

Commission Members Present: Bill Szmyd, Clinton O'Niell, Dan Herlihey (Vice Chair), Don Cook, Gene Packer, John Butler, Matt Elkins, Randy Williams, and Richard Rhoads.

LUC Commission Members Absent: Gary Hausman (excused)

Council Liaison Present: Councilor Rob Molloy and Councilor Steve Olson.

City Staff Members Present: Derek Turner, Jim Lees, John Beckstrom, Joe Bernosky, John Beckstrom, Lynn Valdez, Michelle Erickson, Nathan Alburn, Roger Berg, Ronnie Gao, Ryan Van Pelt, Tanner Randall, Tim Bohling, and Yarani Vazquez.

Guest Attendance: Greg Petruska

CALL TO ORDER: Dan Herlihey called the meeting to order at 4:00 PM.

Item 2.1: Adoption of Minutes – Dan Herlihey

This item requested a motion to approve the minutes of the July 21, 2021 meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from July 21, 2021.

Motion: Gene Packer made the motion.

Second: John Butler seconded the motion. The minutes were approved unanimously with an 8-0 vote.

CITIZENS REPORT

None.

INFORMATIONAL ITEMS

Item 4.1: Electric Legislative Update – Laurie Cecere

This item and Attachment A are intended to give a brief update on electric-related legislation at both the state and federal level. Loveland Water and Power works closely with Platte River Power Authority (PRPA) and its sister cities but relies primarily on the Colorado Association of Municipal Utilities (CAMU) for information on electric-related legislation.

Recommendation: Information Only. No Action Required.

Item 4.2: Financial Report Update– Jim Lees

This item summarizes the preliminary monthly and year-to date financials for July 2021.

Recommendation: Information Only. No Action Required.

REGULAR AGENDA**Item 5.1: Proposed Amendment to Winter Carriage Contract with Northern Water – Ryan Van Pelt**

Attorneys and engineering staff from Northern Colorado Conservancy District (Northern Water) and the City of Loveland (City) have been working together to clarify the terms and fees identified in the City's Winter Carriage Contract.

Recommendation: Adopt a Motion Recommending that City Council and the Loveland Water Enterprise Approve by Resolution the Amendments to the Winter Carriage Contract.

Motion: John Butler made the motion.

Second: Bill Szmyd seconded the motion. The motion was approved unanimously with an **8-0 vote**.

Item 5.2: 2021 Supplemental Budget Appropriation for Fire Mitigation in the Big Thompson Watershed – Roger Berg & Tim Bohling

The purpose of this item is to request the LUC to adopt a motion recommending that City Council approve a supplemental budget appropriation to the 2021 Water Utility Unrestricted Fund budget for fire mitigation and watershed restoration projects in the Big Thompson Watershed.

Recommendation: Approve a Motion Recommending that City Council Approve an Ordinance Making a Supplemental Budget Appropriation to the 2021 Water Utility Unrestricted Fund Budget Of \$500,000, and Approve One or More Resolutions that Authorize the City Manager to Execute Grant Agreements or Intergovernmental Agreements Necessary to Provide Such Funding to Regional Partners and Organizations Engaged in Fire Mitigation and Watershed Restoration Projects Within the Big Thompson River Watershed.

Motion: John Butler made the motion.

Second: Gene Packer seconded the motion. The motion was approved unanimously with an **8-0 vote**.

STAFF REPORTS**Item 6.1: Northwest Loveland Development Update – Roger Berg**

This item provides an update on the proposed development in northwest Loveland and the related water system improvements.

Recommendation: Staff report only. No action required.

Item 6.2: Presentation on Switchgear – Ronnie Gao

In an electric power system, switchgear (SWGR) is composed of circuit breakers used to control, protect and isolate electrical equipment. Switchgear is used both to de-energize equipment to allow work to be done and to clear faults downstream. This type of equipment is directly linked to the reliability of the electricity supply. Typically, switchgear in substations are located on low-voltage sides of large power transformers. The switchgear on the low-voltage side of the transformers is located in a building (control house), with medium-voltage circuit breakers for distribution circuits, along with metering, control, and protection equipment. At Horseshoe Substation, the SWGR also come with Eaton's MR2 motorized remote racking system, which provides a means to remotely rack any VCP-W draw-out circuit breakers and/or auxiliary drawers used in metal clad switchgear. The MR2 system can also be utilized to open and close the breaker remotely, using the pendant. The addition of the MR2 system helps mitigate arc flash exposure and improve productivity for the user. An arc flash is a



phenomenon where a flashover of electric current leaves its intended path and travels through the air from one conductor to another, or to ground.

Recommendation: Staff report only. No action required.

COMMISSION REPORTS

Item 7.1: Commission/Council Reports

Bill Szmyd: Shared that Northern Water is offering a bus tour to see the damage and the restoration and watershed protection efforts from the Cameron Peak. **Bernosky** will make sure the invite is sent out to the LUC. **Szmyd** inquired on the City's cyber security to protect customer data. Joe **Bernosky** replied that he was not involved in the specifics, but he does know that cyber security was discussed and part of the design of the new CIS system. **Bernosky** will inquire more on what the cyber security entails.

Clinton O'Niell: None

Dan Herlihey: None

Don Cook: None

Gary Hausman: N/A

Gene Packer: He was pleased to attend the ground breaking of Chimney Hollow Reservoir. He commented on how the prices for the land have increased dramatically from the time when he worked at Hewlett-Packard and that land was first purchased. He said that the property is being put to great use. He was able to take pictures throughout the event including the ribbon cutting and that Larry Howard was present and he commented on how this will be the largest asphalt core dam in Colorado.

John Butler: He said that he drove past the Water Reclamation Facility on Boise Avenue and saw the new gate is going in and the site is very busy with activity.

Matt Elkins: None

Randy Williams: He said that the project in the street was completed in front of his office and the new asphalt looked very nice. Two days later, the street was torn up again to put in new sensors for the traffic light, but at least they got that done before school started.

Richard Rhoads: None

COUNCIL REPORT

Steve Olson: I missed an executive session with City Council to discuss some water litigation. **Bernosky** said they received very good marching orders and will proceed with protecting the water rights of the City of Loveland. **Olson** shared the efforts to recognize and honor Loveland's first responders including a proclamation read last night and described an activity in which citizens can take a first responder out to lunch and get to know them and make a connection. First responders are all those that keep the City going during emergencies including floods, fires, water issues, power issues and severe weather. City Council is working on rules and procedures and improving business processes.

Rob Molloy: Discussed some conflicts between Johnstown and Loveland on the development of some property south of Highway 402 in which the area is included in both of their growth management areas. He discussed that they are trying to determine what is in the best interest of the landowners and who it would make most sense to service the area. They had a neighborhood meeting last week. Johnstown is looking into the cost to bring sewer under I-25 and Loveland may need a temporary substation to service the area. Loveland is pushing for development along Highway 402.

DIRECTOR'S REPORT**Item 8.1: Director's Report - Joe Bernosky**

Joe **Bernosky**, Director of Water and Power, shared how the dedication of Chimney Hollow Reservoir went and how the City provided Larry Howard with his very own shovel signed by staff for the groundbreaking. **Bernosky** discussed the recent Tier 2 Violation from the sanitary survey back in June for fairly minor issues including no screen on a small weep hole, no gasket on a hatch, and that staff was not performing close enough inspection on some tank screens. He assured the LUC and the public that water quality was never compromised. **Bernosky** provided an update regarding the Windy Gap Firming Project funding. The City received a wonderful interest rate on our bonds at 1.93% effective interest rate. The funds will be transferred two weeks ago and are now in escrow with the subdistrict. Derek **Turner** shared that the pooled financing bonds will occur tomorrow morning at 9 am. Broomfield decided a little late in the process that they wanted to pay for their portion between \$140M to \$160M outside of the group financing with their own bonds. Broomfield put down \$20M cash and has already approved on first reading of the bond sale for another \$120M and anticipates closing in September. **Bernosky** said that if they don't pay, they would forfeit the \$20M that they've put down – that's the security. **Olson** said that Longmont paid cash and did bonding. I think Greeley paid cash. The rest of the group financing was in the \$400M plus bond sale. **Bernosky** demonstrated how to find the current energy mix on Platte River Power Authority's (PRPA Website) by clicking on "What we Do" and "Current energy production." He then explained how to read the charts and graphs and how the energy produced above the black line are surplus sales. He also discussed how with intermittent energy sources such as wind and solar, it is best to distribute these sources geographically to have the most likelihood of producing energy. Randy **Williams** inquired what the hydro source was. **Bernosky** replied that it is from WAPA. Councilor **Olson** inquired on how fast PRPA can the ratchet down the coal fired plant. **Bernosky** responded that they cannot change the coal fired plant quickly, but they do use gas to meet peak demands, because they can be turned on and off more quickly.

ADJOURN: The meeting was adjourned at 5:44 p.m. The next LUC Meeting will be September 15, 2021 at 4:00 p.m.

Respectfully submitted,
Michelle Erickson
Recording Secretary
Loveland Utilities Commission /s/ Dan Herlihey, LUC Vice Chairman

