

**Commission Members Present:** Craig Bialy, Dan Herlihey (Chair), Don Cook (Vice Chair), Gary Hausman, Gene Packer, Matt Elkins, Randy Lee Williams

**LUC Commission Members Absent:** Bill Szmyd, Richard Bilancia, Christopher Say, John Butler

**Council Liaison Present:** Steve Olson

**Council Liaison Absent:** Andrea Samson

**City Staff Members Present:** Adam Bromley, Chad Birgenheier, John Faulkner, Ryan Van Pelt, Aaron Rodriguez, Kevin Gertig (Director), Melanie Reeves, Tracey Hewson, Jim Lees, Brian Gandy, Noah Cecil, Nathan Alburn, Thomas Penman, Bruce Kelly, Todd Hanlin, Kraig Bader, Travis Johnson.

**Guest Attendance:** Leo Grassens.

### CALL TO ORDER

**CALL TO ORDER:** Dan Herlihey called the meeting to order at 3:00 PM.

### ADOPTION OF MINUTES

#### Item 2.1: Adoption of Minutes – Dan Herlihey

This item requested a motion to approve the minutes of the September 18, 2024 meeting.

**Recommendation:** Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from September 18, 2024.

**Motion:** Don Cook made the motion.

**Second:** Gary Hausman seconded the motion. The minutes were **approved** with a **5-0 vote**.  
*Gene Packer arrived after this vote was taken.*

### CITIZENS REPORT

#### Item 3.1: Citizens Report

Leo Grassens is a retired engineer and has been a resident of Loveland since 1997. He serves on the Larimer County Environmental and Science Advisory Board and is a liaison for the Larimer County Climate Smart Future Ready team. He is also a member of the City of Loveland Climate and Sustainability Task Force, but today he came to speak as a concerned citizen regarding Electric Rate Structures. *His written concern is referenced in full at the end of these meeting minutes.*

### INFORMATIONAL ITEMS

#### Item 4.1: Water Treatment Plant Daily and Monthly Flow Report – Chad Birgenheier

This item provides an update on the Loveland Water Treatment Plant daily and monthly flows for the month of September 2024.

**Recommendation:** Information Item Only. No Action Required.

**Item 4.2: Water Law and Legislative Update – Ryan Van Pelt**

This item provides a brief update on:

- (1) water-related legislation introduced or under discussion by the Colorado General Assembly during the legislative session;
- (2) water court developments or items of interest in District 4 of Water Division 1 (Big Thompson and Little Thompson River basins); and
- (3) Colorado or Loveland-related water news.

**Recommendation:** Information Item Only. No Action Required.

**Item 4.3: Water Supply Update – Ryan Van Pelt**

This report focuses on the City's current water supply and the status of our raw water resources for the remainder of the water year (November 1 through October 31). The NRCS SNOTEL data and Snow Water Equivalent information is only relevant during the winter and spring runoff period. Therefore, given the time of year, this report does not include SNOTEL data.

**Recommendation:** Information Item Only. No Action Required.

**STAFF REPORT****Item 6.1: Water and Power Drone Operations – Bruce Kelly**

This presentation will provide an overview of the new drone operation and related utility inspection program launched in July 2024. We will discuss the program's development timeline, key benefits, industry adoption trends, examples of issues found, and our commitment to respecting privacy. The goal is to inform attendees about the program and its positive impact on utility operations and reliable energy delivery.

**Discussion:**

**Dan Herlihey** wanted to know if we notify residents ahead of time if we are out doing inspections. **Bruce Kelly** clarified that we have a-frame signs and safety vests that identify operators as city of Loveland staff. However, it is difficult to notify residents ahead of time due to changing schedules and unpredictable weather conditions, amongst other things.

**Craig Bialy** wanted to know if there will ever be a city-wide public notification of the fact that this group exists. **Bruce Kelly** verified that we have made several efforts to notify the public about the drone program including a newspaper article published in the Loveland Reporter-Herald in August (this article was referenced in the Director's Report of the [September 18, 2024 LUC Agenda](#)) and the Customer Experience group published communications about the program as well as including information in the [July City Update](#).

**Don Cook** wanted to know how many flight hours Bruce logs per week or per month. **Bruce Kelly** noted that the team gets out 2-3 times per week at 2 hours at a time (approximately).

**Craig Bialy** wanted to know if we anticipate having a regular 'periodic maintenance schedule' that would cover the entire city in a certain amount of time using the drone. **Bruce Kelly** estimates that we are more likely on a 2-year maintenance cycle based on expectations to date, but this program is still new.

**Gary Hausman** wanted to know where Water and Power purchased the drone, how much it cost, and its capabilities. **Bruce Kelly** verified that the drone was purchased at a store in the Denver area for \$9,600.00. Capabilities include video imaging, thermal imaging, and it can fly in patterns.

**Recommendation:** Staff item only. No action required.

#### **Item 5.2: Quarterly Financial Report Update – Jim Lees**

This item summarizes the preliminary monthly and year-to-date financials for September 2024.

**Discussion:**

**Don Cook** wanted to know if Jim felt good about the financials to date. **Jim Lees** admitted that he doesn't love the revenues and plans to dig further into those numbers with staff.

**Recommendation:** Staff Item Only. No Action Required.

#### **Item 5.3: Financial Dashboards – Aaron Rodriguez**

This agenda item shows the Utility Financial Dashboards based on September 2024 year-to-date financial and operational data.

**Discussion:**

**Craig Bialy** wanted to know if we are starting to see a decrease in the 'peak usage' in electric consumption in summer or winter months where people are using more energy efficient methods to heat or cool and are utilizing electronic vehicles. **Aaron Rodriguez** noted that we aren't seeing the peak yet – we anticipate we will see that after 2030.

**Recommendation:** Staff Item Only. No Action Required.

#### **Item 5.4: Water Reclamation Facility Capacity Improvements – Construction Manager-at-Risk (CMaR) Selection Process – Brian Gandy**

This agenda item describes the selection process that the water engineering department used in selecting a Construction Manager-at-Risk (CMaR) contractor for the upcoming Water Reclamation Facility Capacity Improvements project.

**Discussion:**

**Don Cook** wanted to know if Brian got any pushback from the contractors with the 'homework' assignments and questions regarding their mark-up. **Brian Gandy** stated that he had not.

**Randy Williams** wanted to know what the competitive environment was for this RFP. **Brian Gandy** verified that they had 7 responses and 3 were short-listed for interviews.

**Recommendation:** Staff Item Only. No Action Required.

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**COMMISSION & COUNCIL REPORTS****Item 6.1:****Commission Reports**

**Dan Herlihey:** Dan attended the open house and ribbon cutting for Northern Water's expanded facility.

**Gene Packer:** Gene wanted to know if the Bureau of Reclamation approved the Chimney Hollow design.

**Kevin Gertig** stated that we are having Northern Water present on the Chimney Hollow project at the next LUC meeting in November.

**Bill Szmyd:** N.A.

**Don Cook:** Don observed the City Council presentation during Public Power Week and reiterated a statistic that Adam Bromley stated at that meeting, that LWP customers experience outages every 3.7 years and that the outage lasts for approximately 80 minutes. Don thought that was a very impressive statistic. Don also noted that if we were to notify the Commission when water or power items are being presented at Council some of the commission might like to participate in the future!

**Gary Hausman:** None.

**John Butler:** N.A.

**Matt Elkins:** None.

**Randy Williams:** None.

**Richard Bilancia:** N.A.

**Christopher Say:** N.A.

**Craig Bialy:** None.

**Council Reports**

**Steve Olson:** Councilor Olsen attended the BizWest Affordable Housing Summit. There was a panel discussion that discussed codes and costs for cities. Loveland was fourth-lowest ranked city in terms of development fees and water/wastewater development fees. Steve was able to visit Rawhide Power Plant and really enjoyed the tour. Executive city staff positions are being reviewed and filled. The budget passed 6-3 last night (October 15, 2024).

**Andrea Samson:** N.A.

**DIRECTOR'S REPORT****Item 7.1: Director's Report – Kevin Gertig**

1. Water Project Updates for September – see **Attachment A**.
2. Electric Capital Project Updates - See **Attachment B**.
3. AMI Deployment Project Updates for October - see **Attachment C**.
4. Water and Electric Meter Sets – See **Attachment D**.



**ADJOURN:** The meeting was adjourned at **4:38 p.m.**

Respectfully submitted,  
Melanie Reeves  
Recording Secretary  
Loveland Utilities Commission /s/ Dan Herlihey, Chair



**ATTACHMENTS:**

-  Attachment A – Public Comment by Leo Grassens RE: Electric Rate Structures

## To the Loveland Utilities Commission, Oct 16, 2024

### Introduction:

Good afternoon, my name is Leo Grassens. I'm a retired engineer and have been a resident of Loveland since 1997. Currently, I serve on the Larimer County Environment and Science Advisory Board and am a liaison for the Larimer County Climate Smart Future Ready team. I'm also a member of the City of Loveland Climate and Sustainability Task Force. However, today, I speak solely as a concerned citizen.

### Topic: Electric Rate Structures

I want to address an important issue regarding our electric rate structures, particularly as they pertain to rooftop solar customers in Loveland.

Loveland's current approach is quite unique—and not in a favorable way. Our solar customers face significant increases in base rates based on their installed capacity. For instance, a modest installation of 6.5 kW sees the base rate jump from \$18.20 to \$33.71. When I shared this with my middle-aged sons, they were astonished. Why are we penalizing those who invest in solar energy?

To put this into perspective, Fort Collins boasts approximately 3,000 rooftop solar installations, while Loveland has only about 400. The disparity is evident, isn't it? The return on investment for solar in Loveland is around 15 years, compared to much less in Fort Collins, where solar customers enjoy a lower monthly base rate. Additionally, Fort Collins residents can optimize their energy usage by strategically placing solar panels and shifting their consumption patterns to reduce costs during peak hours.

In terms of comparison, Phoenix, Arizona, is the only other city I'm aware of that increases monthly base rates for solar customers, but their adjustments are much smaller—ranging from \$2.50 to \$3—rather than doubling the base rate.

### Conclusion:

To make Loveland Utilities more climate-smart and future-ready, I urge you to reconsider the rates for solar producers. We need to make them more attractive and competitive with other PRPA cities like Longmont, Estes Park, and Fort Collins.

While it may be too late to amend the 2025 structures, we must look forward. Embracing distributed energy resources (DER) and exploring virtual power plants (VPP) will be essential in meeting our state-mandated carbon neutrality goals.

Additionally, I have developed software that can further analyze these issues, and I would be happy to offer my consulting services at no charge.

Thank you for your time.

Leo Grassens, 