

**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, August 11, 2022. Attendance was as follows:

Board of Directors:

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

Staff in Attendance:

Amber Kauffman, District Manager  
Brad E. Eaton, District Engineer  
Nancy Koch, Water Resources Manager  
Ken Lambrecht, Operations Manager  
Judy O'Malley, Recording Secretary

Other Attendees:

Randy Watkins, CPA, CGMA, CCIFP of BDO USA, LLP

**CALL TO ORDER**

Board President Emily McMurtrey called the meeting to order at 5:01 p.m. followed by the recitation of the *Pledge of Allegiance*.

**ROLL CALL**

Roll call was taken. All Directors were present.

**AGENDA REVIEW**

**It was moved by Director Ed Martens, seconded by Director Bill Szmyd, to enter into Executive Session at the end of the meeting citing §24-6-402(4)(f) C.R.S., to discuss personnel matters. Motion carried unanimously.**

There were no other changes to the agenda.

**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 Steve Brandenburg, to approve the Consent Agenda, including:**

- Minutes of the July 14, 2022, Regular Board Meeting,
- Tap List 679,
- July 2022 Disbursements in the amount \$1,015,896.81:
  - ❖ Operating Account: \$723,874.91:
    - ACH Manual Check Numbers 3920 to 3993 – \$321,660.91,
    - Check Numbers 10804 to 10845 – \$402,214.00,
  - ❖ Payroll Account: (Two Bi-weekly payroll periods in July) for \$292,021.90:
    - ACH Transmittal Vouchers O-2194 to O-2205 – \$154,680.20,
    - ACH Direct Deposit Numbers N-11802 to N-11874 – \$137,341.70,
- July 2022 Financial Report.

**Motion carried unanimously.**

**DISCUSSION ITEMS**

**2021 Audit Presentation:**

District Manager Kauffman and Randy Watkins, CPA, CGMA, CCIFP of BDO USA, LLP presented the following information to the Board:

- The 2021 audit field work was completed in August 2022.
- The Management Discussion and Analysis was completed by staff August 3, 2022.
- The 2021 Audit was conducted in accordance with auditing standards generally accepted in the United States of America.

- In conjunction with the audit of the financial statements, there were not items which were considered to be material weakness.
- An Information Technology (IT) review was included in the Audit for the first time.
  - ❖ A few small IT deficiencies were found and are being addressed.
- The 2021 audit must be submitted to the State of Colorado before September 30, 2022.

#### Carter Lake Filter Plant (CLFP):

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

- CLFP Board Officers were elected:
  - ❖ Al Lind of Central Weld County Water District (CWCWD), President
  - ❖ Ryan Heiland of LTWD, Vice President
  - ❖ Steve Brandenburg of LTWD, Secretary/Treasurer
- Financial Review:
  - ❖ CLFP believes they will be approximately \$200,000 over budget for chemicals only.
  - ❖ Staff do not believe they will need additional funds.
- Pretreatment:
  - ❖ Josh Cook, P.E. of NoCo Engineering, emailed a proposal to Mr. Whittet.
    - Mr. Cook proposed a design-bid-build approach to the pretreatment project.
      - ◇ The price increased by approximately 90 percent over a proposal that was submitted two years ago due to increased labor and material costs.
      - ◇ The project design is expected to take 2- years to complete.

Discussion followed regarding whether the cost increase was in-line with the current economy, project management, and if other proposals would be considered.

- Dry Creek Reservoir Water:
  - ❖ CLFP started using Dry Creek Reservoir water on July 6.
    - Prior to the start of pumping, on July 7 the surge tank faulted, and pumping stopped.
    - Pumping resumed on July 12.
    - Pumping was stopped again on July 19 due to the north plant's inability to handle the increased Total Organic Carbon (TOC).
    - The increased TOC was causing the north plant to foul the membranes faster than expected, thereby reducing plant capacity and potential service life of the membranes with increased clean-in-place cycles.
    - Pretreatment will resolve the issue; however, that solution could be years away.
  - ❖ CWCWD District Manager Stan Linker, CLFP Plant Manager Rick Whittet, and Ms. Kauffman scheduled a manager's meeting to discuss ways to manage Dry Creek Reservoir water.
- General Plant Information:
  - ❖ The North and South plants have some equipment repairs that are needed.
  - ❖ Some access roads on the property are in need of repair.
  - ❖ CLFP Staff plan to exchange the backhoe and forklift for a universal loader.

President McMurtrey called for a break at 6:26 p.m. The meeting resumed at 6:37 p.m.

#### St. Vrain Water Authority (SVWA):

District Manager Kauffman presented the following information to the Board:

- At the August 8, 2022, SVWA Board Meeting LTWD Board Member James Walker, along with Donald Conyac, were sworn in to the SVWA Board.
- SVWA Board Officers were elected:
  - ❖ Julie Svaldi Town of Firestone (Firestone) Board Member, President
  - ❖ Julie Pasillas of Firestone, Vice-President
  - ❖ Dave Lindsay Consultant for Firestone, Secretary
  - ❖ Don Conyac, Treasurer

- Director Walker requested the SVWA Board research an accessibility policy for the website.
  - ❖ Ms. Kauffman advised she forwarded a copy of the District's policy.
- A draft of the SVWA 2023 budget was expected to be presented to the SVWA Board at the September meeting.
- A Request for Proposal (RFP) was being sent out to obtain administrative services.
- Construction had been moving along but continued with delays.
  - ❖ A temporary Certificate of Occupancy (CO) was expected in Mid-October.

#### Windy Gap Firming Project (WGFP):

District Manager Kauffman presented the following information to the Board:

- **Colorado River Connectivity Channel (CRCC):**
  - ❖ The National Resources Conservation Services (NRCS) official signatures have been delayed for full funding.
    - The approval for a portion of the funding has been approved.
    - The full funding is reported to be approved but the signature had not been added to the document.
  - ❖ The early works construction package continues with most of the fill material for the new dam stockpiled, the reservoir is drained, and riprap is also stockpiled.
- **Chimney Hollow:**
  - ❖ The project continues to fall within the early completion schedule, meaning that the critical path items are on schedule.
  - ❖ The critical path item currently is the grout program.
  - ❖ Current issues continue to be the dam foundation quantities.
    - These are expected to result in a \$5 million (M) to \$10M change order due to the higher than expected rock elevations and the foundation seepage.
    - The foundation seepage appears to be a potentially smaller issue than first thought.
  - ❖ An additional issue includes the asphalt design test results indicating a softer mix than desired.
    - All of the specific testing for this application is only done in Europe.
    - Currently no testing is completed in the US, thereby delaying some of the adjustments.
  - ❖ The final current issue is the plinth concrete thickness.
    - The contractor suggests that the required extra thickness is due to the rock formation, and the engineer suggests that the extra thickness is due to the contractor's means and methods.
    - There has been no resolution at this time but the parties are working together toward a resolution.
  - ❖ The downstream portal construction has approximately 315 feet (ft) of the 600 ft completed with crews working around the clock.
  - ❖ The Bald Mountain Tunnel connection valve was set and the building that houses it is under construction.
  - ❖ The valve needs to be completed by September 19 for the scheduled shutdown of the tunnel.
- **WGFP Enhancement Donor Fund Advisory Committee:**
  - ❖ The Advisory Committee met on May 20, 2022.
    - The meeting produced progress on the establishment of criteria for funding of projects.
  - ❖ The committee decided to use a letter of interest to RFP approach for projects funded by the donor fund.
    - Goals include:
      - ◇ To have a press release for the letter of interest in September.
      - ◇ Finalized set of grading criteria for funding projects by October.
      - ◇ Project selection in December.
  - ❖ Discussion remained as to whether the funding shall be matched by the parties or stand alone.
  - ❖ Also, to be discussed was whether the group should hire a consultant for stream restoration expertise.

- **WGFP Mitigation Enhancements:**
  - ❖ Northern Colorado Water Conservancy District (Northern) has several ideas to assist in mitigating the nutrient loading into the three lakes system.
  - ❖ Northern is hoping to have a feasibility level cost estimate for improvements to wastewater plants to assist in the nutrient reduction by the end of the year.

**Action Item: Motion to Approve: Resolutions 2022-22, 2022-23 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 Larry Brandt, to adopt Resolution 2022-22 Exclusion (Drought), and Resolution 2022-23 Exclusion (Platte Land & Water). Motion carried unanimously.**

**2023 Budget Objectives:**

District Manager Kauffman presented the following information to the Board:

- **The Budget Schedule will be as follows:**
  - ❖ August 11 Discussion of budget objectives and general directions from the Board.
  - ❖ September 22 Presentation of proposed Capital expenditures and projects.
  - ❖ October 13 Presentation of the proposed budget (required on or prior to Oct. 15, 2022).
  - ❖ November 10 Scheduled public hearing on the budget, 30-day notice required.
  - ❖ December 15 Adoption on 2022 Budget (required by December 15, 2022).
- **Budget Objectives:**
  - ❖ Projected tap sales at 250 taps for 2023.
  - ❖ Overall retail rate increase for base rate and tiers to help keep up with inflation, a 5% increase to the base rate and lower tiers and a 9% increase to the top tiers.
  - ❖ Review and update all wholesale rates.
  - ❖ Continue water conservation efforts and outreach.
  - ❖ Continue to fund work on native water change of use (water court).
  - ❖ Budget 3.5% for cost-of-living plus 4.4% for merit pay adjustments.
    - Based on preliminary information from Employers Council survey for Government entities in Northern Colorado.
  - ❖ One new employee and two replacement employees for retirements.
  - ❖ Plan and implement significant CLFP Joint Capital projects (pretreatment design/construction)
  - ❖ Other input from the Board.

Discussion followed regarding the following topics:

- Managing the balance between treatment capacity and the District being able to sell new taps.
- Staffing options, including rehiring retired employees.
- Hiring a marketing agency to assist with publicizing information to customers.
- Continuing to educate customers on annual allotments and curtailing over-use.
- Finding and purchasing additional water supplies.
- Budgeting for capital projects and increase costs of supplies for CLFP.

**First Amendment to the 2002 Town of Johnstown Intergovernmental Agreement (IGA):**

District Manager Kauffman presented the following information to the Board:

- Matt LeCert, Town Manager of the Town of Johnstown (Johnstown) had been short-staffed and unable to spend time updating the current IGA.
- Ms. Kauffman requested approval from the Board for the First Amendment of the 2002 IGA extending the terms of the original agreement until March 2023.
  - ❖ Copies of the First Amendment to the 2002 IGA, the 2002 IGA, and the 2009 IGA were included in the August 11, 2022, Board Packet.

**Following discussion, it was moved by Director Szmyd, seconded by Director Ryan Heiland, to approve the First Amendment to the 2002 Town of Johnstown IGA as presented to the Board. Motion carried unanimously.**

Longs Peak Water District (LPWD) – LTWD Memorandum of Understanding (MoU):  
District Manager Kauffman presented the following information to the Board:

- Gary Allen, General Manager of LPWD and Ms. Kauffman have been working on a way to transfer service of a subdivision, Mead Crossing, currently served by LPWD to service from the District.
  - ❖ The change is due to the relocation of a meter vault that serves LPWD from the District.
  - ❖ The vault will be relocated by a different development, Waterfront.
  - ❖ The District will take over the service to the entire subdivision and take ownership of the existing infrastructure.
  - ❖ The timing is important as there is currently only one LPWD customer in Mead Crossing but there are several other lots wanting service.
  - ❖ It would be better for staff and customers to not have the switch happen after customers have been established in LPWD.
  - ❖ This means that all new customers will need to meet the District's requirements for service and pay the District's tap fees to the District.
  - ❖ When the vault is relocated, the existing LPWD customer will be advised of the situation and be asked to sign exclusion paperwork from LPWD, District inclusion paperwork, and the District Domestic Water Agreement (DWA).
  - ❖ There are 14 units of Colorado-Big Thompson (C-BT) water dedicated to the development.
  - ❖ Quick Trip purchased the entire subdivision.
    - The existing customer uses approximately one unit of C-BT, the Quick Trip store has seven units of C-BT assigned.
    - The remaining units of C-BT will be assigned to subsequent customers as District Staff deem appropriate for the business.
    - If there are not enough units of C-BT to fulfill every new customer in the subdivision, will be addressed on a case-by-case basis.
- This change in service area, preempted by the relocation of the meter vault, will require an amendment to the existing IGA with LPWD, Mead, and the District.
- In the meantime, LPWD and the District both felt it important to document the path ahead for development in Mead Crossing and to give developers clear direction forward.
- The MoU has already been signed by Gary Allen, General Manager of LPWD (see attached).

**It was moved by Director Martens, seconded by Director Szmyd, to approve the LPWD – LTWD MoU as presented to the Board. Motion carried unanimously.**

## STAFF REPORTS

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

- Regional Water Strat Op Work Session:
  - ❖ On July 29, 2022, Ms. Kauffman attended the work session on behalf of the District.
    - The focus was on determining the work scope for study by a consultant.
      - ◇ A draft document had been started by Sean Chambers of the City of Greeley (Greeley) and Ms. Kauffman.
    - The conversation morphed into what the elected leaders want to see out of the work of the group and who was willing to support what effort.
    - In addition to other topics, the group also discussed the following:
      - ◇ The challenges in delivering large quantities of water supplies which are available near a treatment plant for use in a potable system versus available water supplies used for non-potable use.
      - ◇ Conditions and potential outfall of the low water elevations in Lake Mead and Powell and the Bureau of Reclamations impending deadline for water use reduction.
      - ◇ Water conservation measures and land planning tools for reducing landscape demands.
      - ◇ The water demand/supply horizon for elected leaders to grasp and discuss with their constituency.

- Chimney Hollow Tour:
  - ❖ Ms. Kauffman reminded the Board and Staff of the tour scheduled for August 17, 2022, at 1:00 p.m.
- Employee Appreciation Event:
  - ❖ The District hosted a Casino Night at City Star Brewery for employees and one guest on July 29, 2022, at 5:00 p.m.
  - ❖ It was a fun, interactive event at a convenient location.
- Office Building:
  - ❖ The new office roof has been leaking after large storm events.
  - ❖ Ms. Kauffman is concerned that the water could cause significant damage and other environmental concerns.
  - ❖ Operations Manager Ken Lambrecht started obtaining quotes for a new roof and other alternative roof solutions.
    - Staff are looking at the costs and lifetime of the solution.
    - The preference is not to spend too much as the long-term plan is to find a location for a new office building somewhere, but not have a regular annual expense for repairs of the current office.
  - ❖ Ms. Kauffman expects a cost in the range of \$50,000 to \$100,000 but will advise the Board when details are received.
  - ❖ The goal is to get the roof repaired sooner rather than later with short schedule notices for some contractors and increased potential for damage with each precipitation event.
  - ❖ Staff would like early authorization within a boundary to move forward.
  - ❖ The item should be a non-operating expense, for which the District didn't have dollars budgeted for that line item but will have sufficient room under the overall non-operating budget, thereby not exceeding the total budgeted expenditures for the District for 2022.
- Rate Study:
  - ❖ The following points were discussed:
    - Reward conservative users and hold over-users accountable.
    - A way to fund assistance for low-income households.
    - Develop talking points for Board Members to explain rate increases to constituents.
    - The purpose of a rate study is to make sure the District is being equitable compared to surrounding water providers.
      - ◊ A rate study may assist Staff in learning how other water providers curtail over-use.
    - Creating new classifications of taps with a higher annual allotment.

Business Manager's Report: In the absence of Business Manager Angela Diekhoff, District Manager Kauffman reported on the following:

- 2023 Board Meeting Calendar:
  - ❖ The Board Calendar for the upcoming year is generally presented in November.
    - Staff requested the Board consider moving the regular monthly meetings to the third Thursday of each month.
    - The requested change would allow Staff more time to prepare reports as well as obtain information from the CLFP and SVWA meetings.
- EyeOnWater Users:
  - ❖ There were a total of 1,215 users out of the 1,158 user goal for 2022.
    - Goal met!

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

- There were 2,601 Tap Commitment Requests in June. Year-to-date total was 4,988.
  - ❖ This number is skewed due to a revised Commitment Request for the Turion development.
- Capital Projects:
  - ❖ The western portion of the West 1<sup>st</sup> Street (St.) project had been completed, and the eastern portion of the project was substantially completed.
  - ❖ The preliminary alignment design for the Northeast Transmission Line had been developed.
    - The next steps involve easement discussion with property owners.
  - ❖ The Twin Mounds project continued to progress.
    - Weld and pitting repairs in the ceiling structure were the focus.

- Epoxy stripe coating of the structural joints in the ceiling were to begin the week of August 8, 2022.
  - Commissioning of the robotic sandblaster for the walls was expected to begin the week of August 15, 2022.
  - Significant corrosion in the ceiling structure delayed the overall schedule.
  - Completion of the project and the filling of the tank was expected by August.
- ❖ The Loveland/Campion Conversion Project 60% design drawings had been completed and were under final review by Staff.
  - Project complexity along with inflation of material costs indicate that total project costs could reach \$3.2 - \$3.4 M.
  - The newly understood budget overrun will require a phased approach with the construction beginning in the last quarter of 2022 and project completion in 2023.
- ❖ The Dry Creek Reservoir water level and water quality equipment would be ready to be installed soon.
- ❖ Weld County was to relocate approximately 1,250 feet of 12-inch waterline to accommodate the widening of the Weld County Road (WCR) 54 Bridge at the Thompson River.
  - Project costs will be reimbursed by Weld County.
  - The waterline relocation design was in progress.
- ❖ The next steps for the Raw Water Infrastructure, to capture and convey native water for treatment, are to develop the RFP for design services.
- **Development Projects:**
  - ❖ The new Home Depot warehouse project received special approval from Mead causing District Staff to move quickly to keep up.
  - ❖ Approximately half of the necessary water dedication had been received for the Horizon Hills development.
    - The water dedication was enough for Phase I.
  - ❖ Engineering Business Support Level II Clayton Orback had been training with the inspectors and assisting where needed in the field.
- **Other Engineering & GIS Activities:**
  - ❖ The Larimer County Road (LCR) 8 and LCR 21 roundabout design was progressing.
  - ❖ Staff were pursuing missing easement for the joint 24 inch line on the Schulz property impacted by area development.
  - ❖ The West Interstate 25 (I-25) 24 inch transmission line easement acquisitions continued.
  - ❖ The Colorado Department of Transportation (CDOT) repairs to the 42-inch Air Release Valve (ARV) gaskets were complete and the transmission line was back in service.
    - Resolutions to minor project items was in process.

**Water Resources Manager's Report:** Water Resources Manager Koch reported on the following:

- July had been hot and dry; however, water usage demands had been slightly lower than projections.
- Cumulative water use was very close to the projected amount for the 2021 – 2022 water year.
  - ❖ Ms. Koch expected the District to have water for carryover.
  - ❖ Ms. Koch was going to contact the Town of Berthoud (Berthoud) regarding their carryover to see if there was any the District could use.
  - ❖ Ms. Koch advised that the District had received a significant amount of water dedications for developments.
- The Dry Creek Reservoir water level had decreased between evaporation and usage.
  - ❖ The District has until September 30, 2022, to transfer our Windy Gap water out of the C-BT system into Dry Creek Reservoir.
  - ❖ Water Resources Administrator Amanda Hoff advised CWCWD what date the transfer has to start and offered to run whatever Windy Gap water CWCWD has into the reservoir.

- Water Court:
  - ❖ The first round of comments for the Home Supply case had been completed.
    - The deadline for additional Objector Comments was scheduled for September 16, 2022.

Discussion followed regarding the types of objections Staff were receiving in the Water Court case, and who the objectors were.

- The Seasonal Outlook report continues to predict above average temperatures and below average precipitation for Northern Colorado.
- District Customer's daily water use in the month of July showed dips on Fridays.
  - ❖ Staff felt this was due to the continued education efforts and watering restrictions being followed.
- Ms. Kauffman offered kudos to Ms. Koch, Ms. Hoff, and Mr. Lambrecht for creating the Customers' Daily Water Use graph.

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

- Locate requests and leak repairs were slightly higher than the five year average, but trending towards the average.
- All monthly Coliform were within acceptable parameters. The next Lead and Copper sampling period was tentatively scheduled for November. The next Disinfection Byproduct (DBP) 2 samplings were scheduled for August.
- Crew Leader Valve Exerciser Alan Cordova had exercised 4,587 out of a total of 6,046 valves.

## DIRECTOR REPORTS

Director Szmyd questioned if Staff is able to download customer EyeOnWater information and notify over-users. Ms. Kauffman and Mr. Lambrecht advised that Staff already take these steps.

Director Heiland noted there was an article on a local news channel regarding taste and odor complaints lodged against Denver Water. The issue is coming from high levels of Geosmin in the water.

President McMurtrey noted that Larimer County had been performing Chip and Seal operations at LCR 8 and 21, where they will be installing a roundabout. Ms. McMurtrey also noted that the recently passed Federal Inflation Bill includes resources to fill in the water gap in the Colorado River basin.

President McMurtrey called for a break at 8:40 p.m.

The Board went into Executive Session at 8:46 p.m. **It was moved by Director Martens to Adjourn the Executive Session at 9:15 p.m.**

There being no further business, **it was moved by Director Szmyd to adjourn the meeting at 9:16 p.m.**

Respectfully submitted,

*Amber Kauffman*