

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

LUC Commission Members Absent: Gary Hausman

Council Liaison Present: None

Council Liaison Absent: Andrea Samson, Steve Olson

City Staff Members Present: Adam Bromley, Becca Howe, Catharine Kellogg, Chad Birgenheier, Cyril Vidergar, Jim Lees, John Faulkner, Melanie Reeves, Nathan Alburn, Nicole Olsen, Noah Cecil, Ryan Van Pelt, Sharon Israel (Director), Tasha Stewart, Todd Hanlin.

Guest Attendance: Gale Bernhardt

CALL TO ORDER

CALL TO ORDER: Dan Herlihey called the meeting to order at 3:01 PM.

ADOPTION OF MINUTES

Item 2.1: Adoption of Minutes – Dan Herlihey

This item requested a motion to approve the minutes of the April 16, 2025 meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from April 16, 2025.

Motion: Don Cook made the motion.

Second: Craig Bialy seconded the motion. The minutes were **approved** with a **7-0 vote**.

CITIZENS REPORT

Item 3.1: Citizens Report

During the public comment period, **Gale Bernhardt** asked that LUC consider revisiting or reevaluating the existing Cash-in-Lieu (CIL) formula. The current formula has several factors including the cost of storage (i.e., building a reservoir). The most recently built and nearby reservoir is Chimney Hollow which is currently under construction and anticipated to start filling in July 2025. The existing CIL formula uses the cost of Chimney Hollow for that factor within the formula. Other examples of nearby reservoirs that are presently in the planning, permitting, and design phases are the NISP Reservoirs (Glade and Galetton). Gale asked LUC to consider factoring these two reservoirs into the CIL formula.

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 April 2025.

Recommendation: Information Item Only. No Action Required.

Item 4.2: 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).

Recommendation: Information Item Only. No Action Required.

Discussion:

Don Cook was surprised to see all the orange and red on the SNOWTEL map. **Ryan Van Pelt** noted that runoff is happening a little earlier this year and a lot of the water is getting absorbed in the ground. Snow Water Equivalent and spring runoff is trending towards what we saw in 2018 and the native flows in the Big Thompson River are approximately 200 cfs lower than average for this time of the year.

Item 4.3: 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 4.4: Quarterly Electric Outage and Reliability Summary – Q1 2025 – Adam Bromley

This item details outage data and reliability metrics for our electric system based on a rolling 1-year window. The attached report is a quarterly update (Q2-2024 – Q1-2025) to our statistics that includes number of outages, outage causes and associated outage times for our most recent quarter (Q1-2025).

Recommendation: Information Item Only. No Action Required.

Discussion:

Bill Szmyd noted that reliability, ASAI specifically (see page 2 of Attachment A), went down a small percentage (99.9967% to 99.9963%) and **Adam Bromley** explained the reliability and factors that affect it. He further explained that a minor drop in ASAI was not alarming to us and that we utilize other metrics like SAIDI and SAIFI (duration and frequency indexes) to better assess issues on our distribution system and what mitigation steps we can take to improve.

Item 4.5: Utility Financial Dashboards – Aaron Rodriguez

This item shows the Utility Financial Dashboards based on month end April 2025 financial and operational data.

Recommendation: Information Item Only. No Action Required.

Item 4.6: Financial Report Update – Jim Lees

This item summarizes the preliminary monthly and year-to-date financials for April 2025.

Recommendation: Information Item Only. No Action Required.

REGULAR REPORT**Item 5.1: 2025 Water and Wastewater Revenue Bonds – Jim Lees**

The purpose of this item is to ask the Loveland Utilities Commission (LUC) to:

1. Adopt a motion recommending that City Council approve an ordinance to authorize the issuance of municipal revenue bonds by the City of Loveland Water Enterprise to help finance Utility capital project needs; and
2. Adopt a motion recommending that City Council approve an ordinance to authorize the issuance of municipal revenue bonds by the City of Loveland Wastewater Enterprise to help finance Utility capital project needs.

Recommendation:

1. Adopt a Motion Recommending that City Council Approve an Ordinance to Authorize the Issuance of Municipal Revenue Bonds by the City Of Loveland Water Enterprise to Help Finance Utility Capital Project Needs

Motion: Don Cook made the motion.

Second: Matt Elkins seconded the motion. The motion was **approved** with a **7-0 vote**.

2. Adopt a Motion Recommending that City Council Approve an Ordinance to Authorize the Issuance of Municipal Revenue Bonds by the City Of Loveland Wastewater Enterprise to Help Finance Utility Capital Project Needs

Motion: Don Cook made the motion.

Second: Matt Elkins seconded the motion. The motion was **approved** with a **7-0 vote**.

Discussion:

Bill Szmyd noted that he is a fan of bonds because typically you leverage future customers to pay for improvements. However, a lot of the projects indicated in the presentation are current maintenance issues that would be paid for by future customers. He wanted an understanding of why we would use bonds for this type of work.

Jim Lees noted that if current pipes are repaired, future and current customers will get benefit from the work and enhancements and repairs that are being done.

Bill Szmyd wanted to know if we could pay for some of the presented projects out of existing funds.

Sharon Israel and **Jim Lees** explained that the list of projects for our bonding needs is not inclusive. There are additional projects that need to be considered, but this is an overview. Sharon also noted that we will be showing capital improvement projects during the presentation of item 5.3 that show other planned projects that will be using current budgeted funds.

Item 5.2: 2026 Proposed Budgets for Water, Wastewater and Power – Jim Lees

The purpose of this item is to ask the Loveland Utilities Commission (LUC) to adopt a motion indicating support for the proposed 2026 Water and Power budget for City Council's consideration.

Recommendation:

Adopt A Motion to Support the Proposed 2026 Water and Power Budget For City Council's Consideration.

Motion: Don Cook made the motion.

Second: Bill Szmyd seconded the motion. The motion was **approved** with a **6*-0 vote**.

***Craig Bialy had to leave before this vote was taken.**

Discussion:

Don Cook was appreciative of the level of understanding and degree of detail during the budget process by the division managers. Don and Dan both participated in the budget reviews with staff.

Dan Herlihey echoed the sentiments by Don and was appreciative of the staff that were involved in this process and their willingness to answer questions.

Bill Szmyd wanted to know if we typically budget for changes in pay ranges. Jim Lees noted that we don't specifically budget for those changes and that we typically use pay from unfilled positions for those types of expenses.

Item 5.3: 2026 Proposed 10-Year Capital Improvement Plans – Various

The purpose of this item is to present an overview of the 2026 to 2035 10-year Capital Improvement Plans (CIP) for the Water, Raw Water, Wastewater, and Power Utilities. Staff is requesting that the Loveland Utilities Commission (LUC) adopt a motion recommending that City Council approve the proposed 10-Year CIPs.

Recommendation:

Adopt A Motion Recommending That City Council Approve the Proposed 2026 10-Year CIPs for the Raw Water, Water, Wastewater and Power Utilities.

Motion: Don Cook made the motion.

Second: Bill Szmyd seconded the motion. The motion was **approved** with a **6-0 vote**.

Discussion:

Bill Szmyd had questions about helping to recycle water within the city. **John Faulkner** and **Chad Birgenheier** clarified that the design and construction of the Great Western Reservoir brings a lot of flexibility when considering water rights including return flows (as noted in item 5.3 attachment E).

COMMISSION & COUNCIL REPORTS

Item 6.1: Commission and Council Report – Melanie Reeves

Recruitment Update:

1. Vacant (Term: 01 Jul 2022 - 30 Jun 2025)
2. Craig Bialy (Term: 01 Jul 2022 - 30 Jun 2025)
3. Randy Williams (Term: 01 Jul 2022 - 30 Jun 2025)

Craig Bialy and **Randy Williams** both reapplied to the Loveland Utilities Commission. We also had one external interested applicant and will be interviewing them at the end of May. Interviews must be completed by Friday, June 6, 2025. Recommended appointees will be submitted to the City Council for their approval at the June 17, 2025 City Council Meeting.

Chimney Hollow Tour:

We will be visiting the Chimney Hollow Overlook on Monday, June 9, 2025 from 9:00-11:30AM. Please let Melanie know if you need assistance signing up for the tour. You are responsible for getting yourself to Northern Water for the tour.

Commission Reports

Dan Herlihey: None.

Gene Packer: Gene spoke with the Greeley & Loveland Irrigation Company. He reported that they are not planning to fill Lake Loveland this year. They are going to add more water to it but not fill it. He also had an opportunity to go with Northern Water on their eastern tour and was very impressed with their electric generation plant. He also enjoyed his participation in the Power Rate Study.

Bill Szmyd: None.

Don Cook: Don asked for an update on the Power Rate Study. Jim Lees let us know that the item will be discussed with the commission in June.

Gary Hausman: N/A

Matt Elkins: Matt appreciated the time and effort that went into the presentations today and loved the additional photos.

Randy Williams: None.

Craig Bialy: N/A

Council Reports

Steve Olson: N/A

Andrea Samson: N/A

DIRECTOR'S REPORT**Item 8.1: Director's Report – Sharon Israel**

1. Water Project Updates for April – see **Attachment A**.
2. Electric Project Updates for May – see **Attachment B**
3. Water and Electric Meter Sets for April – see **Attachment C**
4. Sharon provided the following utility updates:
 - Cascade Building – At the June 17, 2025 regular City Council Meeting the facilities team will be presenting on the potential purchase of property located at 1515 Cascade Avenue & 1615 Cascade Avenue (the adjoining warehouse space). A contract is in place to potentially purchase that property depending on the outcome of two City Council meetings, and the outcome of due diligence investigations at the property over the next few months.
 - We are taking some steps to change the name of our department. Sharon noted that her title was updated a few years ago to the Director of Utilities. We are preparing to shift from Loveland Water and Power to City of Loveland Utilities – more updates to come.
 - There is going to be a minor change advanced for the Organic Agreement for Platte River Power Authority. This Organic agreement is the governing document that the 4 owner cities agree to. We will share more about that matter in the coming months.

ADJOURN: The meeting was adjourned at **5:30 p.m.**

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

