

**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, September 19, 2024. Attendance was as follows:

Board of Directors:

Emily McMurtrey, President, Present
Steven Brandenburg, Vice-President, 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 Eaton, District Engineer
Amanda Hoff, Water Resources Manager
Reese Saxton, Operations Manager
Kammy K. Tinney, Business Project Manager
Judy O'Malley, Recording Secretary

Other Attendees:

Matthew McMurtrey, Resident
Abby McMurtrey, Resident
Danny Davis, Resident
Pat Wells, Water Strategy Specialist from Northern Colorado Water Conservancy District (Northern)
Anastasia Urban, Senior Project Manager of Barefoot Properties
John Garretson, Director of Land Acquisitions for the New Home Company (TNHC) Colorado, Inc.
Don Summers, President of Todd Creek Village Metropolitan District (TCVMD)

CALL TO ORDER

The recitation of the *Pledge of Allegiance* occurred, followed by President Emily McMurtrey calling the meeting to order at 5:03 p.m.

ROLL CALL

It was moved by Director Bill Szmyd, 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

President McMurtrey requested an addition to the Agenda for the Big Thompson Elementary School to request a donation for their water conservation program.

It was moved by Director Ed Martens, seconded by Director Szmyd, for the District to support the Big Thompson Elementary School. President McMurtrey abstained from the vote. Motion carried by five ayes.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

President McMurtrey opened the Public Comments period at 5:06 p.m. Meeting guests were asked to introduce themselves. There being no further public comments, the Public Comments period was closed at 5:09 p.m.

CONSENT AGENDA

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

- Minutes of the August 15, 2024, Regular Board Meeting,
- Tap List 704,
- August 2024 Disbursements in the amount \$1,929,324.48:
 - ❖ Operating Account: \$1,615,344.06:
 - ACH Manual Check Numbers 5692 to 5769 – \$1,114,271.50,
 - Check Numbers 11990 to 12034 – \$501,072.56,
 - ❖ Payroll Account: (Two Bi-weekly payroll periods in August) for \$313,980.42:
 - ACH Transmittal Vouchers O-2520 to O-2530 – \$162,884.15,
 - ACH Direct Deposit Numbers N-13873 to N-13940 – \$151,096.27,

- August 2024 Financial Report.

Motion carried unanimously.

DISCUSSION ITEMS

Native Water Transfers:

Pat Wells, Water Strategy Specialist of Northern, provided to the following information to the Board:

- The primary role of Northern is to bring water from the western slope to the front range via the Colorado-Big Thompson (C-BT) Project and maintain the infrastructure.
 - ❖ C-BT water is meant to be supplemental, not the main water source for water providers.
- The presentation included examples of native water transactions in Northern Colorado as well as other Colorado locations and the potential for continued water transactions taking native waters out of our area.
 - ❖ Strategies to slow the progress of the native waters leaving the area for growth in Denver Metro communities that other communities have implemented that had an impact in the water transactions were discussed.
 - ❖ Concerns with native water leaving Northern Colorado include:
 - Direct and indirect impacts to C-BT Project (supplemental supply, return flows, repayment contract).
 - Loss of building blocks that contribute to economic vitality, the environment, and quality of life and loss of opportunities in Northeastern Colorado.
 - Maintaining a “critical mass” of land and water to sustain Northern Colorado rural communities and robust agricultural economy.
 - Unique considerations for long-distance ag-to-urban transfers.
 - Potential impacts to regional projects and the Platte River Recovery Program.
 - Increased pressures on water and housing affordability.
 - ❖ Potential challenges to keeping native water in Northern Colorado include:
 - Diversity of interests and perspectives in Northeastern Colorado.
 - Lack of a regional water ethic and coordinated strategy.
 - Willing buyers and willing sellers.
 - Financial capacity and political will of Denver Metro area water providers.
 - The “squeeze” applied in other basins puts more pressure on South Platte River supplies.
 - Highly opportunistic nature of water acquisitions.
 - ❖ Water Preservation Spectrum:
 - Northern is looking at the pros and cons of a range of opportunities for water preservation in Northern Colorado.
 - Mr. Wells advised that Northern is looking at several solutions including, but not limited to, media campaigns, water efficiency, regional water projects, conservation easements, legislation, and water and land acquisition.

Discussion occurred throughout the presentation with Board Members requesting clarification on different items. Mr. John Garretson, of TNHC Colorado, Inc. raised the question of municipalities continuing to allow turf in landscaping.

President McMurtrey called for a break at 6:03 p.m. The meeting resumed at 6:10 p.m.

Barefoot Townhome Variance Request:

District Manager Amber Kauffman along with Anastasia Urban, Senior Project Manager of Barefoot Properties, presented the following information to the Board:

- Ms. Urban requested a variance for Water Dedication Requirement for Residential Sprinkler Systems in Townhomes - Section 15 Rules and Regulations, Section 1505.5 Schedule D – Water Dedication and Purchase of 5/8-inch Inside Use Only Taps.
 - ❖ Brookfield Properties is running into challenges procuring the parts necessary to comply with the District’s double meter detail needed to address the Town of Firestone’s (Firestone’s) Fire Building Code Requirement for a Residential Sprinkler System and the District’s tap requirements for a 5/8-inch Inside Use Only tap to serve each townhome.
 - ❖ Brookfield is proposing an alternative to the required double meter system with a 1-inch tap to provide both fire protection and inside use service.
 - ❖ Their request identifies the lack of individual landscaping, and the additional water use only in the case of fire suppression needs.
 - ❖ They ask that consideration be given for a variance to the District’s Rules and Regulations, allowing the purchase of the smaller tap and .25 acre-feet (AF) water dedication with the installation of the larger 1-inch tap.

- ❖ Ms. Kauffman noted that the biggest challenge for the District is ensuring the correct paperwork is documented to bill customers at the reduced 5/8-inch inside use rate while installing the 1-inch meter.
- ❖ Ms. Kauffman noted that the benefit to the District is the improved accessibility for operations staff to maintain the 1-inch meter rather than the two separate meter locations in one meter pit.
- ❖ District staff suggest using the 1-inch tap (non-residential) Installation Fee with the Plant Investment Fee, Water Resources Fee, Water Dedication, and Monthly Base Rate with Tier Rates from the 5/8-inch Inside Use (home Greater Than 1,000 square-foot (sf)) tap.

Following discussion, **it was moved by Director Martens, seconded by Director Szmyd, to grant the variance to Section 15 Rules and Regulations, Section 1505.5 Schedule D for Brookfield Properties to be able accommodate both the District's requirements for a 5/8-inch Inside Use Only Tap and Firestone's fire suppression requirements. Motion carried unanimously.**

Mead Place Water Dedication Variance Request:

District Manager Amber Kauffman along with John Garretson, Director of Land Acquisitions for TNHC Colorado, Inc., and Don Summers, President of TCVMD, presented the following information to the Board:

- Mead Place has been working on the entitlement process with the Town of Mead (Mead) for quite some time.
 - ❖ During this time, the developer for Mead Place entered into a development agreement with the District prior to the current version.
 - ❖ At the time, the District offered the Urban / Conservation tap to any lot and suggested it was appropriate for lots less than 9,000 sf in size or those that had landscaping restrictions.
 - The agreement also stated it was subject to District Rules and Regulations.
 - ❖ Since then, the District has completed analysis on the amount of water required for appropriate water dedication based on the lot size.
 - The District does not have the authority, or resources, to monitor or enforce landscaping restrictions and therefore decided to pursue the additional tap sizes to accommodate additional lot sizes.
 - ❖ The variance request was based on the following:
 - TNHC Colorado, Inc. believes the water dedication should be based on the average size of all the residential lots versus individual lot sizes.
 - Only 23 of the 208 lots are over 9,000 sf, with the remaining 185 lots having an average of 7,265 square feet.
 - There is no residential lot within the Mead Place subdivision that will require a tap size greater than 5/8-inch.
 - The homes being built by TNHC in the Mead Place subdivision will be standard in terms of building envelopes, living spaces, square footages and landscape packages.
 - ◇ A larger lot does not dictate a larger home being built on it.
 - ◇ Building envelopes and setbacks determine the size of the homes, and all the residential lots within the Mead Place subdivision provide a 50-foot-wide building envelope with 5-foot side setbacks.
 - The additional water dedication costs based on the application of the newly adopted Rules and Regulations is in excess of \$700,000.

Discussion occurred throughout regarding the District's desire to both honor the terms of the original Development Agreement and provide a compromise via terms to be included in the Metro District covenants, as well as planned marketing by Mead Place ensuring homebuyers understand the Conservation Tap 114,000-gallon annual allotment.

It was moved by Director Szmyd, seconded by Director Martens, to grant the variance as requested provided that the Mead Place Metropolitan District includes landscape area restrictions within its covenants. Motion carried by five aye votes and one nay vote.

2025 Capital Budget:

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

- A review of the proposed District capital expenditures for 2025 along with the five-year financial forecast.

Staff developed a comprehensive list of all potential capital projects foreseen for both the near and long term.

- ❖ This extensive list was divided into four groups A through D, with group A being the highest priority and group D as the lowest priority.
- ❖ Within each group, each project has been numerically ranked in order of importance as determined by both engineering and operations staff.
- Project cost estimates were developed using cost information from several recent and comparable projects, along with estimates from consultants, coupled with significant staff experience.
 - ❖ Each estimate is reported in 2024 dollars and will be refined from year to year as projects rise in priority.
- The 2025 expenditures include various construction projects important for the District to accomplish, along with joint projects for Carter Lake Filer Plant (CLFP) as provided by CLFP staff.
 - ❖ The capital budget includes ongoing vehicle/equipment purchases.
- The five-year capital expenditure forecast includes projects and expenses based on the District's current anticipated needs for improvements/replacements along with additional budget for projects yet to be defined.

Questions and discussions occurred throughout the presentation for Board clarification on the District's needs. The full proposed 2025 Budget will be presented to the Board at the October 17 meeting.

Surcharge versus Tier Rates for Standard Tap:

Business Manager Angela Diekhoff presented the following information to the Board:

- The District plans to implement the water allotment surcharge on 5/8-inch Standard Residential Taps (228,000-gallon allotment) in 2025.
 - ❖ Currently higher tier rates in level IV and V are used to help curb over-users.
- At the last board meeting it was briefly discussed whether the District should keep the higher tier rates or adjust them down comparable to other tap size rates.
- Ms. Diekhoff requested guidance from the board on which direction they would like to go to prepare the budget.

Following discussion, it was determined to lower Level IV and V for 5/8-inch Residential Standard Tap tier rates and implement an \$8 per thousand-gallon over-allotment surcharge in 2025. The surcharge will increase again in 2026, with all Residential Tap over-allotment surcharges to increase in 2027.

East Interstate 25 (I-25) Water Plant:

District Manager Kauffman presented the following information to the Board:

- During the last meeting Ms. Kauffman asked Directors to think about the engagement that the District would like to have in a new treatment plant that is being designed on a piece of property that Central Weld County Water District (CWCWD) owns.
 - ❖ Directors were asked to consider whether they would want a seat at a board of directors for the plant that was developed as part of an authority or if they would be willing to consider being an advisory board for a CWCWD owned and operated plant.
- Ms. Kauffman requested feedback from the Board to pass on to the group of water providers involved regarding the District's preference.

Following discussion, it was determined that the District Board would prefer the District have a seat on a board of directors made up of participants in the new plant.

President McMurtrey called for a break at 8:01 p.m. The meeting resumed at 8:09 p.m.

CLFP:

District Manager Kauffman presented the following information to the Board:

- The Dry Creek Reservoir pump station alterations had been completed.
- CLFP Staff received comments back on the pretreatment design from the Colorado Department of Public Health and Environment (CDPHE).
- CLFP will use a Request For Qualifications (RFQ) process for the Dissolved air flotation (DAF) project.
 - ❖ One Board Member from both the District and CWCWD, along with both District Managers will review the submissions and assign rankings.

- The costs for changes to the North Plant ventilation system came in higher than expected.
 - ❖ The plans will be adjusted and rebid to be part of the 2025 Budget.
- CLFP Manager Rick Whittet met with Connell Resources and NoCo Engineering (NEC) regarding the disputes concerning repairs to the exterior roof coating for the 7 million-gallon (M G) tank.
 - ❖ Connell only wants to repaint where the paint has flaked off.
 - ❖ There are still paint issues on the inside of the tank as well.
 - ❖ It was discussed if the claim should go to arbitration or if Mr. Whittet should request compensation from the bond company.
- The methylisoborneol (MIB) and geosmin levels were down and no taste and odor calls had been received.
- There is a 13.5 percent increase in the 2025 Health / Vision / Dental Insurance renewal from CEBT.
- A job description was created for the "Owner's Representative" position.

St. Vrain Water Authority (SVWA):

District Manager Kauffman presented the following information to the Board:

- There had been some issues with the Heating, Ventilation, and Air Conditioning (HVAC) units in the plant.
 - ❖ There would be a cost of approximately \$7,800 to have Trane, the HVAC manufacturer, use their software to monitor for any error codes in the units.
 - ❖ Also, in the contracts proposed and approved were training contracts (approximately \$1,500) by Trane and repair contracts for the broken Trane unit in the acid room of the plant (approximately \$7,100).
 - ❖ Under review by the SVWA Secretary is a proposal from Trane to maintenance the HVAC system with an approximate annual cost of \$17,000.
- The SVWA Board reviewed a preliminary budget for 2025 that indicates cost increases in the range of 75 percent to aid in the creation of a Major Expense Reserve Fund and to perform some injection well maintenance.
 - ❖ The directors were asked to review the reserve policies circulated earlier in the year for inclusion in the budgeting process for 2025.

Discussion ensued regarding the value of the costs to the District of SVWA and how long it will take before the District receives water deliveries. Ms. Kauffman reminded the Board that SVWA gives the District reuse water thereby giving the District more out of its owned water.

- The certificate of occupancy (CO) for the plant has not been issued due to the fire district not completing their inspection of the chemical systems.
 - ❖ An appointment to complete those inspections has been scheduled so the plant can hopefully be given the official CO and Firestone can transition ownership to SVWA.

Windy Gap Firming Project (WGFP) Quarterly Update:

District Manager Kauffman presented the following information to the Board:

- Construction progress continues:
 - ❖ The current dam height is 257 feet (as of September 10) from the downstream toe making it the 8th tallest dam in Colorado.
 - ❖ Construction of the saddle dam only has 35 vertical feet left; the dam is six feet out of the foundation.
 - ❖ The Portland cement grouting program is completed; however, the chemical grout program continues.
 - ❖ The upstream tunnel piping will be complete this month with the inlet / outlet tower to start construction immediately after the upstream tunnel work is complete.
 - ❖ There are only two spillway box culverts left to place and the last piece of pipe was welded for the Chimney Hollow Conduit.
 - ❖ The metal building for the valve house is expected to be complete in November.
 - ❖ The contractor is working on the Carter Lake Pressure Conduit Interconnect and has completed the demolition and excavation.
- Filling of the dam is expected to begin in August or September of 2025 and be completed by 2029.

Public Hearing: Action Item: Resolution 2024-22 and 2024-23 Inclusions and 2024-24 Exclusion:

The Public Hearing had been properly publicized. No written objections were received.

President McMurtrey opened the Public Hearing at 8:30 p.m. No public was present, and the Public Hearing was closed at 8:31 p.m.

It was moved by Director Szmyd, seconded by Director Brandt, to adopt Resolutions 2024-22 Inclusion (Protzman), 2024-23 Inclusion (Schoemig), and 2024-24 Exclusion (Blanco). Motion carried unanimously.

STAFF REPORTS

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

- District Activities:
 - ❖ Barefoot:
 - The District and representatives from Barefoot have been working on a revision to the Lakes Management Agreement due to changes and clarifications in operations of the Barefoot Lakes.
 - Staff anticipate bringing this item to the Board in the next couple months.
 - ❖ Special District Association (SDA) Annual Meeting:
 - Ms. Kauffman, along with Directors Larry Brandt and Jim Walker attended the SDA meeting in Keystone September 10 through September 12.
 - The meeting was the most attended SDA annual meeting to date and next year notes the 50th Anniversary of the SDA's Annual Conferences.
 - President McMurtrey requested any feedback from Director Brandt and Director Walker regarding the conference. Director Walker noted he hears many Board members express dissatisfaction with their fellow Board members and/or management and expressed his appreciation and feeling blessed to work with the LTWD Board, Ms. Kauffman and the District's management team. Director Brandt shared that he attended several good sessions about the use of artificial intelligence, both its positives and negatives, as well as sessions around treating employees right which he believes LTWD does well and noted that he always enjoys meeting new people at the conference.
 - ❖ NoCo Water Alliance
 - Ms. Kauffman noted that Amanda Hoff attended today's meeting of the Alliance however, she left the board meeting early and so, a summary of the Alliance meeting will be provided at the next board meeting in October.
 - ❖ Fall Water Symposium
 - Northern Water's Fall Water Symposium is scheduled for October 30 at the Embassy Suites in Loveland. Please be sure to register if you are interested. An email was forwarded to directors on September 13 for the meeting but please let us know if you would like us to register you. Ms. Kauffman will serve as a panelist for the meeting to discuss how LTWD is "Navigating the challenge of growth."
 - ❖ Anticipated October board meeting topics
 - Staff anticipate having the following topics for discussion at the October board meeting.
 - Operating Budget Proposal
 - CDOT property acquisition for the Markum Hill Tank site
 - CDOT agreement for Right-of-Way Acquisitions
 - ❖ Quarterly Update LTWD 2024 Goals
 - Ms. Kauffman reviewed the status of District goals and projects for 2024 included with the agenda packet, noting good progress on the list and the prioritizing of long-term goals.

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

- Insurance:
 - ❖ Following notification of a 13% increase in health insurance premiums for 2025 through CEBT, Ms. Diekhoff pursued other options through the District's new agent TCW/Highstreet. TCW/Highstreet is able to provide a high deductible health insurance plan through the same carrier, United Healthcare, with a \$60,000 savings in premium cost to the District. Additional benefits to staff include a 90/10 deductible versus the previous 80/20, the ability to continue with their current health care providers, and improved dental and vision coverage.
- EyeOnWater (EOW):
 - There were 61 new customer sign-ups in the month of August resulting in 26% of the District's customers participating in the program.

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

- The District received 917 new tap (250 - Broad Meadow, 650 - Mead Village) and five Accessory Dwelling Unit (ADU) Commitment to Serve Requests in August, bringing the 2024 year-to-date total to 1,728 new taps and 17 ADUs.
- Capital Projects:
 - ❖ Staff are making good progress with Capital Projects scheduled for 2024. Items of note include:
 - All punch list items for the Loveland/Campion project are complete except for reseeding of select areas that did not establish due to hot and dry conditions. Reseeding is scheduled for late September.
 - The District contracted with Ditesco to complete the 2nd Use Infrastructure Study, and the project scope is being developed.
- New Development Projects:
 - ❖ Mr. Eaton reviewed with the Board the status updates included with eh agenda packet.
- Other Engineering Department Activities:
 - ❖ Staffing:
 - Ryan Redd accepted the District's offer for the position of Civil Engineer I and starts with the District on September 30th.
 - ❖ LSLI Project:
 - Potholing for the LSLI project is now complete. Service line materials for 280 sites were verified and no lead was discovered. The number of sites verified exceeded the minimum number of sample sites required by CDPHE criteria, therefore allowing LTWD to conclude that statistically no lead service lines exist within the system. Final data is currently being compiled for submittal to CDPHE which will occur prior to the Oct. 16th deadline.
 - The initial potholing contract estimate with Kan-Tex was \$190,000 and the final cost is approximately \$110,000. The project is well under the approved budget amount.
 - ❖ Interstate-25 (I-25) Segment 5:
 - Colorado Department of Transportation (CDOT) continues to present design concepts for modifications to LTWD infrastructure. The design concepts are under review by District staff.

Water Resources Manager's Report: District Manager Kauffman reviewed the written report provided by Water Resources Manager Hoff and Water Resources Advisor Koch:

- The water use for August was just below projections.
 - ❖ Director Szymd inquired about the increase in June and Ms. Kauffman noted higher temperatures than normal in June/July.
 - ❖ Dry Creek Reservoir has experienced some evaporative loss but is beginning to fill a bit following the hot conditions in June/July.
- WaterSmart Workshop.
 - ❖ Ms. Hoff, Joe Pitti, and Andy Thomas represented the District at the workshop in Estes Park. The team paired up with staff from the Town of Mead's Planning Department to address improved services between the two entities.

Operations Manager's Report and Water Quality Update: Operations Manager Reese Saxton reported on the following:

- Locate Requests and Leak Repairs were trending average for August.
- 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.
 - The last round of quarterly sampling was taken August 5th with all regulated contaminants undetected. The District is required to perform one more test in Q2 of 2025 and, if no contaminants detected, the District would move to sampling for DBPs and UCMR5 every three years.
 - ❖ Lead and Copper Sampling.
 - ◇ Samples were taken September 10th with one result slightly higher than parameters.
- Customer Quality Work Orders:
 - ❖ A summary was included with the written report in the agenda packet.
- Project Updates and Notes:
 - ❖ No new valves have been exercised while staffing is committed to other areas.

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

- LSLI – Project Update:
 - ❖ Phase I of the LSLI Project is complete with the District achieving the required 95% confidence that the District's service lines may be classified as non-lead.
 - ❖ The District submitted its Non-Lead Service Line Inventory to Colorado Department of Public Health and Environment (CDPHE) today.
 - The District is not required to prepare or provide a replacement program to CDPHE and will notify customers whose service lines were potholed of the results as a voluntary measure.
- Policies and Procedures:
 - ❖ Documentation of the payroll process is 90% complete and under review by Ms. Diekhoff.
 - ❖ 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:
 - ❖ The Board received a copy of the August news bulletin and buttons distributed to staff in recognition of National Patriot Day.

DIRECTOR REPORTS

- Director Szmyd offered to share a map prepared by Loveland Public Works of where the City plans to tackle capital improvement projects, suggesting it may be interesting to LTWD and the NoCo Water Alliance Group.
- Director Martens expressed concerns about water source and availability, noting that he feels the bigger problem is availability of power when we move away from fossil fuels to clean energy too fast.
- Director Brandt noted that the SDA will host a webinar on September 28th to provide an overview of the recently adopted legislation around property tax rates in the State.
- President McMurtrey reminded interested Board members to register for the upcoming Northern Water Fall Symposium.

It was moved by Director Szmyd, and seconded by Director McMurtrey to adjourn the meeting at 8:55 p.m.

Respectfully submitted,

Amber Kauffman
Secretary