

**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 16, 2023. 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
Angela Diekhoff, Business Manager
Brad E. Eaton, District Engineer
Nancy Koch, Water Resources Manager
Ken Lambrecht, Operations Manager
Amanda Hoff, Water Resources Administrator
Kammy K. Tinney, Business Project Manager
Judy O'Malley, Recording Secretary

Other Attendees:

Clayton Orback, Little Thompson Water District Engineering Technician I
Alfred Roberts, Customer

CALL TO ORDER

President Emily McMurtrey called the meeting to order at 5:05 p.m. followed by the recitation of the *Pledge of Allegiance*.

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

President McMurtrey opened the Public Comments period. Mr. Alfred Roberts, District customer, introduced himself. There being no further public comments, the Public Comments period was closed.

CONSENT AGENDA

Following discussion regarding the Griep Farm Lease, the timing of the Accounts Receivable billing versus payments received, and a review of the 2024 Board Meeting Schedule, **it was moved by Director Ed Martens, seconded by Director Bill Szmyd, to approve the Consent Agenda, with an amendment to the Griep Farm Lease adding the option of up to a five-year term, including:**

- Minutes of the October 19, 2023, Regular Board Meeting,
- Tap List 694,
- October 2023 Disbursements in the amount \$937,632.26:
 - ❖ Operating Account: \$604,072.92:
 - ACH Manual Check Numbers 4929 to 4992 – \$352,733.16,
 - Check Numbers 11528 to 11580 – \$251,339.76,
 - ❖ Payroll Account: (Two Bi-weekly payroll periods in October) for \$333,559.34:
 - ACH Transmittal Vouchers O-2389 to O-2400 – \$169,539.36,
- ACH Direct Deposit Numbers N-13023 to N-13057 – \$164,019.98,
- October 2023 Financial Report,
- 2024 Board Meeting Schedule,
- Griep Farm Lease renewal.

Motion carried unanimously.

DISCUSSION ITEMS

Public Hearing Action Item Motion to Approve 2023 Amended Budget:

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

- The District is required to submit a 2023 Amended Budget to the Department of Local Affairs (DOLA) because projected expenses will exceed the budgeted amount that was presented to and approved by the board in November of 2022.

- ❖ The additional expenses occurred in capital expenditures, of which is largely due to the water purchases of the eleven shares of Consolidated Home Supply Ditch and Reservoir Company (\$6,270,000) and one unit of Windy Gap (\$4,500,000).
- ❖ Capital expenses for 2023 were expected to be \$10,020,736, and currently with the water purchases Staff expects to spend \$18,013,034.
- ❖ Staff are forecasting operating expenses to be \$13,620,189 which is less than the original budgeted amount of \$14,374,736.

Following discussion, **it was moved by Director Szmyd, seconded by Director Steve Brandenburg, to adopt Resolution 2023-30 Amending the 2023 Budget and Appropriation of the Funds. Motion carried unanimously.**

[Public Hearing Action Item: 2024 Budget Review and Five-Year Financial Plan: Motion to Approve Resolutions 2023-28 and 2023-29:](#)

Business Manager Diekhoff presented the 2024 Proposed Budget along with the Five-Year Financial Plan based on the following parameters, following input from the Board and Staff strategy sessions:

- Base Fee will increase by 8 percent, and will be adjusted 1.6 percent for new tap growth,
 - ❖ Water rates - All Tiers increases by 8 percent,
- Wholesale Rates will increase 8 percent based within the guidelines of each entity's Intergovernmental Agreement (IGA),
- Bulk water sales estimated based on historical data,
- Sale of 155 taps (50 standard and 100 urban) – 5 Cash in Lieu Standard,
- Wages – Cost of Living (COL) increase of 3.4 percent, with the average increase of merit and COL of 5 percent,
- Total Employee Costs Increase of 6.34 percent compared to 2023 projected actuals,
 - ❖ Increase is due to one new employee: Administrative,
 - ❖ One part-time transition employee in Water Resources,
 - ❖ One potential retirement bonus,
- Operating expenses increased by 8.11 percent compared to 2023 projected actuals,
 - ❖ Operational expenses increased for Dry Creek pumping,
 - ❖ Increase in Carter Lake Filter Plant (CLFP) operating expenses and St. Vrain Water Authority (SVWA) expenses,
- Two large Expenses that are one-time expenses to occur in 2024.
 - ❖ Raw Water Master Plan Update - \$165,000,
 - ❖ Regular Master Plan - \$135,0000,
- Capital and non-operating costs decreased by 35.19 percent compared to 2023 projected actuals,
 - ❖ This includes \$10,940,533 for unexpected costs in 2023 for Water Rights purchases,
 - ❖ True Cost increased by 65.06 percent compared to 2023 projected actuals when not including Water Rights Purchases. The increase is due to bond projects and additional capital projects,
- CLFP Treatment costs \$0.24 per 1,000 gallons and \$110,000 per month for fixed operating costs,
 - ❖ Plus, unbudgeted expenses of \$40,000.

Discussion occurred throughout the presentation, with topics including additional bonding and Cash-in-Lieu (CIL) for infrastructure.

Following the presentation, President McMurtrey opened the Public Hearing. Mr. Roberts, District customer, provided his input stating his concerns over the 8 percent rate increase, development in the District, and where water supplies will come from to supply the growth. The Board and Staff understood Mr. Roberts' concerns, appreciated his input, and advised him of the cost increases the District is also facing, the fact that some years the District has not raised rates at all, the fact that the District has no control over land management, the need to keep good employees, the increase in the cost of materials, and how frugal the Board and District are. Also noted was that the District does not supplement water for developers, as some municipalities do, but has requirements for how much water must be dedicated to the District for each water tap. Ms. McMurtrey then closed the Public Hearing.

It was moved by Director Szmyd, seconded by Director Brandenburg, to adopt Resolution 2023-28 the 2024 Budget as presented and to adopt Resolution 2023-29 to Appropriate Sums of Money for the 2024 Budget as presented. Motion carried unanimously.

Public Hearing Action Item: Motion to Approve: Updated Rates and Fees:

The Updated Rates and Fees were presented during Agenda Item 6.2 2024 Budget Review and Five-Year Financial Plan. The Public Hearing comments section was also held during Agenda Item 6.2 2024 Budget Review and Five-Year Financial Plan.

It was moved by Director Szmyd, seconded by Director Martens, 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 1506.5 Schedule D – Water Dedications. Motion passed unanimously.

President McMurtrey called for a break at 6:31 p.m. The meeting resumed at 6:44 p.m.

Auditor Engagement for 2023 Fiscal Year:

Business Manager Diekhoff, along with District Manager Amber Kauffman, presented the following information to the Board:

- The District published a notice for Requests for Proposals (RFPs) for an auditor on November 18, 2022.
 - ❖ Proposals to the District were required for submittal by noon on January 12, 2023.
 - ❖ The District engaged the Adams Group for the 2022 audit and according to the RFP, is eligible to engage the firm for the following three years pending their performance.
- Staff were pleased with the performance of the Adams Group on the 2022 audit and would like the Board to consider engaging them for the 2023 audit.
 - ❖ Expected Cost will not exceed \$25,475.
- Additional wording Ms. Diekhoff brought to the attention of the Board from the engagement letter was:
 - ❖ “For the year ended December 31, 2023, the District will be required to implement Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription Based Information Technology (IT) - Arrangements. While this implementation is not expected to have a significant impact on the District, if significant time is incurred because of this implementation, we (the Adams Group) will discuss with management any additional fee for time incurred at our standard hourly rates.”

Following discussion, **it was moved by Director Brandenburg, seconded by Director Larry Brandt, to accept the Adams Group LLC Audit Engagement Proposal for Calendar Year 2023. Motion passed unanimously.**

Rules and Regulations Update: Motion to Approve Section 3 Water Taps:

District Manager Kauffman presented the following information to the Board:

- At the August 17, 2023, board meeting the Board approved the initiation of a new tap in between the current Conservation (Urban) Tap and the 5/8-inch Standard Tap and reestablished the 3/4-inch tap (Estate Tap).
- As a result, Section 3 needed to be updated with the tap information and staff took it as an opportunity to update some other issues at the same time.
- Generally, the updates include:
 - ❖ changes to ensure the Tapholder is generally responsible for anything tied to the property ownership,
 - ❖ clarification for the types of residential taps based on the lot size criteria and recommendations for lawn sizes in order to stay within the annual allotment,
 - ❖ availability of an accessory dwelling regardless of the type of tap as long as the additional allotment of water is purchased for service to the new dwelling,
 - ❖ defines the level of responsibility of the District if it locates a fire service line,
 - ❖ clarification on the commitment letter process and assignment of water credit, and
 - ❖ requirements for landscaping and hardscaping separation from District facilities including meter pits, service lines and waterlines.

Following discussion, **it was moved by Director Szmyd, seconded by President McMurtrey, to approve the updates to rules and Regulations Section 3 Water Taps. Motion passed unanimously.**

The Town of Johnstown (Johnstown) IGA:

District Manager Kauffman presented the following information to the Board:

- Johnstown's Town Manager, Matt LeCerf, and Ms. Kauffman have been working on an IGA between Johnstown and the District.
- The proposed agreement is intended to replace the existing 2002 IGA and the 2009 IGA.
- There are some differences in the updated IGA, the largest of which is the removal of the 2009 IGA requirement for Johnstown to pay 10 years of revenue from taps located on property that is being annexed into Johnstown and thereby served by the town.
 - ❖ Ms. Kauffman advised the Board that properties that are annexed are typically larger parcels, with no one living on the properties for several years before development begins; therefor the District does not usually lose revenue.
 - ❖ Ms. Kauffman is researching how to have the original court order dismissed.
- Ms. Kauffman attempted to negotiate a service boundary; however, Johnstown City Council was not interested as they have the right to annex and serve where they wish.
- Johnstown Council and the District Board will be reviewing the IGA in November and the IGA will come back in December for approval.
- Any recommendations for changes by either party will be outlined at the December meeting.

Following discussion, **it was moved by President McMurtrey, seconded by Director Martens, to approve the IGA as long as any additional changes are minor. Motion passed unanimously.**

Agreement for Sale and Purchase of One Windy Gap Unit:

District Manager Kauffman presented the following information to the Board:

- The District Board approved the bid for the purchase of one unit of unfirmed Windy Gap water from Platte River Power Authority (PRPA) at the August board meeting.
- A copy of the proposed contract for Board review and approval was included in the Board Packet.
 - ❖ The agreement had been reviewed by both parties' legal counsel.
- The Municipal Subdistrict Board of the Northern Colorado Water Conservancy District (Northern) will review the transfer of the unit from PRPA to the District at their December 7 board meeting.
- There is no indication that the Municipal Subdistrict will deny the transfer.
 - ❖ Subsequently to the review and likely approval of the transfer, a closing will be arranged for the payment.

It was moved by Director Szmyd, seconded by President McMurtrey, to authorize District Manager Amber Kauffman to sign the Sale and Purchase Agreement one approved by Northern. Motion passed unanimously.

CLFP:

Directors Brandenburg and Ryan Heiland presented the following information to the Board:

- The CLFP Board approved the 2024 budget.
 - ❖ Discussion occurred regarding the conversion of the Old North Plant to increase contact time for the water treatment.
 - ❖ A decision had not been made to go ahead with the project due to structural issues.
- CLFP Staff do not believe the taste and odor issues are caused by geosmin in Dry Creek Reservoir.
 - ❖ Further testing is to be performed.
- NoCo Engineering found a new electrical engineer who has history with CLFP.
- Sizing and pipe aligning had begun for the pump station at Dry Creek Reservoir arranging for the new one-million-gallon per day (MGD) pump.
 - ❖ Adding a one MGD feed will give CLFP Plant Manager Rick Whittet the ability to pump year-round.

- ❖ The addition of Native Waters to Dry Creek Reservoir the need to pump year-round will increase.
- District Manager Kauffman was not in attendance at the meeting and did not know if the Southern Water Supply Project (SWSP) One and Two, as well as the Carter Lake Outlet Works Outage was discussed.
 - ❖ Ms. Kauffman advised the Board the outage will take place between 8:00 a.m. February 5, 2024, and 5:00 p.m. February 12, 2024.
 - ❖ Ms. Kauffman hoped the shutdown for the high pressure line would only take one day.

Discussion followed regarding current pumping capacity from Dry Creek Reservoir and the need to increase the capacity.

SVWA:

District Manager Kauffman and Director James Walker presented the following information to the Board:

- The SVWA Board approved the 2024 budget.
- A bill payment was requested for the injection well because a step test was being performed as the injection well was already at capacity.
 - ❖ SVWA had planned on performing the test in 2024 but decided to start in 2023.
 - ❖ The Environmental Protection Agency (EPA) requires the step testing.
- Payment to the subcontractors has not been resolved and continues to delay completion of the project.

Public Hearing: Action Item: Resolution 2023-31 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 Heiland, to adopt Resolution 2023-31 Exclusions (Graziano, Medical Center of the Rockies, Poudre Valley Health Care). Motion Carried unanimously.

STAFF REPORTS

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

- District Activities:
 - ❖ On October 23 Kimley-Horn, a consulting engineering firm, came to the office and gave a presentation on the two main types of concrete tanks to consider for the District's future water tank on Markum Hill (A T and T Hill).
 - The presentation was attended by Engineering and Operations Staff.
 - ❖ On October 24 Staff from Horrocks and the District gathered for a kickoff meeting for the native water conveyance projects that we call H² and RFO.
 - Horrocks will be collecting survey data and title data to assist in determining the best path for the two pipelines.
 - ❖ On October 30 representatives from Colorado Department of Transportation (CDOT), the Town of Mead (Mead) and the District met (virtually) to ensure coordination with CDOT's widening of Interstate-25 (I-25) and Mead's evaluation of an additional interchange at Weld County Road (WCR) 38.
 - Both projects have potential to impact the District's property for the Markum Hill Tank and for easements the District has been acquiring for the Brookfield/Barefoot pipeline.
 - The meeting was helpful for all to understand what activity is going on in that direct area.
 - ❖ Civil Engineer III Jake Hebert, P.E. and Ms. Kauffman met with the City of Loveland (Loveland) on October 30 to review the service area for a proposed development north of State Highway 60 that falls in both of our proposed service areas.
 - The meeting was a great time to talk about issues relevant to both entities and clarify review of proposals that are submitted by Loveland to the District.
 - ❖ Ms. Kauffman had lunch with Helen Migchelbrink, Mead Town Manager, on November 8.

- Topics included relationships between the two agencies, current development projects, future development projects, and upcoming plans by other agencies for road construction that could provide opportunities for utility corridors for the District and challenges for existing water infrastructure.
- ❖ District Holiday Lunch will be had November 17 at The Boot Bar and Grill.
 - The office will close around 11:30 for staff to get to the lunch.
- ❖ Ms. Kauffman planned to attend the NoCo Water Alliance Meeting on November 17.
- ❖ Ms. Kauffman was working with the Town of Milliken (Milliken) to identify customers on Milliken's waterline to transfer to them, which will result in an amended IGA.
- Anticipated December Board Meeting Topics:
 - ❖ Wildrock biannual check-in.
 - ❖ Impact of Dry Up requirements for native shares.
 - ❖ Review of 2023 Goals.
 - ❖ 2024 Goals.
 - ❖ District Manager Review.
- Other:
 - ❖ Staff met with Brookfield, and they would like to put together a terms-sheet regarding what the District participation in the oversizing of the West I-25 Transmission Line.
 - ❖ Ms. Kauffman noted that she had received an email from Soldier Canyon Water Treatment Plant, and they had advised her of how they used an intern program with a local high school to have a certified operator.

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

- Board:
 - ❖ The Board members were asked to advise Administrative Assistant Judy O'Malley what dates in January 2024 would be the best to have a Holiday Dinner.
- Eye on Water (EOW):
 - ❖ District customers signing up for new EOW accounts continued to increase slightly.
 - ❖ Ms. Diekhoff noted that offering an incentive helped motivate customers to sign up for accounts.
 - ❖ Ms. Diekhoff plans to offer another incentive in the spring of 2024.

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

- There were three Tap Commitment Requests for October. The year-to-date total was 64.
- Capital Projects:
 - ❖ Staff have become very involved with the land agents on the easement acquisitions for the Northeast Transmission Line.
 - Business Project Manager Kammy K. Tinney was assisting with the easement acquisitions.
 - ❖ The Twin Mounds Five-million-gallon (MG) Tank project has been completed.
 - The tank will remain offline for the winter.
 - ❖ The Loveland / Campion project had begun and was progressing so well it is expected to be completed earlier than originally anticipated.
 - The project is also expected to finish under budget.
 - ❖ The 54 Bridge Waterline Relocation is going well, and Staff hoped the project would be completed before Thanksgiving.
 - ❖ A kickoff meeting was held for the Raw Water Infrastructure project.
 - Horrocks Engineers were present and both the H² and the RFO projects are underway.
- Development Projects:
 - ❖ There were no new projects.
 - ❖ Existing projects were entering different phases of acceptance.
- Other Engineering Department Activities:
 - ❖ Engineering Staff remained busy with referrals, development projects, capital improvement projects and the water court change case.
 - ❖ Design coordination with CDOT for their I-25 Segment 5 Improvement Project (Highway 66 to Highway 56) was aggressively ramping up.
 - ❖ Discussion continued with Brookfield for construction of the West I-25 Transmission Line, and funding of the required oversizing.
 - Easement acquisition is complete except for final negotiations with two property owners.

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

- The 2023 - 2024 Water Year began on November 1, 2023.
- Water use for the month of October was up a little as the weather had been warm.
- Water Court Change Cases Updates:
 - ❖ Expert witnesses testified for Johnstown in their Home Supply case.
 - Water Resources Staff hope Johnstown receives a good deal and that the District can follow behind Johnstown.
 - ❖ Water Resources Staff filed the Caitlin in the Handy Ditch case.
 - Staff were waiting for the review and conditions.
- Water Efficiency:
 - ❖ 100 percent of the Sprinkler Audits had been filled in the 2023 season.
 - ❖ The District was awarded a grant to assist with the Lawn Replacement program in 2024.
 - ❖ Water Resources Staff gave a Water Conservation presentation to the Mead Board of Trustees.
 - The presentation was well received.
 - Ms. Hoff commended Conservation Specialist Holly Suess and Water Resources Administrator Garrett Dickson for their hard work on the presentation.

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

- The first samples of the Unregulated Contaminant Monitoring Rule (UMCR) 5 were sent to the lab.
- Project Updates and Notes:
 - ❖ The fire alarm system final inspection turned out well.
 - ❖ Some problems had occurred during the telemetry upgrades but were being worked on.
 - ❖ There had been little change to the valve exercising status as the Valve Exerciser Crew Leader Alan Cordova had continued working with the Backhoe Crew.
- The Colorado Department of Public Health and Environment (CDPHE) determined two items from the audit were significant deficiencies and one violation.
 - ❖ One deficiency was after almost 20 years of the Northmoor tank being completely idle CDPHE wanted it to be completely severed.
 - ❖ The second was two small holes in the Mead tank.
 - Both deficiencies have already been addressed.
 - ❖ The violation was the fact that a comprehensive inspection has to be completed every five years.
 - The Operations Staff had not completely drained the two million gallon (mg) tank for inspection while the five mg tank was being refurbished.
 - Staff perform comprehensive inspections every year but did not retain records.
 - CDPHE advised Mr. Lambrecht the District should have revised the inspection plan.
 - ❖ Due to CDPHE's decision on the findings the District must send a letter to every customer notifying them of the violation.

DIRECTOR REPORTS

- President McMurtrey asked Board Members who attended the Northern Water User Symposium to express their thoughts on the meeting:
 - ❖ Ms. McMurtrey found the entire session interesting. And agreed that Northern Colorado needs to protect the local water sources from being moved to other parts of the state.
 - ❖ Director Brandt sat next to Director Walker and had been previously unaware that individuals owned shares of Colorado-Big Thompson (C-BT) water. A neighbor of Mr. Walker owns 100 shares and questioned Mr. Brandt on purchasing a District water tap. The woman was also speaking with Conservation Specialist Suess, but Mr. Brandt was unaware of what the conversation consisted of.
 - ❖ Director Walker noted that during the session a presenter listed four types of dogs and their traits. The presenter asked the group which type of dog Northern should be regarding protecting local waters, based on the traits.

- ❖ Director Brandenburg also found the dog comparison interesting. Mr. Brandenburg questioned if the District can be involved as objectors to Water Court cases that move water out of Northern Colorado.
 - District Manager Kauffman noted that the District would not be objectors directly as the cost would be substantial but are able to support Northern.
 - Ms. Kauffman encouraged Mr. Brandenburg to attend Northern Board Meetings.

Director Martens noted that last year Europe was using wood pellets for heat stating it was a “green” energy source. England has since found that it is not “green”, but it is contributing to climate change.

Director Szmyd advised that Loveland has the ability to have an employee to just review water losses and they have a very elaborate chart. Mr. Szmyd will forward a copy to Ms. Kauffman. Mr. Szmyd also suggested the Board have a White Elephant exchange at the January dinner.

It was moved by Director Martens, seconded by Director Brandt, to adjourn the meeting at 8:06 p.m. Motion carried unanimously.

Respectfully submitted,

Amber Kauffman