

**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 21, 2024. Attendance was as follows:

Board of Directors:

Emily McMurtrey, President, Present
Steven Brandenburg, Vice-President, 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 Eaton, District Engineer
Nancy Koch, Water Resources Advisor
Reese Saxton, Operations Manager
Kammy K. Tinney, Business Project Manager

Other Attendees:

Dennis and Shirley King, Bill Gregorak, Mike Dwyer, John Fender, Craig Earhart, Janiane and Doug Golliver, Andy Nau, and Shelley McCrimmon; Residents
Ken Matthews, Director of Water Utilities; Town of Berthoud

CALL TO ORDER

The recitation of the *Pledge of Allegiance* occurred, followed by President Emily McMurtrey calling the meeting to order at 5:00 p.m.

ROLL CALL

Roll call was taken. All Directors were present resulting in a quorum of seven members.

AGENDA REVIEW

District Manager Amber Kauffman recommended discussion in Executive Session as part of Item 6.7, Customer Damage and Claim, subject to §24-6-402(4)(e), C.R.S. for the purpose of determining positions that may be subject to negotiation, developing strategy for negotiations, and instructing negotiators.

It was moved by Director McMurtrey and seconded by Director Larry Brandt to approve the agenda as presented, including discussion in Executive Session as requested. Director Bill Szmyd asked if it was necessary to take up Item 6.7 in Executive Session at this meeting or if the matter could be deferred to December. District Manager Kauffman requested consideration at this meeting. Following discussion, upon vote with six Directors voting “Aye,” and one Director voting “Nay.” The motion passed.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

President McMurtrey opened the Public Comments period, welcomed the guests to the meeting, and asked them to introduce themselves. Each member of the public introduced themselves and all but one, Ken Matthews, indicated they were in attendance to participate in the public hearing to consider the proposed 2025 Updated Rates and Fees. Ken Matthews introduced himself and shared with the Board that he is attending to address any comments or questions regarding Item 6.2, LTWD Service Boundary Discussion. There being no further public comments, the Public Comments period was closed.

CONSENT AGENDA

It was moved by Director McMurtrey and seconded by Director Steve Brandenburg to approve the Consent Agenda including:

- **Minutes of October 17, 2024, Regular Board Meeting;**
- **Tap List 706;**
- **October 2024 Disbursements in the amount of \$1,374,434.20:**
 - ❖ **Operating Account: \$1,040,712.70**
 - **ACH Manual Check Numbers 5843 to 5940 – \$748,091.21**
 - **Check Numbers 12071 to 12132 – \$292,621.49**
 - ❖ **Payroll Account: (Two Bi-weekly payroll periods in October) totaling \$346,016.80**
 - **ACH Transmittal Vouchers O-2543 to O-2554 – \$169,679.45**
 - **ACH Direct Deposit Numbers N-14018 to N-14097 - \$164,042.05**
- **October 2024 Financial Report.**

The motion to approve the Consent Agenda carried with six Directors voting “Aye,” and Director Szmyd abstaining from the vote.

DISCUSSION ITEMS

Waiver of Accessory Dwelling Unit Fee Request – 1305 N. County Road 23H:

Brad Eaton, District Engineer, presented the item to the Board and reviewed the summary provided with the agenda packet.

- Michael and Susan Dwyer have owned the property, located in Loveland, since 2015.
- The home and surrounding landscape are currently served by a standard tap, and Mr. and Mrs. Dwyer have requested the ability to add a small, (370 sf) accessory dwelling for the purpose of caring for an elderly parent in the future.
- Staff issued a commitment letter in October allowing the addition and outlining the requirements, including the accessory dwelling fee of \$27,000.
- The Dwyer's have requested a waiver of the fee in consideration of their historic under use of their standard tap annual allotment, and the existence of a well that may be used for outside irrigation.
 - ❖ Staff analyzed the water use for the tap and found that the Dwyer's routinely and significantly under use their standard tap annual allotment.
 - ❖ Staff researched the well on the property and found that the well is permitted for outside irrigation use.
- Staff recommendation is to approve the variance request with conditions.
 - ❖ A commitment letter was issued on October 16, 2024, contingent on District Board approval of this variance request. If approved, strict adherence to the terms and conditions outlined in the commitment letter must be followed.
 - ❖ The existing well shall not be connected to the domestic potable water system in any way.
 - ❖ The tap holder will be required to execute a Domestic Water Agreement (DWA) with the District that outlines the annual water allotment of the existing Standard Residential Tap which is 0.70 acre-feet per year. If persistent overuse occurs in the future beyond the annual allotment, an upgrade to a tap with a larger allocation may be required. As with any new tap, the tap holder will be required to execute a Domestic Water Agreement (DWA) with LTWD that will outline the annual water allotment of a Conservation Tap which is 0.35 acre-feet per year. If persistent overuse occurs in the future beyond the annual allotment, an upgrade to a tap with a larger allocation may be required.

It was moved by Director Ed Martens to approve the variance request with conditions as presented and seconded by Director Brandenburg. The motion carried unanimously.

Mr. Dwyer thanked the Board for their consideration and left the meeting at this time.

Town of Berthoud – LTWD Service Boundary Discussion:

District Manager Kauffman presented the item to the Board and reviewed the summary provided with the agenda packet.

- LTWD and the Town of Berthoud last updated the Intergovernmental Agreement ("IGA") between the parties in August of 2014 which included a service area boundary and some additional parameters.
- The Town of Berthoud is experiencing significant growth, and some developments are located such that water service to serve them will split that boundary.
- The Town of Berthoud is asking that LTWD consider some changes to the LTWD service boundary so that single developments may be served by the same water provider.

Ms. Kauffman reviewed the current and proposed boundary map, noting some areas where line location and intended use may pose problems for boundary adjustment. Mr. Ken Matthews addressed the Board noting that consideration of a boundary adjustment is a result of review of the Town's current comprehensive plan which includes a twenty-year water and wastewater management plan that requires construction of a second water treatment plant.

Ms. Kauffman and Mr. Matthews responded to questions from the Board regarding potential impacts on District infrastructure and future revenue, and more detail with regard to the Town of Berthoud's long-term planning. Ms. Kauffman indicated that the goal of this evening's discussion is to bring the matter to the Board's attention and to gauge interest in pursuing the matter further. Mr. Matthews anticipates presenting the District with proposed revisions to the IGA in the near future. The Board thanked Mr. Matthews for attending the meeting. Mr. Matthews left the meeting at this time.

Public Hearing Action Item – 2025 Budget Review and Five-Year Financial Plan; Adoption of 2025 Proposed Budget, Appropriation of Funds, and Certification of Mill Levies – Resolutions 2024-25, 2024-26, and 2024-27:

Business Manager Diekhoff presented the 2025 Proposed Budget along with the Five-Year Financial Plan based on the following parameters, following input from the Board and Staff strategy sessions.

Basis of Budget Revenue:

- Base Fee will increase by 15 percent and will be adjusted 1.6 percent for new tap growth.
- Water rates:
 - ❖ All Tiers to increase by 15 percent except the top two tiers of the Standard Residential Tap.
 - ❖ Wholesale Rates will increase by 15 percent or as established within the guidelines of each entity's IGA or discussions with those entities.
- Bulk water sales are estimated based on historical data.
- Anticipated sales of 269 taps (2.5 percent Increase)
 - ❖ Conservation – 240 Taps
 - ❖ Conservation Plus – 22 Taps
 - ❖ Standard – 4 Taps
 - ❖ Estate- Cash in Lieu – 3 Taps

Basis of Budget – Expenses:

- Wages – Cost of Living 3.4 percent, with the average increase of merit and COL of 5 percent total.
- Total Employee Cost Increase of 3.27 percent compared to 2024 projected actuals.
 - ❖ One new employee in Distribution and a transition employee in Water Resources.
- Operating expenses increased by 5.25 percent compared to 2024 projected actuals.
 - ❖ Increase in Carter Lake Filter Plant and St. Vrain Water Authority operating expenses.
- Capital and non-operating costs decreased by 35.2 percent compared to 2023 projected actuals.
 - ❖ True Cost increases by 231.99 percent compared to 2024 projected actuals. The increase is due to bond projects and additional capital projects.

Five-Year Capital Projects.

- Summary of Capital Improvement Program as prioritized in order of importance and anticipated project start date.
 - ❖ Potential bonding of \$60 million in 2026 and an additional \$20 million in 2035.

Ms. Diekhoff and Ms. Kauffman reviewed projected operating revenue and proposed rate increases needed if growth continues at the rate of two- to three percent per year and capital projects are not pushed into the future or eliminated from the capital plan. Additional handouts providing historical information about the District's rates and increases, and rates compared to surrounding jurisdictions were distributed to the Board and members of the public in attendance.

Board members asked questions throughout the presentation and invited each member of the public in attendance to present their questions and comments regarding the proposed budget and rate increases. Comments, questions and concerns expressed by the public included the challenges of staying within limits of water allotment even with reduced landscape on larger properties purchased 25 or more years ago with no knowledge of water allotment associated with tap size; Feelings that it is not fair of the District to impose penalties now and that older properties should be "grandfathered in" and not subject to surcharges, and; Water bills have increased substantially with imposition of the surcharge and increased rates. The question of what, if anything, the District can do to assist with conservation efforts arose. Board members and staff noted that each customer has the opportunity to upsize the tap serving their property and increase their respective allotment; Discussed current conservation programs in place noting that the Water Resources Management team is happy to meet with HOA's and customers to assist with implementation.

Board members noted that the District has to consider resource availability to all within the District. Allotments have always been in place but not previously managed well, which is acknowledged by both management and the Board and both are working to correct the issue; Provided clarification of base rates, usage rates, and timing of surcharges based on monthly usage, noting that allotments are now included on monthly invoices, Eye-On-Water is available, and use of the watering schedule in place to balance demand on the treatment plant.

President McMurtrey called for a break at 6:40 p.m. The majority of the public in attendance left the meeting at this time, with the exception of Mr. Andy Nau. The meeting resumed at 6:50 p.m.

Ms. Diekhoff continued the presentation of the proposed 2025 budget and associated water rate increases. Following the presentation President McMurtrey opened the public hearing to consider the proposed 2025 Budget and Five-Year Financial Plan at 7:07 p.m. Mr. Nau had no further comment. President McMurtrey closed the public hearing.

It was moved by Director Szmyd, seconded by Director Brandt to adopt Resolution 2024-25 Adopting the 2025 Budget as presented. The motion carried unanimously.

It was moved by Director Heiland, seconded by Director Szmyd to adopt Resolution 2024-26 Appropriating Funds for 2025 as presented. The motion carried unanimously.

It was moved by Director Martens, seconded by Director Walker to adopt Resolution 2024-27 to Certify Mill Levies subject to receipt of the final assessed valuations from Boulder, Larimer and Weld Counties. The motion carried unanimously.

Public Hearing Action Item – 2025 Updated Rates and Fees:

The proposed rates and fees were presented during Agenda Item 6.3, 2025 Budget Review and Five-Year Financial Plan. President McMurtrey opened the public hearing to consider the proposed 2025 Updated Rates and Fees at 7:10 p.m. Mr. Nau had no further comment. President McMurtrey closed the public hearing.

It was moved by Director McMurtrey, seconded by Director Heiland 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 Dedications. The motion carried unanimously.

Auditor Engagement for the 2024 Fiscal Year:

Business Manager Diekhoff presented the item to the Board and recommended approval of the engagement of The Adams Group to perform the 2024 Audit.

It was moved by Director Brandenburg, seconded by Director McMurtrey to approve the Engagement Letter with The Adams Group for performance of the 2024 Audit.

2025 Regular Meeting Schedule:

District Manager Kauffman presented the proposed regular meeting schedule to the Board, which includes the schedule of regular meetings for Carter Lake Filter Plant and the St. Vrain Water Authority. Ms. Kauffman requested Board consideration of the addition of quarterly work sessions in February, May, August and November in an attempt to lessen the length of each regular meeting. Director McMurtrey noted the intent of the work sessions is to provide an opportunity for more in-depth discussion and preparation for items to be presented at regular meetings.

It was moved by Director Brandenburg, seconded by Director Heiland to approve the proposed 2025 Regular Meeting schedule and the implementation of quarterly work sessions to be held in February, May, August and November.

Customer Damage and Claim:

District Manager Kauffman reviewed the item with the Board. Further discussion will be held in Executive Session at the end of the meeting.

Carter Lake Filter Plant:

District Manager Kauffman and Director Heiland provided an overview of the summary included with the agenda packet:

- Pre-Treatment Design
 - ❖ The review committee for the Statement of Qualifications for the construction of the pretreatment plant determined that both contractors were qualified to move forward with proposals.
- 7 MG Tank
 - ❖ Mr. Whittet met with Connell, Tanco, Chesapeake Mechanical Coatings and S&S Coatings (painting inspector) on October 31 to discuss the situation and the responsibility of the repairs.
 - ❖ Connell Resources helped clean the tank for S&S Coatings to inspect the interior tank coating the week of November 4 and Chesapeake Mechanical Coatings plans to make repairs to the interior of the tank the week of November 11.

- Operations
 - ❖ The SCADA upgrade is proving to be a challenge but is anticipated to be completed by the end of the year.
- CLFP 2025 Budget
 - ❖ The monthly fixed fee is increasing from \$110,000 to \$123,000 (11.8 percent).
 - ❖ The variable water rate is increasing from \$0.24 per 1,000 gallons to \$0.27 per 1,000 gallons (12.5 percent).
 - ❖ A Capital Improvement Rate of \$0.12 per 1,000 gallons was recommended for consideration. Both District Managers from LTWD and Central Weld County Water District (“CWCWD”) support the rate and the approach to allow CLFP to establish a Capital Reserve Fund.

St. Vrain Water Authority (“SVWA”):

District Manager Kauffman presented the item to the Board and provided an overview of the summary included with the agenda packet:

- SVWA 2025 Budget
 - ❖ The preliminary budget estimates an approximate 75 percent increase to expenses to aid in the creation of a Major Expense Reserve Fund, and to perform injection well maintenance. The Board will review in more detail at its regular meeting in December.
- Monitoring and Maintenance of HVAC System
 - ❖ The Board approved contracts with Trane for monitoring and MTech for quarterly maintenance of the HVAC system.
- Final Certificate of Occupancy (“CO”)
 - ❖ The plant continues to operate under a temporary CO pending completion of fire district inspection of the chlorine system and application of a concrete sealant. The fire department is scheduled to complete its inspection Friday, November 22nd.
- Correspondence from LTWD Special Counsel to SVWA
 - ❖ The Board mentioned receipt of correspondence sent from LTWD expressing concerns surrounding the fulfillment of the agreement between the Authority Members and will discuss further at its regular meeting in December.

STAFF REPORTS

District Manager’s Report: District Manager Kauffman presented the report to the Board and provided an overview of the summary included with the agenda packet:

- District Activities:
 - ❖ CWCWD Pipeline and Water Treatment Plant
 - LTWD joined Mr. Whittet, Stan Linker, and their engineering consultants on November 18th to further discuss the more technical aspects, risks and benefits of connection to the joint 42-inch with a pipeline that runs east to Evans and an associated water treatment plant at the CWCWD owned property along Weld County Road 42.
 - The next meeting is scheduled for January 2025.
 - ❖ Fall Water Symposium
 - Northern Water’s Fall Water Symposium was completely full.
 - Presentations included:
 - ◇ The economic impact of water to regions and what others have done to combat external pressures.
 - ◇ Invasive water milfoil in Boulder Reservoir.
 - ◇ Updates on the Colorado River Connectivity Channel, NISP, and Chimney Hollow construction.
 - ◇ State Engineer Jason Ullman (also a LTWD customer) and his perspective on the important topics at the State level.
 - ◇ The challenges of growth in Northern Colorado, including Ms. Kauffman as a panelist for the discussion.
 - ❖ NoCO Water Alliance
 - A presentation by the City of Aurora Water Resources Manager regarding future plans to serve the projected growth of the City with questions and answers following the presentation.
 - Discussion regarding the direction and purpose of the Alliance.
 - ❖ Anticipated December Board Meeting Topics/Agenda Items
 - 2024 Amended Budget Proposal and Rate Hearing
 - Resolution Calling May 2025 Election and Designating an Election Official
 - 2024 Recap and Accomplishments
 - WildRock End-of-Year Update
 - ◇ The Board requested that the update be postponed to January 2025

- District Manager Review
- Potential Topics
 - ◇ CDOT Agreement for ROW acquisitions
 - ◇ IGA with Loveland for return flows
 - ◇ Barefoot Funding Agreement and potential water leases with other entities.

Business Manager's Report: Business Manager Diekhoff presented the report to the Board and provided an overview of the summary included with the agenda packet:

- EyeOnWater (EOW)
 - There were 12 new customer sign-ups in the month of October resulting in 27 percent of the District's customers participating in the program.

District Engineer's Report: District Engineer Brad Eaton presented the report to the Board and provided an overview of the summary included with the agenda packet:

- The District received two new tap and no Accessory Dwelling Unit (ADU) Commitment to Serve Requests in October, bringing the 2024 year-to-date total to 1,731 new taps and 18 ADUs.
- Capital Projects
 - ❖ Staff continue to make good progress with Capital Projects scheduled for 2024.
 - Reseeding of select areas of the Loveland / Campion project was completed in late October and the project is now complete.
 - Review of the new water model by LTWD staff as part of the Water System Master Plan is complete.
 - Progress continues on final design of the 30-inch Barefoot line with the procurement of the first 10,000 feet of pipeline and construction to start in early 2025.
- New Development Projects
 - ❖ Mr. Eaton reviewed with the Board the status updates, noting that the report was updated to remove inactive projects.
- Other Engineering Department Activities
 - ❖ Development Referrals
 - Staff are reviewing quite a few referrals from surrounding counties and municipalities.
 - ❖ 2025 Budget Development
 - ❖ Thornton Pipeline crossing of LTWD infrastructure requiring modifications.
- Interstate-25 (I-25) Segment 5
 - ❖ CDOT continues to refine design concepts for modifications to existing LTWD infrastructure. The design concepts are under review by District staff.

Water Resources Manager's Report: Water Resources Advisor Nancy Koch presented the report to the Board and provided an overview of the summary included with the agenda packet:

- Water use for October was exceptionally high for this time of year but close to overall water year projections.

Operations Manager's Report and Water Quality Update: Operations Manager Reese Saxton presented the report to the Board and provided an overview of the summary included with the agenda packet:

- Locate Requests and Leak Repairs were trending above average for October.
- Monthly Water Quality Report:
 - ❖ Monthly Total Coliform samples were within acceptable parameters.
- Customer Quality Work Orders:
 - ❖ The crew responded to one taste/odor complaint.
- Project Updates and Notes:
 - ❖ Alan Cordova is currently transitioning back to normal, valve exercising duties.
- Staffing
 - ❖ One staff member has provided their resignation and posting for the position will be complete next week.

Business Project Manager's Report: Business Project Manager Tinney presented the report to the Board and provided an overview of the summary included with the agenda packet:

- District Administrator
 - ❖ Ms. Tinney has been filling in on compliance / deadline related activities.
- May 2025 Regular Election
 - ❖ There are four seats up for election - Bill Szmyd (Ward 3), Jim Walker (Ward 1), Ed Martens (Ward 2), and Larry Brandt (Ward 7).

- ❖ Ms. Tinney will proceed with the required publishing and posting of the Call for Nominations in January 2025.
- Policies and Procedures
 - ❖ 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 October internal news bulletin.
 - ❖ Staff are preparing for holiday festivities in December.

President McMurtrey called for a break at 7:05 p.m. The meeting resumed at 7:10 p.m.

DIRECTOR REPORTS

- Director Szymd asked if the District had received any questions about fluoride in the water since the topic is back in the spotlight. Ms. Kauffman responded that the District has not received any questions to date.
- Director Brandt noted a conversation with a customer that was not aware of the Eye-On-Water program, and that he's heard from some they support discontinuing adding fluoride to treated water.
- Director McMurtrey confirmed with the Board the format to be used for Ms. Kauffman's annual review.

EXECUTIVE SESSION

It was moved by Director Brandenburg and seconded by Director Heiland to adjourn to Executive Session subject to §24-6-402(4)(e), C.R.S. for the purpose of determining positions that may be subject to negotiation, developing strategy for negotiations, and instructing negotiators regarding matters related to Item 6.7, Customer Damage and Claim. The motion carried unanimously, and the Board adjourned to Executive Session at 8:23 p.m. District Manager Kauffman and Business Manager Diekhoff were invited to attend the Executive Session. All remaining staff were excused.

The Board reconvened in Regular Session at 9:03 p.m. upon motion duly made by Director McMurtrey and seconded by Director Martens.

It was moved by Director Heiland, seconded by Director Walker to approve a \$10,000 budget increase for Customer Service Relations. The motion carried with five Directors voting "Aye" and two Directors voting "Nay."

It was moved by Director Brandenburg and seconded by Director Brandt to adjourn the meeting at 9:06 p.m.

Respectfully submitted,

Amber Kauffman
Secretary