

**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, November 10, 2022. Attendance was as follows:

Board of Directors:

Emily McMurtrey, President, Present
Steven Brandenburg, Present
Larry Brandt, Present
Ryan Heiland, Present – *Attended Via
Conference Call*
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
Nancy Koch, Water Resources Manager
Ken Lambrecht, Operations Manager
Judy O'Malley, Recording Secretary

Other Attendees:

Clayton Orback, Little Thompson Water District Engineering Business Support Level II
Merlin Perkins, Mariana Shores Homeowners' Association (HOA)
Richard Jurin, Mariana Cove HOA
Roger Berg, Kimley-Horn

CALL TO ORDER

Board President Emily McMurtrey called the meeting to order at 5:00 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 Bill Szmyd, seconded by Director Ed Martens, to enter into Executive Session at the end of the meeting 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 instruction negotiators in the matter of the Aurora Dairy Agreement. Motion carried unanimously.

There were no other changes to the agenda.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

President McMurtrey opened the Public Comments period. Ms. McMurtrey requested the visitors introduce themselves. There were no other public comments, and the Public Comments period was closed.

CONSENT AGENDA

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

- Minutes of the October 13, 2022, Regular Board Meeting,
- Tap List 682,
- October 2022 Disbursements in the amount \$1,798,506.37:
 - ❖ Operating Account: \$1,451,813.51:
 - ACH Manual Check Numbers 4099 to 4155 – \$425,635.02,
 - Check Numbers 10923 to 10973 – \$1,026,178.49
 - ❖ Payroll Account: (Two Bi-weekly payroll periods in October) for \$346,692.86:
 - Real Checks 2071 to 2074 - \$15,006.86
 - ACH Transmittal Vouchers O-2235 to O-2246 – \$168,291.10,
 - ACH Direct Deposit Numbers N-12058 to N-12133 – \$163,394.90,
- October 2022 Financial Report,
- Griep Farm Lease Renewal.

Motion carried unanimously.

DISCUSSION ITEMS

Carter Lake Filter Plant (CLFP):

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

- **Dry Creek Reservoir:**
 - ❖ CLFP started pumping Dry Creek Reservoir water to the North Plant at the minimum design flow rate in order to reduce the potential for taste and odor complaints.
 - ❖ CLFP Staff have made a few process adjustments and the membranes are performing well.
 - Likely due to the higher chlorine strength of the clean-in-place (CIP) cycles.
 - ❖ Overall testing of reservoir water indicates that geosmin and Methyl-Isoborneol (MIB) are low.
 - However, the District has received one to two dozen taste and odor calls.

Director Szmyd mentioned that the City of Loveland (Loveland) had the same issue with taste and odor caused by organics. Ms. Kauffman said she has the contact information for the consultant Loveland used to address the taste and odor issues.

- **October Water Demands:**
 - ❖ Average daily demands for October were 14.6 million gallons per day (MGD), down from October 2021's flows of 15.3 MGD.
- **Canal Shutdown:**
 - ❖ Northern Colorado Water Conservancy District's (Northern) annual canal shutdown is scheduled for the week of January 16, 2023.
 - ❖ Conversations have been happening with Northern to discuss connection locations to the Canal, the Southern Water Supply Pipeline II, and to the Generator Station Line during canal shutdown times.
- **Pretreatment Plant:**
 - ❖ The pretreatment design is progressing.
 - ❖ The interior survey of the South Plant is complete.
 - ❖ Procurement documents for dissolved air flotation (DAF) equipment is underway.
- **Budget:**
 - ❖ The budget CLFP 2023 budget was approved for \$108,000 per month to each district, with \$0.22 per 1,000 gallons for water.
- **7 Million Gallon (MG) Tank:**
 - ❖ A warranty request was sent to the contractor for the exterior paint.
- **Treatment Chemicals:**
 - ❖ CLFP Board approved an amended 2022 budget to accommodate the increased chemical costs.
 - ❖ CLFP Staff are not adding fluoride to the water as it is not available at this time due to a shortage.

St. Vrain Water Authority (SVWA):

District Manager Kauffman advised the Board that there was no information to present from SVWA as the Board Packet had not been received and the November meeting was not scheduled until November 14, 2022.

Windy Gap Firing Project (WGFP):

District Manager Kauffman presented the following information to the Board:

- **General:**
 - ❖ Water Resources Administrator Amanda Hoff and Ms. Kauffman attended the second Assessment Subcommittee meeting for the Windy Gap Participants group.
 - Northern announced that they will be releasing a Request for Proposal (RFP) for a capital plan soon.
 - The group reviewed budgeted and actual operating and non-operating costs for the years 2014 through 2022 in mid-level detail to understand how their finances are structured and when/why large changes in expenses were incurred.

- The group emphasized their desire to smooth cost changes so that allottees could project what potential costs may be, instead of having large swings in charges.
 - Reserve funds were suggested for the smoothing of charges.
 - ◊ Northern is in the process of simplifying the reserve funds and will ask the group for more guidance as they move ahead.
 - The group also reviewed how assessments are distributed with the Bureau of Reclamation (BOR).
 - The next meeting is scheduled for January 31, 2023.
- **Colorado River Connectivity Channel (CRCC):**
 - ❖ Work progressed on the major earthworks portion of the project with shutdown of construction expected November 18, 2022, for the winter.
- **Chimney Hollow:**
 - ❖ The project continues to be slightly behind the early completion schedule, but most critical path items are on schedule.
 - ❖ The contractor beat the schedule for the shutdown required for the interconnect to the Bald Mountain Tunnel; however, the BOR is still working in the tunnel, and it will still be closed until mid-December.
 - ❖ The downstream portal and valve area are complete and work began on the upstream portal.
 - ❖ The contractor had two recordable Occupational Safety and Health Administration (OSHA) violations recently.
 - One of the violations being a lost time incident.
 - The lost time incident resulted in a hospitalization.
 - ❖ The largest issues on the project that result in change orders are the plinth thickness/dam excavation type and the density of the dam embankment that is higher than anticipated.
 - The two changes are due to soil conditions being different than what was expected.
 - The overall excavation and plinth thickness has generated an overall change order request for \$9,816,400.
 - The other potential change order will be for an expanded quarry as the density of the dam embankment is higher than expected.
 - ❖ With the anticipated costs it is thought that there is potential to amend the loan amount with Colorado Water Conservation Board (CWCB) in order to cover some overages and potentially some mitigation enhancement work while maintaining the same interest rate.
 - This funding for over-runs will likely be required in 2024.
- **WGFP Enhancement Donor Fund Advisory Committee:**
 - ❖ The Advisory Committee reviewed the letters of interest and asked six of the seven groups to submit a proposal by November 11.
 - ❖ The Committee will review the proposals with the intent to make a decision and award projects in December.
- **WGFP Mitigation Enhancements:**
 - ❖ Northern is hoping to have a feasibility level cost estimate for improvements to include nitrogen removal at the Frasier wastewater plant, a relocated discharge for the Granby wastewater plant, and reducing nutrient rich runoff from the C Lazy U Ranch.
 - Staff hope to have the cost estimates for these three projects in the first quarter of 2023.

Director Szmyd questioned if the District is responsible for any additional funding. Ms. Kauffman, and Water Resources Manager Nancy Koch replied that since Chimney Hollow is the firming project for Windy Gap water any additional costs are the responsibility of Brookfield.

Northeast Transmission Line and Easement Acquisition:

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

- **Background:**
 - ❖ The Northeast Transmission Line Project has been in the planning stages since the summer of 2020 with the goal to provide a critical and redundant link between the Twin Mounds storage tanks west of Interstate-25 (I-25) and the northeast quadrant of the system east of I-25.

- ❖ The proposed transmission line will span approximately four miles and 22 properties along Larimer County Road (LCR) 16 and County Line Road.
- ❖ This project was estimated in July of 2020 to have a total project cost of \$5.4 million (M) and is funded from bond proceeds.
- ❖ A design firm has been engaged and the design work is currently 60% complete, with continued work ongoing.
- ❖ A land services firm has been engaged to assist with acquiring easements and the results of their initial discussions with property owners has been predominately favorable.
- Discussion:
 - ❖ While initial easement discussions have been favorable to this point, experience and statistics have proven that a certain percentage of owners will ultimately require overvalued fees and/ or conditions of the easement agreement that are not acceptable to the District for operation and maintenance of the new infrastructure.
- Recommendation:
 - ❖ Staff requests the Board express any questions or concerns with the project activities as generally described above and to approve moving the project forward, including easement acquisition that may require pursuit of the District's authority to invoke the eminent domain process using an eminent domain attorney, should eminent domain be necessary.

Following discussion, **it was moved by Director Martens, seconded by Director Jim Walker, to give Staff be given the legal tools to do as needed for acquisition of rights of way for this project. Motion passed unanimously.**

[Aurora Organic Dairy \(AOD\) Agreement:](#)

District Manager Kauffman advised the Board that the latest response from AOD will be addressed in Executive Session, along with any of the Board's concerns/questions.

[Action Item: Motion to Approve: Resolutions 2022-29, 2022-30, 2022-31](#)

[Inclusions/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 Steve Brandenburg, to adopt Resolution 2022-29 Inclusions (Low/Gray, Sharpley), Resolution 2022-30 Inclusions (Angus/Andrade, Black), and Resolution 2022-31 Exclusions (J-25 Holdings). Motion carried unanimously.

[Public Hearing: Action Item: 2023 Budget Review and Five-Year Financial Plan:](#)

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

Business Manager Angela Diekhoff presented the 2023 Proposed Budget along with the Five-Year Financial Plan based on the following parameters:

- Base Fee will increase by 5.0% and will be adjusted 2.2% for new tap growth.
- Water rates:
 - ❖ Tier I increases by 5.0%.
 - ❖ Tier II and III increases by 9.0%.
 - ❖ Tier IV doubles, increasing from \$4.56 to \$9.00 (Standard Tap only, others increase 9.0%).
 - ❖ Tier V will increase by 50.0% increasing it from \$9.00 to \$13.50, (Standard Tap only).
- Wholesale Rates will increase by Consumer Price Index (CPI) (8.6%) based within the guidelines of each entity's Intergovernmental Agreement (IGA).
- Bulk water sales estimate based on historical data.
- Sale of 225 taps (5 standard and 220 urban) – 28 Cash in Lieu (5 Standard and 23 Urban).
- Wages – Cost of Living (COL) increase of 3.5%, with the average increase of merit and COL of 7.0%.

- Total Employee Costs Increase of 14.23% compared to 2022 projected actuals.
 - ❖ The large increase is due to three new employees: two Administrative and one in Engineering.
 - ❖ One additional fulltime transition employee in Water Resources.
 - ❖ Increase in salaries to make sure employees are in the appropriate range with the salary survey done by Employers Council.
 - ❖ Increase in Retention bonus from \$20 per year to \$250 per year (paid at increments of 5-year services).
 - ❖ One retirement bonus.
- Operating expenses increased by 19.14% compared to 2022 projected actuals.
 - ❖ Budgeted in for a marketing consultant.
 - ❖ Operational expenses increased for Dry Creek pumping.
 - ❖ Assessments for Windy Gap delivery and other Northern programs.
 - ❖ Begin lead service inventory process.
- Capital and non-operating costs increased by 68.11% compared to 2022 projected actuals.
 - ❖ Increase due to bond projects and additional capital projects.
- CLFP Treatment costs \$0.22 per 1,000 gallons and \$108,000 per month for fixed operating cost.
 - ❖ Plus, unbudgeted expenses of \$144,000.

The proposed budget achieves the following:

- All legally restricted, Board designated reserves are fully funded.
- An overall decrease in working capital of \$4,149,625.
- An increase of maintenance activities to ensure long term reliability.

Following discussion:

It was moved by Director Brandt, seconded by Director Walker, to adopt Resolution 2022-32 2023 Budget as presented. Director Ryan Heiland was unavailable for the vote. Motion carried by six aye votes.

It was moved by Director Martens, seconded by Director Szmyd, to adopt Resolution 2022-33 to Appropriate Sums of Money for the 2023 Budget as presented. Motion carried unanimously.

Public Hearing: Action Item: Updated Rates and Fees:

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

Each year, as part of the preparation of the proposed budget for the next year, the District reviews the water rates as well as the other various rates and fees charged. The Public Hearing is held to provide an opportunity for interested customers and concerned citizens to provide any input about these proposed rates and fees.

Business Manager Diekhoff presented the proposed rate increases and following discussion:

It was moved by Director Szmyd, seconded by Director Brandt, to approve Section 1501.1 Schedule A-Tap Fees, Section 1502.1 Schedule B-Water Rate Schedule, Section 1502.2 Schedule C-Miscellaneous Fees, and Section 1506.4 Schedule D-Water Dedication. Motion carried with six aye votes and one nay vote.

STAFF REPORTS

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

- Fall Symposium:
 - ❖ Northern's Fall Symposium was scheduled for November 15, 2022, from 9:00 a.m. until 3:00 p.m.
 - ❖ The event was full and a waitlist had been started.
- Quota and Water Shortage Contingency Plan:
 - ❖ Northern declared a 40% quota to start the year.
 - This is the first time it has been this low.

- ❖ Additionally, the Department of Interior issued a Notice of Intent (NOI) to prepare a Supplemental Environmental Impact Study for the 2023-2024 water year to revise the December 2007 Record of Decision associated with the Colorado River Interim Guidelines.
 - The 2007 Interim Guidelines provide operating guidelines for Lake Powell and Lake Mead.
 - ◊ Northern is concerned about the situation and has asked water providers to have Water Shortage Contingency Plans in place, which the District already has implemented.
 - The NOI suggests that BOR may need to modify current operations at both lakes to address power production.
 - Other facilities may potentially be impacted.
- ❖ The District's current status is green in the Water Shortage Contingency Plan.
- ❖ Staff do not expect higher than a 60% quota this water year which may mean the District will be in an Orange, or Medium Shortage Condition, at the worst case.
 - This level means supplies are approximately 10% less than expected demands.
 - The Orange status, or Medium Shortage Condition, means a 20% increase to the top two tier rates and only two days per week watering schedule.
- **Topics for December Meeting:**
 - ❖ 2022 accomplishments and 2023 goals.
 - ❖ District Manager review.
- **Employee Holiday Lunch:**
 - ❖ Ms. Kauffman advised the Board that the Employee Holiday Lunch would be held at Nordy's BBQ on Wednesday, November 16, 2022, and that the bonus checks would be distributed at that time.

Discussion followed regarding any trading the District can do with other water providers, and if the Water Court cases can be expedited due to the emergency.

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

- **Office Update:**
 - ❖ Tom Hopkins our Water Systems Worker Senior/Historian (Engineering Department) decided to retire after 26 years of service with the District.
 - We are sad to see him go and all his knowledge of the District, but also wish him the best of luck and happiness as he goes on helping build his son's home.
 - District Engineer Eaton noted that Mr. Hopkins had been working half-time for the past year and that he is willing to come back as needed to help.
- As part of the Employer Council review of District employee benefits it was discovered that the District is short on paid holidays.
 - ❖ Board approval was requested to add two additional paid holidays:
 - Veterans' Day (starting in 2023).
 - Christmas Eve (starting in 2022).

It was moved by Director Martens, seconded by Director Heiland, to approve the additional two paid holidays as requested. Motion carried with four aye votes and three nay votes.

- **EyeOnWater (EOW):**
 - ❖ There was a total of 1,420 of the 1,158 goal for new users.

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

- There were three Tap Commitment Requests in September. Year-to-date total was 5,009.
- **Capital Projects:**
 - ❖ The entire West 1st Street project was almost complete, the contractor just needed to complete a few punch list items.
 - The entire project was expected to be completed by the end of November.

- ❖ CR Land Services had received favorable responses from property owners regarding initial easement discussions for the Northeast Transmission Line.
 - Actual offers were expected to begin in the next several weeks.
- ❖ The Twin Mounds project continued to progress.
 - The work was back on track and going well.
 - All damage repairs had been completed.
 - A robotic blaster was in place and working from top to bottom around the interior of the tank.
- ❖ The Loveland/Campion Conversion Project design was 90% completed.
 - Staff expected to have a bid ready by the end of 2022, with construction to begin in the spring of 2023.
- ❖ Supervisory Control and Data Acquisition (SCADA):
 - The Dry Creek Reservoir water level and water quality equipment was installed and working well.
- ❖ Weld County Road (WCR) 54 Bridge Waterline Relocation:
 - Staff were continuing to work on logistics so the project can be started in the spring of 2023.
- **Development Projects:**
 - ❖ Inspectors continued to be busy with developers pushing to complete projects.
 - Staff saw a slow-down in review requests for new projects.
 - ❖ Mr. Eaton noted that the Engineering Department was working on a different approach to approvals that would make the process easier for Staff.

Director Szmyd questioned how many Barefoot Lakes taps had been purchased against the water allocation. Discussion followed regarding water credits that were given to Brookfield for different water dedications and applying the allocations to residential and irrigation taps.

- **Other Engineering & GIS Activities:**
 - ❖ The West I-25 24" Transmission Line final negotiations continued and were approximately 79% complete.
 - Mr. Eaton stated the eminent domain process may be necessary to secure a few of the easements.
 - ❖ The Larimer County Road (LCR) 8 and LCR 21 project had been delayed by Larimer County.
 - ❖ The 3rd and Welker Waterline Replacement design was in progress.
 - ❖ Staff continued to be engaged in various Colorado Department of Transportation (CDOT) activities near District infrastructure along I-25.

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

- The area had some good rain in mid-October and water use had been close to projections.
- Cumulative water use was close to the projected amount for the 2021-2022 water year.
 - ❖ The 2021 – 2022 Water Year had finished and the District water use was less than projections for the water year.
 - ❖ The District came in under the threshold and will have carryover for the 2022 – 2023 Water Year.
 - The District also had some carryover from St. Vrain Left Hand Water Conservancy District.
 - ❖ The District is going into the 2022 – 2023 Water Year with a 40% quota from Northern plus carryover water.
 - The initial (fall) Northern quota was 40% where it has historically been 50%.
 - A supplemental quota will be issued in April 2023.
 - The District has enough water to meet demands until the supplemental quota is issued.
- **Water Court:**
 - ❖ Staff were working on the second round Objector Comments for the Home Supply case.
 - After this round of responses, Staff would begin negotiations to take some of the objectors out of the case.

- The most consistent comment received by Staff has to do with return flows.
- Current Projects:
 - ❖ Regional cooperation agreement with Loveland, and the Towns of Johnstown (Johnstown) and Berthoud (Berthoud) to share water to meet return flow obligations.
 - ❖ Agreement with Johnstown to lease water to meet return flow obligations to the Little Thompson River.
 - ❖ Working with Home Supply on operations agreement and raw water infrastructure.
- The Seasonal Outlook report continued to predict above average temperatures and equal chances of below average precipitation for the area.

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

- Locates were normal and leak repairs were about average in October.
- One sample tested positive for Total Coliform.
 - ❖ Staff resampled the site, plus one upstream and one downstream.
 - ❖ The repeat samples came back as absent for Total Coliform.
- The next Lead and Copper sampling period was scheduled for November 2022.
 - ❖ The Colorado Department of Public Health and Environment (CDPHE) issued a Change Notice for the Integrated Lead and Copper Monitoring.
 - ❖ Beginning in 2023 the District will be on a reduced monitoring schedule.
 - Once a year, between June 1 and September 30 and half the number of samples.
 - 15 from Little Thompson Water District and 15 from Central Weld County Water District (CWCWD).
- The Disinfection Byproduct (DBP) two tests were scheduled for November 2022.
- Telemetry Upgrades:
 - ❖ The District has entered into a contract with Herbert Electrical & Instrumentation to conduct an inventory of existing equipment.
 - ❖ They will prepare a Needs Assessment and recommendations for future equipment upgrades.
 - ❖ The inventory is scheduled to be completed during the month of November.
- Crew Leader Valve Exerciser Alan Cordova had exercised 4,948 out of a total of 6,284 valves.

Director Brandenburg asked Mr. Lambrecht about rules for sampling water at schools and daycare centers. Mr. Lambrecht advised that the new rules that CDPHE is proposing may affect the sampling pool. All schools and daycares served by the District, may be added to the sampling pool. Mr. Lambrecht also noted that CDPHE is proposing a new rule for inventorying all customer service line materials must be completed by the end of 2023 instead of the EPA deadline of October 2024.

Director Szmyd asked Mr. Lambrecht if EOW can notify customers when they are reaching their allotment. Discussion followed regarding current capabilities of EOW notifications, and what Badger Meter is working on to improve the functionality of EOW reporting. There was also discussion of what reporting and customer notifications Staff currently perform manually.

DIRECTOR REPORTS

Director Szmyd questioned if the District could start a fund to assist low-income customers. Ms. Kauffman and Ms. Diekhoff advised that they have been looking into how other utilities manage this type of program. They also noted that Staff direct customers in need to several local agencies that assist with utility bills. Discussion followed regarding ways to fund an assistance program and how to manage the program so there would not be any abuses. Ms. Diekhoff also requested the Board give specific guidelines on managing an assistance program once in place.

Director Walker noted that he would also like to see the District start a program to assist customers who are truly in need.

Director Brandt received a report regarding the Marshall Fire. Wooden fences between homes was a large problem in the spread of the fire. Mr. Brandt also noted that Plant Select has information on creating fire-resilient landscapes. He also advised that the Federal Emergency Management Agency (FEMA) will not be assisting anyone affected by the Marshall Fire who had homeowner insurance and will only pay \$30,000 to those who did not have any insurance.

Director Brandenburg advised that a tree limb fell on a powerline at his property and started a grass fire while he and his wife were away from home. The fire department arrived within five minutes and quickly extinguished the fire.

President McMurtrey called for a break at 7:17 p.m.

The Board went into Executive Session, with District Manager Kauffman, at 7:29 p.m. The Board returned from Executive Session at 7:48 p.m.

It was moved by Director Szmyd, seconded by Director Martens, to Adjourn the meeting at 7:49 p.m.

Respectfully submitted,

Amber Kauffman