Audit to the Board. The following items were reviewed:

- The 2022 Audit was conducted in accordance with auditing standards generally accepted in the United States of America.
 - ❖ The Adams Group did not audit 2021 as this was originally audited by a different firm.
- In conjunction with the audit of the financial statements, there were no items which were considered to be material weakness and no deficiencies in internal control.
- A few journal entries were required, and it was recommended the District consider adjusting balances prior to the audit in future years.

Third Amendment to Intergovernmental Agreement (IGA) Between the Town of Johnstown (Johnstown) and Little Thompson Water District:

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

- Matt LeCerf, Town Manager for Johnstown, and Ms. Kauffman had been working steadily to revise the current IGA.
- The two managers were working to replace two current IGA's with one.
- Ms. Kauffman expected the IGA to be complete in the next month or two but asked for an extension of the current IGA until the end of September to ensure the document is complete and there is adequate time for legal review.
- Due to flooding and scheduling issues, Mr. LeCerf had been unable to spend the required time on the topic necessitating the request for another extension to December 31, 2023, to finalize a new IGA.

It was moved by President McMurtrey, seconded by Director Szmyd, to approve the Extension to the Third Amendment to IGA Between Johnstown and the District. Motion carried unanimously.

All-In costs for Native Water:

District Engineer Brad Eaton presented the following information to the Board:

- Mr. Eaton presented a summary intended to outline the costs of pursuing utilization of the District's native water shares in the Consolidated Home Supply Ditch and in the Handy Ditch Companies.
 - ❖ The planning horizon was 25 to 30 years, which is the typical lifespan of the type of equipment discussed.
- All costs listed included engineering and legal costs for preparation for and assistance through water court; acquisition costs for easements including consultant time for preparation of legal documents for the easements, 1041 permitting, and easement costs; consultant costs for the engineering design of infrastructure costs (pipelines and pump stations); and the construction costs of the infrastructure.
 - ❖ The summary did not include purchase price for water shares or staff time for water court or design of facilities and does not separate costs for the two ditch companies.
 - ❖ Additionally, the assumptions included in the estimates provided for an increase in the shares owned for additional dedication/acquisition for future growth and flows delivered at the maximum yield.
 - ❖ This extension was produced at three percent growth to just over 25 years.
- Additionally, if the average flows are delivered instead of the maximum flows, the infrastructure will allow 35 years of growth (increased ownership of shares) at three percent.
 - ❖ If more shares are acquired than projected, additional infrastructure may be required.
- All costs should be considered conceptual level costs due to the timing of this estimate and the project timeline.
 - ❖ All costs were given in today's dollars.
 - Water Court Costs: \$2,810,200 (estimate for current shares only).
 - ◇ General water court costs leave no tangible asset aside from the right to use water.
 - ◇ The costs are projected based on total engineering and legal costs spent to date for water rights adjudication with increased costs for the path ahead.

- Estimated Total Legal Cost: \$1,086,000.
- Estimated Total Engineering Cost: \$1,725,000.
- Capital infrastructure needs to account for:
 - ◇ H2 Project: \$17,200,000.
 - Pipeline:
 - ◆ 1041 Permitting.
 - ◆ Easement acquisition for pipeline.
 - ◆ Pipeline design.
 - ◆ Pipeline construction cost.
 - Pump Station Design.
 - Pump Station Construction.
 - ◇ Return Flow Obligations (RFO) to the Little Thompson River:
 - Conceptual Cost with no additional participants: \$6,700,000.
 - Conceptual Cost with other participants (would promote cost sharing): \$11,700,000.
 - ◆ Pump station design.
 - ◆ Pump station construction.
 - ◆ Pipeline design.
 - ◆ Pipeline construction.
 - ◆ Easement acquisition for pipeline.
 - ◇ Mariano Pump Back: \$4,9500,000.
 - This item has a potential cost share with Home Supply and Johnstown to reduce total cost to the District but would be larger at that time.
 - ◆ Pump station design.
 - ◆ Pump station construction.
 - ◆ Pipeline design.
 - ◆ Pipeline construction.
 - ◆ Easement acquisition for pipeline.
- ❖ Estimated infrastructure costs (without operating costs) = \$28,800,000.
- ❖ Current share average annual yield = 1,313 acre-foot (ac-ft).
- ❖ Infrastructure cost per ac-ft = \$21,930.
- ❖ Estimated average yield at design 3,247 ac-ft.
- ❖ Infrastructure cost per ac-ft = \$8,870.

Discussion occurred throughout the presentation. Topics included:

- Alternative options such as utilizing Dry Creek Reservoir.
- Not building this infrastructure could effectively strand some District water in reservoirs.
- Building this infrastructure will increase the cost of District Native Water shares close to the cost of District C-BT units.
- Only accepting C-BT units will leave the District dependent on Western Slope water.
- The District charges a fee for each acre-foot of ditch water that is dedicated to pay for the necessary infrastructure.

Poudre River Power Authority (PRPA) Windy Gap Request for Proposal (RFP):

District Manager Kauffman presented the following information to the Board:

- The PRPA is interested in selling five units of Windy Gap water this summer.
 - ❖ The PRPA board authorized staff to sell a total of ten units; however, staff would like to sell these units in two distinct sales.
- The details of the current request for bids had not been released as of June 14, 2023, aside from the expected minimum bid of \$3.8 million per unit.
- At an average yield of 40 ac-ft per unit, the cost per ac-ft is \$95,000 based on the minimum bid of \$3.8 Million.
 - ❖ For comparison, the average yield of C-BT units is 0.7 ac-ft and at this yield the cost per unit is approximately \$72,000 which translates to a cost of \$103,000 per ac-ft.
 - ❖ Based on the District's firm yield assignment of C-BT at 0.50 ac-ft per unit the cost per ac-ft of C-BT units is \$144,000.
- District staff would like to continue to invest in East Slope waters.
 - ❖ The opportunity to purchase additional Windy Gap units does not come up very often.
- It is anticipated that the bids will be due in August and may be due prior to the District's Board Meeting in August.

- As the July Board Meeting was cancelled, Staff requested direction from the Board at the June 22, 2023, meeting.
- Discussion was held during the Executive Session.

President McMurtrey called for a break at 6:12 p.m. The meeting resumed at 6:20 p.m.

Carter Lake Filter Plant (CLFP):

District Manager Kauffman presented the following information to the Board:

- Pretreatment:
 - ❖ NoCo Engineering was waiting for procurement documents that will specify the size and cost for the Dissolved Air Flotation (DAF) equipment.
 - The documents were due on June 21, 2023.
 - ❖ NoCo Engineering scheduled a meeting with Northern Colorado Water Conservancy District (Northern) to discuss a new connection to the St. Vrain Supply Canal and additional capacity purchase for the canal.
 - This connection may include improvements at the canal or a new headgate.
 - ❖ NoCo Engineering was working on designing/contracting some piping changes at the South Plant for the upcoming fall/winter season to streamline the pretreatment contractor's work so that it will not affect production at the South Plant during the pretreatment plant construction.
 - ❖ Director Brandenburg requested an update on the status of the pretreatment project be presented at an upcoming meeting.
 - Ms. Kauffman stated she would request Josh Cook, P.E. of NoCo Engineering attend the District's August Board meeting.
- Dry Creek Reservoir:
 - ❖ Plant staff met with Solitude Lake Management Company to determine a path for algaecide application.
 - CLFP Manager Rick Whittet was expecting a proposal from them in the coming weeks.
 - Mr. Whittet was working with the Colorado Department of Public Health and Environment (CDPHE) to obtain a permit for algaecide application.
 - There was some question as to whether Dry Creek Reservoir is water of the state, and if that is the case it algae treatment would fall under a different jurisdiction.
 - ❖ Mr. Whittet advised that flows were increasing.
 - ❖ An algae sample was taken on June 12, 2023, and the geosmin levels were low.
 - ❖ District Engineer Eaton noted that the District started the comprehensive testing of Dry Creek Reservoir that had been recommended by Stantec.
 - The testing would be completed on a monthly basis.
- Phone Lines:
 - ❖ Century Link had been less than helpful returning phone service to the plant.
 - ❖ The lines were supposed to be up and running after one week but were still out of order.
 - ❖ The CLFP Board asked Mr. Whittet to investigate other options including Rise Broadband, Hughes Net, and StarLink.

St. Vrain Water Authority (SVWA):

District Manager Kauffman presented the following information to the Board:

- The SVWA Board approved the fixed and variable rates by resolution.
- There was some concern from AJ Krieger, the Town of Firestone (Firestone) Manager, that SVWA had not entered into a water purchase agreement with Firestone.
 - ❖ Mr. Krieger said he would reread the Member Agreement to get more information.
- The SVWA Board will have a presentation by Vercada next month to discuss the water plant security systems and options for active and passive security systems.
 - ❖ Portions of the presentation will be in executive session.
- Substantial completion of the water plant was issued the week of June 5, 2023.
 - ❖ The plant is not yet sending water into Firestone but is very close.
- The SVWA website is up and running.
 - ❖ Ms. Kauffman advised the District Board they could see the SVWA website at the following link of www.stvrainwaterauthority.com.
 - ❖ All SVWA Board agendas, packets, and meeting minutes will be posted on their website along with contact information for SVWA.

- ❖ The SVWA Board will also entertain a resolution to post all notices online next month.
- Ms. Kauffman questioned the District Board if they would like her to schedule a tour of the plant and the majority response was yes.

Windy Gap Firing Project (WGFP) Quarterly Update:

District Manager Kauffman presented the following information to the Board:

- Windy Gap Operations Subcommittee:
 - ❖ Water Resources Administrator Amanda Hoff and Ms. Kauffman continued to attend the Operations Subcommittee meetings.
 - ❖ The meetings generated a lot of discussion and questions as to how the system will operate after the initial filling of the reservoir and how it may impact Windy Gap allottees that have no storage in Chimney Hollow.
 - ❖ The end goal is an operations agreement or operational guidelines for the system.
- Windy Gap Deliveries:
 - ❖ As of June 6, 2023, there was approximately 2,000 ac-ft of Windy Gap water in the system and Lake Granby was near spilling.
 - Participants were encouraged to take delivery of that water to reduce the potential amount that will spill.
 - ❖ Deliveries through the Adams Tunnel were 101 percent of average despite the tunnel outage earlier this water year.
- Colorado River Connectivity Channel (CRCC):
 - ❖ The Upper Colorado River basin snowpack was near 214 percent of average.
 - ❖ Runoff had created higher flows than anticipated and caused some scour in the embankment at Windy Gap Reservoir.
 - The scour occurred along the new embankment between the old reservoir and the realigned Colorado River.
 - ❖ The damage was not significant but will cause some impact.
- Chimney Hollow:
 - ❖ Weather has affected the production at Chimney Hollow and rainfall totals were significant over the construction site.
 - On May 9, 2023, the rainfall over a two-hour span nearly reached a 100-year event.
 - ❖ There was some contamination to the dam zone material by erosion carrying smaller particles into the wrong areas, spillway slab undermining, trench slope failures, inundation to the valve house foundation, inundation of the upstream portal, erosion of hillsides and access roads.
 - ❖ Despite the delays from the weather, the contractor estimates they are 13 days behind critical path schedule.
 - Ms. Kauffman reviewed the intermediate milestones that are critical to the schedule.

Public Hearing: Action Item: Resolutions 2023-17 Inclusions and 2023-18 Exclusions:

President McMurtrey opened the Public Hearing. There were no public comments, and the Public Hearing was closed.

It was moved by Director Szmyd, seconded by Director Martens, to adopt Resolution 2023-17 Inclusions (Haley, Liberty Grange Hall), and Resolution 2023-18 Exclusion (Lighfoot, LV34 Apartments, LV34 Commercial Holdings). Motion Carried unanimously.

STAFF REPORTS

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

- Meeting Summaries:
 - ❖ Ms. Kauffman and other Staff members met with Century Homes on June 5, 2023, to discuss the following topics;
 - Promoting restricted turf sizes on lots in the Red Barn subdivision.
 - The District would like to promote the idea, but it is hard to manage/enforce.
 - The District proposed bringing two additional tap sizes to the Board at the August Board Meeting for implementation in 2024.
 - Discussion followed regarding the following:
 - ◇ Pros and cons of additional tap size options.

- ◇ Whether these options will encourage or discourage over-use of water allotments.
- ◇ Colorado Governor Jared Polis' decree to provide more homes and how the cost of water taps applies.
- ◇ The increased request for Accessory Dwelling Units (ADUs).
- ◇ Homeowners with larger lots are the majority of over-users within the District.
 - Ms. Kauffman noted she would bring data on over-users to the Board at the August meeting.
- ❖ District Engineer Eaton, Jake Hebert, P.E. District Civil Engineer III, and Ms. Kauffman met with Helen Migchelbrink Town Manager of Mead, along with other Mead Staff members, to discuss some outstanding items and help create greater conversation between the groups.
 - The District hosted the mead Development Review Committee meeting for Mead Staff and Consultants.
 - The District provided lunch for the groups to help create stronger relationships.
- ❖ Agreements:
 - Aurora Organic Dairy (AOD) is reviewing their engineer's estimate for the waterline agreement before signing the agreement.
 - Ms. Kauffman expected to have the agreement at the August Board Meeting.
- ❖ Anticipated August Board meeting Topics:
 - 2024 Budget objectives.
 - New tap recommendations.
 - District/Central Weld County Water District (CWCWD)/Brookfield pipe capacity lease.
 - AOD agreements approval.
- ❖ Ms. Kauffman presented a quarterly update of District Goals.

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

- Office Update:
 - ❖ A final reminder was given regarding the annual Special District Association (SDA) conference.
 - ❖ District Manager Kauffman and Ms. Diekhoff would be approving the next newsletter that would be sent.
 - Ms. Kauffman and Ms. Diekhoff were excited to see a nice article on District Conservation Specialist Holly Suess included.
 - ❖ The RAVE reverse notification system was officially implemented.
 - Ms. Diekhoff would be performing a few small tests and asked Board Members if they would be willing to participate.
- EyeOnWater (EOW):
 - ❖ The promotional postcard advising customers of a \$10 incentive for those who sign up for an EOW account continued to encourage new accounts.
 - The percentage of customers signed up for EOW had increased from 18 percent to 19 percent.
 - Ms. Diekhoff advised she did not believe the District would ever reach 100 percent of customers creating accounts, partly due to homeowner turnover.
- District revenue was lower than expected due to the wet spring weather.
 - ❖ Ms. Diekhoff advised the Board that managers had been asked to cut expenses where it was possible.

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

- There were 12 Tap Commitment Requests for May. The year-to-date total was 28.
- Capital Projects:
 - ❖ There were no new development projects; construction, referrals and reviews had all slowed.
 - ❖ The Loveland/Campion project had been sent out to bid.
 - ❖ Engineering Staff met with Mead Staff, and it was determined that the 3rd and Welker project would not provide any benefits to existing customers and therefore, the District portion of the project was cancelled.
- Other Engineering & Geographic Information System (GIS) Activities:
 - ❖ The GIS system migration to the new server was almost complete.
 - This has been a much-needed upgrade for the last two and one-half years.

- Moving the GIS system to the new server while keeping the system operational posed significant challenges, however, the migration had been relatively smooth considering the complexity.
- The new District GIS specialist, Zach Hecker, has done an excellent job for the District with this difficult task.
- Director Szmyd questioned if the GIS data could be moved to a cloud platform. Operations Manager Ken Lambrecht advised the server was hosted in-house but the data was published to a cloud.
- ❖ Engineering staff remain extremely busy with capital and development projects.
 - Development construction and inspections remained active.
 - Capital project inspections have begun with the Larimer County Road (LCR) 8 and 21 project, with the Loveland Campion project soon to follow.
 - Development review and referrals remained steady for the month of May.
- ❖ Brookfield continues to negotiate a contract with Garney for the West Interstate-25 (I-25) Transmission Line.
 - Final selection is pending the outcome of these negotiations.
 - Easement acquisitions are nearly complete with two properties remaining and final negotiations are in progress.
- ❖ The Colorado Department of Transportation (CDOT) had begun their due diligence with investigating impacts to infrastructure from the I-25 improvements to segment 5 from Highway (Hwy) 66 to Hwy 56.
 - District Staff will be heavily engaged due to the amount of water system infrastructure impacted along this new segment.
- Twin Mounds 5 Million-Gallon (MG) Tank Rehabilitation Progress Update:
 - ❖ Final interior coating was in progress and the ceiling was now substantially complete.
 - ❖ Final coating of the walls would begin shortly.
 - ❖ Wet weather, humidity, and high temperatures during sunny days, along with material issues had slowed the progress.
 - The contractor was working unusual hours to deal with some of the weather issues.
 - ❖ It was expected that the project would be completed by the end of June or beginning of July.
 - ❖ Mr. Eaton commended the contractor for his hard work, and attention to detail to the tank rehabilitation.

Water Resources Manager's Report: Water Resources Manager Nancy Koch and Water Resources Administrator Hoff reported on the following:

- Water Resources Administrator Hoff gave a presentation on District water losses.
 - ❖ Water audit data includes information from every department.
 - Ms. Hoff reviews information from the water supplied from CLFP, authorized consumption, losses including theft and leaks, cost data from Business Manager Diekhoff, and system data obtained from each Operations Crew.
 - ❖ Keeping records of water loss audits gives the District access to grants and State funding.
 - Ms. Hoff believes this will likely become required by the State in the coming years.
 - ❖ Ms. Hoff cannot give accurate details on the water loss as the data used by the District to complete this water audit is not complete.
 - A large problem is isolating the District system from master meters and CWCWD water.
 - ❖ Some areas that can be improved upon to get better data, and make this a more reliable tool to use for water loss information, include:
 - Better understanding of water going to CWCWD.
 - Leak detection program.
 - CLFP meter reads.
 - Master meter accuracy testing.
 - Better measurement of flushing water.

Discussion followed regarding ways the District can improve gathering the necessary data for better water accounting, costs to the District for improved equipment and processes, and how reducing losses can assist the District with drought protection.

- Water use for the month of May had been less than projected, but trending with 2019 which was also a wet spring.
 - ❖ Ms. Hoff heard weather predictions for a hot and wet summer.
- Dry Creek Reservoir:
 - ❖ Water Resources Staff filled Dry Creek Reservoir with Windy Gap water.
- Water Court:
 - ❖ Staff would be filing the Handy Ditch Company case soon.
 - ❖ Firestone's trial is set for July 2023, and Johnstown's trial is set for March 2024.
 - The District would receive Expert Witness exposures from the trials of the other entities.
 - Staff will be monitoring those cases to gain insight into what other entities' strategies will be.
- Ms. Koch had heard that 5 million ac-ft of water from the snowpack and rainfall would go into the Colorado River. Lake Powell and Lake Mead were storing some of this water, enough to fill Lake Powell up to the Bullfrog Marina.
- Granby Reservoir was full.

Operations Manager's Report and Water Quality Update: Operations Manager Ken Lambrecht reported on the following:

- Leak repairs had decreased in the month of May, however, all of the rain in June may cause another upturn.
- Monthly Total Coliform and Disinfection Byproducts (DBP2) samples were within acceptable parameters.
- Lead and Copper sampling was scheduled in July.
 - ❖ Lead and Copper monitoring had been reduced due to CLFP.
- Telemetry Upgrade Project:
 - ❖ Staff made a decision on equipment and contractor.
 - ❖ Staff were checking references for the contractor.
- 5,813 of a total of 6,437 valves had been exercised.

DIRECTOR REPORTS

Director Szmyd noted the City of Loveland reviewed their 2024 budget and did not allocate much money for raises. Given the Consumer Product Index (CPI) Mr. Szmyd did not agree with the decision.

Director Martens noted that a new power transmission line was approved from a new wind farm in Wyoming to Southern California.

President McMurtrey noted that Boulder Creek reached a flow of 1,000 cubic feet per second (CFS), the normal flow is 500 CFS, and their reservoir had overtopped. There have been two drownings so far this year.

President McMurtrey called for a break at 7:39 p.m. The meeting resumed at 7:44 p.m.

The Board went into Executive Session, at 7:44 pm. The Board returned from Executive Session at 8:31 p.m.

It was moved by Director Brandenburg, seconded by President McMurtrey, to adjourn the meeting at 8:32 p.m.

Respectfully submitted,

Amber Kauffman