

**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 15, 2024. Attendance was as follows:

Board of Directors:

Emily McMurtrey, President, *Present Via Teleconference*
Steven Brandenburg, Vice-President, Present
– *Presiding Officer*
Larry Brandt, 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 Eaton, District Engineer
Nancy Koch, Water Resources Advisor
Amanda Hoff, Water Resources Manager
Kammy K. Tinney, Business Project Manager
Judy O'Malley, Recording Secretary

Other Attendees:

Todd Williams, Partner in Williams and Weiss Consulting (WWC) LLC

CALL TO ORDER

The recitation of the *Pledge of Allegiance* occurred, followed by Vice-President Steve Brandenburg calling the meeting to order at 5:02 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

Vice-President Brandenburg opened the Public Comments period at 5:03 p.m. There being no public comments, the Public Comments period was closed at 5:04 p.m.

CONSENT AGENDA

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

- **Minutes of the July 18, 2024, Regular Board Meeting,**
- **Tap List 703,**
- **July 2024 Disbursements in the amount \$1,224,385.01:**
 - ❖ **Operating Account: \$805,617.98:**
 - **ACH Manual Check Numbers 5618 to 5691 – \$447,766.29,**
 - **Check Numbers 11950 to 11989 – \$357,851.69,**
 - ❖ **Payroll Account: (Three Bi-weekly payroll periods in July) for \$418,767.03:**
 - **ACH Transmittal Vouchers O-2502 to O-2519 – \$207,463.00,**
 - **ACH Direct Deposit Numbers N-13761 to N-13872 – \$211,304.03,**
- **July 2024 Financial Report.**

Motion carried unanimously.

DISCUSSION ITEMS

Non-Potable Systems for Water Resources:

WWC partner, Todd Williams, provided to the following information to the Board:

- Mr. Williams introduced himself to the Board and provided his background and experience with non-potable systems.
- As part of the Raw Water Master Plan, Staff are exploring potential programs that can provide additional water supplies to meet future demands.
- The Highland Ditch company serves farms around Mead, which is the District's fastest growing area.

- ❖ The ditch water could be used to serve all, or a part of the outdoor irrigation demands for new subdivisions.
- ❖ Using the Highland ditch water for outdoor irrigation will provide a significant new supply and, as importantly, reduce future water treatment demands.
- Reasons for Considering Non-Potable Projects under the Highland Ditch System:
 - ❖ Lower peak potable water demands under the District system.
 - ❖ This source would provide a significant new water supply to the District's system.
 - ❖ Fits within goals Highland Ditch Board has for continued future delivery of water for irrigation.
 - ❖ If certain conditions can be met, the non-potable use will not require a water court case.
 - The District can use full use of farm headgate yield and would not have to maintain Return Flow Obligations (RFOs).
 - Must continue to irrigate historically irrigated lands (cannot irrigate lands that are above the ditch or lands not historically irrigated).
 - Future use must fit within existing Highland Ditch Decrees.
- Highland Ditch Analysis tasks completed:
 - ❖ Met with the Highland Ditch Board and explained why WWC LLC would be meeting with the Highland Ditch Staff and the purpose of the water use.
 - ❖ Had several meetings with Highland Ditch Company Staff and took tours of lateral ditch systems off the Highland Ditch and private storage reservoirs in the Mead area.
 - ❖ Evaluate Highland Ditch System yield including Storage and Direct Flow.
 - ❖ Met with the St. Vrain River Commissioner as the City of Longmont (Longmont) has many decrees with Highland Ditch.
- Highland Ditch System Overview:
 - ❖ Historically irrigated acreage of approximately 35,000 acres per the Highland Ditch Company.
 - ❖ Highland has a combination of direct flow rights and storage reservoirs.
 - Direct flow rights are relatively junior.
 - ◇ Historically 60 percent of direct flow yields come in May and June, 30 percent in July.
 - ◇ Usually very little direct flow water comes late in irrigation season.
 - Storage rights (associated with Highland share ownership and private storage) and Colorado-Big Thompson (C-BT) ownership historically supplemented native supplies to meet crop demands.
 - ◇ There is approximately 11,500 acre-feet (AF) of storage within the Highland System (not including private storage reservoirs).
 - ◇ C-BT is owned privately by shareholders under the Highland system and ownership levels have been dropping over time.
 - ❖ The areas between Mead and Milliken are served by private lateral ditch systems.
 - Users in these areas need to have rights in the Highland Ditch System as well as lateral ditch rights.
 - ❖ There are a number of private reservoirs under the lateral system in the Mead to Milliken area.
 - There are a large number of reservoirs, including a lot of small reservoirs, in the system.
 - Small reservoirs typically have junior storage rights and would not provide a lot of yield to the District but could help as operational storage.
 - ❖ There are variable Highland Ditch yields during different hydrologic conditions (wet, average, dry and prolonged drought).
 - ❖ A map was provided showing the overlap of District service areas and Highland Ditch System areas.
- Potential Options for Acceptance of Highland Ditch Shares for Non-Potable Use:
 - ❖ The District gives dry-year yield for Highland Ditch Shares:
 - 2012 Example: 9.3 AF per share total yield, 5.8 AF per share storage yield (including 20 percent ditch shrink).
 - 2002 Example: 4.1 AF per share total yield, 3.7 AF per share storage yield (including 20 percent ditch shrink).
 - ❖ Give higher yield per share if the District can carryover excess yield on space available basis in junior storage capacity.

- If reservoirs fill the following year, District water spills.
- ❖ Key considerations:
 - Direct flow must be used when in priority, cannot be carried over into late summer.
 - Must use storage yield to meet late season demand.
 - Late season deliveries will be a challenge:
 - ◇ Non-potable demands will require more late season water (i.e. September) than historic agricultural use putting more pressure on storage yield.
 - ◇ The Highland System typically runs into mid-September.
 - ◇ If the non-potable project cannot take deliveries from Highland Storage, may need local storage to meet late season demands or use potable water.
 - The District can only potentially carryover storage component of yield.
 - The estimated current value of Highland Ditch shares is more than \$700,000 per share.
 - ◇ At 9.3 AF per share, this equates to more than \$75,000 per AF.
- Recommended Next Steps:
 - ❖ Meet with Highland Ditch Board.
 - Discuss variability of yield, concern with low yields in drought years and District options to address this issue (dry year yield or increased yield with carryover storage).
 - What role would Highland Ditch like to have in the operation of future non-potable systems?
 - ❖ Look at farmland within the District's service area and in path of development that may be good candidates for a non-potable system.
 - If possible, look at projected demand in relation to share ownership.
 - ❖ Evaluate timing of direct flow and storage yields in relation to non-potable demands and potential need for C-BT water to be dedicated to fill storage and meet shoulder month demands (potable use).
 - ❖ Look at the possibility to use local storage reservoirs as operational storage for regional non-potable projects.
 - ❖ Consider potential incentives for non-potable use based on reduction in peak demand levels (lower treatment / transmission costs).
 - ❖ Consider future management options for non-potable systems.

Discussion occurred throughout the presentation with Board Members requesting clarification on different points to better understand the benefits of using Highland Ditch Company shares for non-potable systems in new developments.

Vice-President Brandenburg called for a break at 6:08 p.m. The meeting resumed at 6:13 p.m.

2025 Budget Objectives:

District Manager Amber Kauffman and Business Manager Angela Diekhoff presented the following information to the Board:

- Schedule:
 - ❖ As the District has surpassed the mid-year of 2024, it is time to plan for the 2025 Budget.
 - ❖ The following schedule has been used to allow the Board time to digest the major components of the budget and allow staff time to work on the details of the budget.
 - August 15 - Discussion of budget objectives and general directions from the Board.
 - September 19 - Presentation of proposed Capital expenditures and projects.
 - October 17 - Presentation of the proposed budget.
 - November 21 - Scheduled public hearing on the budget, 30-day notice required.
 - December 12 - Adoption of the 2025 Budget (required by December 15, 2024).
- Budget Objectives:
 - ❖ The following budget objectives are suggested as a starting point for the 2025 budget. They are intended to stimulate discussion and suggestions from the Board.
 - Projected tap sales at 264 tap sales for 2025.
 - Staff proposed overall retail rate increases for base rate, tiers and wholesale rates of 10 percent.

- ◇ The Consumer Price Index (CPI) for 2024 was at 3 percent.
 - Published data may adjust before the end of September and Staff will adapt accordingly.
- ◇ Projected Growth to be at 2.5 percent.
- Employee Costs:
 - ◇ Three new employee positions, pending workload in each department.
 - Finance Assistant.
 - Development Coordinator.
 - Water Resources Technician.
 - ◇ The Employment Cost Index (ECI) for the last 12 months has averaged 4.8 percent for the Public Sector and 5.2 percent for the Private Sector.
 - ◇ Staff recommendation is to budget a 12.0 percent increase for Employee Costs to include cost of living adjustments, merit adjustments and three new staff.
- Discussion for Standard Tap:
 - ◇ Implementation of the water allotment in 2025; and
 - ◇ Evaluate top tier rates for the standard tap:
 - keep current tier rates and add the allotment surcharge, or
 - lower tier rates and add the surcharge.
- Expand water loss reduction program.
- Continue to fund work on native water change of use cases (water court).
- Significant Carter Lake Filter Plant (CLFP) joint capital projects (pretreatment construction).
- Changes to the CLFP cost per 1,000 of water.
 - ◇ A comparison sheet outlining Rate Evaluation with Impact from CLFP Capital Reserve Fund and Operations Revenue Reserved for Capital was provided to the Board.
- Significant Capital Expenses for native water projects and bond funded projects.
- Other input from the Board.

Discussion occurred throughout the presentation regarding the rising costs in all aspects of providing safe, clean water to District Customers.

CLFP:

District Manager Kauffman presented the following information to the Board:

- CLFP Manager Rick Whittet will increase the charge to treat water by 12 cents per thousand gallons in 2025.
 - ❖ A Capital Reserve Fund will be created to prevent Central Weld County Water District (CWCWD) and the District from being hit with unexpected Joint Capital Expenses.
- Pretreatment construction was on track; however, there were some electrical issues.
 - ❖ CLFP Staff were to begin work on Request For Qualifications (RFQ) from contractors.
- The 7-million-gallon (M-G) tank continued to have issues with the paint flaking off on the outside.
- There is concern with the new style membranes slowing down in water production and breaking.
 - ❖ The membranes need to be cleaned better and more frequently.
 - ❖ However, the new style membranes are still an improvement over the old style.
 - ❖ Ms. Kauffman believes once the pretreatment plant is completed it will aid in the production abilities of the new style membranes.
- The CLFP Board held an Officer Election. The results are as follows:
 - ❖ Ryan Heiland, Little Thompson Water District Director – President,
 - ❖ Al Lind, Central Weld County Water District Vice-President – Vice-President,
 - ❖ Steve Brandenburg, Little Thompson Water District Vice-President – Secretary / Treasurer.

St. Vrain Water Authority (SVWA):

District Manager Kauffman presented the following information to the Board:

- SVWA Staff are looking into limiting content on the website to meet Americans with Disabilities Act (ADA) requirements.

- The last two punch list items for the plant were completed.
- SVWA Staff were beginning the 2025 Budget process.
- District Director Szmyd asked Ms. Kauffman if SVWA continued to produce a small amount of water daily.
 - ❖ Ms. Kauffman replied they produce about 60,000 gallons per day.

Public Hearing: Action Item: Resolution 2024-21 Exclusion:

The Public Hearing had been properly publicized. No written objections were received. Vice-President Brandenburg opened the Public Hearing at 7:12 p.m. No public was present, and the Public Hearing was closed at 7:13 p.m.

It was moved by Director Szmyd, seconded by Director Heiland, to adopt Resolution 2024-21 Exclusion (DiGiglio). Motion carried unanimously.

Windy Gap Completion C and E Notice:

District Manager Kauffman presented the following information to the Board:

- The Municipal Subdistrict of Northern Colorado Water Conservancy District (Northern) has requested additional financing in the amount of \$3,538,181.00 for the completion of the Windy Gap Firming Project (WGFP) through the allotment contract's Completion C and E provision.
 - ❖ The requested amount is for dollars required for the firming project's construction to be complete, including any environmental mitigation that is required on the Western Slope.
 - ❖ The payment requested from the District is funded by Barefoot / Brookfield.
 - ❖ Northern has requested that participants in the firming project notify Northern if they would like to participate in the funding by adding to their loan amount or providing cash.
 - ❖ Brookfield has decided to pay the District up front in cash rather than financing the contribution.
- The District will need to provide notice to Northern of the decision to either finance the requested contribution or pay cash.
 - ❖ The invoices that Northern sends to the District annually will break out the Completion C and E payment amount if the District decides to pay by loan.
 - ❖ The interest rate on the loan is 2.08 percent which amounts to nearly \$1.36 Million.
- There is potential upside to keeping the cash and taking the loan option:
 - ❖ Current interest rates are higher than the loan rate and the District could use some cash buffer for the next couple of years.
- The downside is that it adds additional annual payments that the District is responsible for in the amount of approximately \$177,000.
 - ❖ In the big picture, the \$3.5 million is relatively small in the amount of financing the District may look for in the next couple of years.

Following discussion, it was moved by Director Szmyd, seconded by President McMurtrey, for the District to take a 2.08 percent loan from Northern to cover the Completion C and E payment. Motion passed unanimously.

Following further discussion, it was moved by Director Heiland, seconded by Director Szmyd, to put the Brookfield / Barefoot payment into Certificates of Deposit (CDs) up to two years. Motion passed unanimously.

STAFF REPORTS

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

- District Activities:
 - ❖ In preparation for the NoCO Water Alliance meeting on July 19, which Water Resources Manager Amanda Hoff attended.
 - ❖ Members were provided with three examples of Intergovernmental Agreements (IGAs) focused on protecting native waters from leaving the basin.
 - The examples included:
 - ◇ A high-level preservation principles document aimed at protecting water within a basin.
 - ◇ An IGA between two entities detailing specific provisions and stipulations.

- ◇ A planning board formed between towns and counties to use policy in influencing water movement out of the basin.
- After a group discussion of all three IGAs it was decided to move forward with creating a preservation principles document among Alliance members.
 - ◇ The group felt that this approach would demonstrate a united front and be general enough to gain support in the various members' jurisdictions.
- The next step is to gather input from the group on the goals and principles all want included in the document.
- ❖ South Platte Roundtable Open House:
 - Ms. Kauffman and Water Resources Manager Hoff attended the referenced open house on Tuesday August 13 in Greeley.
 - The South Platte Roundtable has grants available for water construction projects.
- ❖ CWCWD New Treatment Plant:
 - Ms. Kauffman attended a meeting held by CWCWD to discuss the plans for their proposed Water Treatment Plant.
 - Representatives from potential participants were also in attendance.
 - Locations of pipelines, and what types of water CWCWD will accept for treatment were discussed.

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

- Staffing:
 - ❖ An offer has been made to a new Operations Manager, and the offer was accepted.
 - The new Operations Manager will begin August 26.
 - ❖ The District had received some positive applications for Crew Leader.
 - Once the new Operations Manager begins Staff will engage with him to be part of that hiring process.
 - ❖ Ms. Diekhoff received a lot of applications for the Customer Service Representative (CSR) position.
 - The goal is to start making calls next week to line up interviews.
 - ❖ Backhoe Crew Water Maintenance Worker Cody Palmer just passed his Distribution 1 test and is already starting to work towards his Distribution 2.
 - ❖ Administrative Assistant Judy O'Malley just finished an American's with Disabilities Act (ADA) course and received a certificate.
 - ❖ Ms. Diekhoff received a wonderful email from Director Ed Martens regarding some work the District Backhoe Crew had completed in his subdivision.
 - One of Mr. Marten's neighbors was extremely happy with the crew.
 - As part of the District Employee engagement and safety program we have a year end drawing in place for prizes.
 - When Staff receive positive feed back the employee names are entered for extra opportunities to win.
- EyeOnWater (EOW):
 - There have been 368 new customer sign-ups in the last six months.

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

- There were 385 new taps and zero Accessory Dwelling Units (ADU) Commitment to Serve Requests for July. The 2024 total was 811 taps and 12 ADUs.
- Capital Projects:
 - ❖ Staff are making good progress with all of the Capital Projects.
- Development Projects:
 - ❖ Developments are active with many final acceptances being issued.
 - ❖ The final acceptance for the Home Depot Distribution Center was finally issued.
- Other Engineering Department Activities:
 - ❖ Staffing:
 - Steve Holmes, the new Geographic Information System (GIS) Analyst IV, is making significant strides in rehabilitating the District GIS system and bringing it up to current standards.
 - Staff were scheduled to interview a potential candidate for the Civil Engineer 1 position.
 - ◇ An offer was to be extended to the candidate.

- ❖ The potholing contractor for the Lead Service Line Inventory (LSLI) project began work on July 15 and had made excellent progress with 188 out of 314 sites complete as of August 7.
 - No lead service lines had been discovered at the time of the Board Meeting.
- ❖ Interstate-25 (I-25) Segment 5:
 - Colorado Department of Transportation (CDOT) has presented the first design for one of several areas impacting the District.
 - The design is under review by staff.
- ❖ The Brookfield 30-inch line was progressing and was in the final stages of design.
- ❖ Director Brandenburg questioned Mr. Eaton on the progress of the Aurora Organic Dairy (AOD) 12-inch line.
 - Mr. Eaton advised the design was almost completed.

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

- The water use for July was below projections.
 - ❖ Northern announced an additional 10 percent quota on August 14.
 - ❖ Due to a Flash Drought, farmers were in need of the additional supplies to finish out their crops.
- The cumulative water use for the 2023 – 2024 water year was close to the projection.
- DCR was evaporating as usual in the summer.
- Ms. Hoff noted the charts and graphs that had been included in the Board Packet showing the drastic change in weather conditions in a short period of time between June and July.
- Ms. Koch advised the Board that both she and Ms. Hoff will miss the September 19 Board Meeting.
 - ❖ Ms. Koch noted that Ms. Hoff had done a wonderful job of preparing the Water Resources Department for her upcoming extended absence.

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

- Fire Impacts
 - ❖ On Monday July 29 the Alexander Mountain Fire started.
 - The fire caused evacuation notices for a large portion of the District's western service area.
 - In advance of any potential power outages, the Operations Crew put generators at each of the affected pump stations and filled additional storage tanks that are generally used during the off season.
 - ❖ Tuesday, July 30 the Stone Canyon Fire started.
 - This fire caused evacuation notices to be issued for an area approximately 1.5 miles from another portion of the District service area and close enough to the filter plant for concern.
 - Again, the Operations Crew provided backup generators for the affected pump stations.
 - ❖ The crew kept tending to the generators to ensure they were ready if needed.
 - Thankfully the generators were not needed, and rented generators were returned to suppliers on Monday, August 5.
- Locate Requests had increased significantly, and Leak Repairs were trending down.
 - ❖ Ms. Kauffman felt there may have been more leaks repairs than reported due to the use of contractors as the Backhoe Crew is currently shorthanded.
- Monthly Water Quality Report:
 - ❖ Monthly Total Coliform samples were within acceptable parameters.
 - ❖ Disinfection By Product (DBPs) and Unregulated Contaminant Monitoring Rule (UCMR) Five samples will be taken in August.
 - Ms. Kauffman contacted CDPHE to find out if there are any UCMR Five sampling protocols.
 - ◇ CDPHE advised that they do not, but to check with California and Michigan.
 - ◇ Operations Services Water System Worker Steve Schaeffer wore a Tyvek suit to prevent contaminants from entering the samples.

- Director Larry Brandt questioned if the flame retardants used on the Alexander Mountain or Stone Canyon fires contained Per- and polyfluoroalkyl substances (PFAs).
 - ◇ Ms. Kauffman advised that CDPHE stated the flame retardants are 90 percent water, and the remaining 10 percent is red dye, phosphorous, and ammonia-based ingredients.
- Project Updates and Notes:
 - ❖ Valve exercising remained on hold.

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

- LSLI – Project Update:
 - ❖ The District's contractor began the potholing process the week of July 15.
 - As of August 6, 218 of 314 sites had been completed.
 - The District remains on track to complete the potholing portion of service line identification by August 31.
 - 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.
 - ❖ Phase I of the LSLI Project will continue for the next two months with conclusion of the first inventory report and Lead Service Line Replacement Plan due to Colorado Department of Public Health and Environment (CDPHE) on October 16, 2024.
 - ❖ Phase II of the LSLI Project includes notification to customers of service line material by November 16, 2024, and the implementation of a replacement program, as necessary.
- Policies and Procedures:
 - ❖ Ms. Tinney was currently working with Business Manager Diekhoff to learn the District payroll process to serve as a backup when needed.
 - Ms. Tinney was also documenting the process to prepare the written procedure.
 - ❖ Work continues on review / revision of the Development Process, Section 8 Rules and Regulations, Section 17 Rules and Regulations, along with Non-Potable Water (Irrigation) System Procedures including suggested revisions to content for the District's website.
- Employee Engagement Activities:
 - ❖ As reported at the July meeting, Management is focused on regular engagement activities to recognize staff.
 - ❖ A District family day at Fort Fun is set for the end of August, with additional activities planned each month throughout the year.
- District (Master) Services Agreement:
 - ❖ Drafting of a standard service agreement for professional and routine services including all relevant statutory language and provisions, insurance requirements, and associated task and / or change orders is complete and the final document is scheduled for review with Management for implementation.

DIRECTOR REPORTS

- Director Szmyd advised that if Carter Lake was full and someone put two eyedroppers of PFAs into the water it would surpass the allowable limit.
 - ❖ Mr. Szmyd also noted that a new Bass Pro Shop will be built at Crossroads Blvd.
 - ❖ Also, another Amazon building will be built to charge Electric Vehicles (EVs) and will have a 100-megawatt (MW) data center.
- Director Martens noted there was a lawsuit filed by a pipeline company suing over the extra costs added to the construction due to environmental concerns.
- Director Brandt noted that after researching his options regarding the Loveland and Greeley Canal putting the debris on his property, the canal had been doing this since 1863 and Mr. Brandt has no recourse.
- President McMurtrey noted that Northern was being proactive in regard to the recent fires and already setting up erosion controls.

- Director Brandenburg stated he felt that CLFP Staff did a very good job preparing the area around the plant during the Stone Canyon fire, as well as having a plan in place for Employees.
 - ❖ Mr. Brandenburg also noted CLFP had to stop the 1 million gallon per day (M-G-D) pump as the plant is only able to treat 70 percent of the water going into the plant.
 - ❖ Mr. Brandenburg requested a plan for CLFP to treat DCR water in 2025.
- Director Martens questioned if the Copper Sulfate treatment of DCR water was effective.
 - ❖ Ms. Kauffman noted that the treatment seemed to be working, but she had not seen any test results.
- Director Brandenburg advised that the CLFP Board had started the 2025 budget discussion and questioned how to tackle the 20 percent water loss from the District system.
 - ❖ District Engineer Eaton noted that Staff are working with CWCWD to determine the amount of unmetered water that goes through the system.
- Mr. Brandenburg noted that he and his wife had travelled through Alpine, WY and camped in Idaho along the Snake River.

It was moved by Director Szmyd to adjourn the meeting at 8:25 p.m.

Respectfully submitted,

Amber Kauffman
Secretary