

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

LUC Commission Members Absent: Don Cook (Vice Chair)

Council Liaison Present: Steve Olson

Council Liaison Absent: Andrea Samson

City Staff Members Present: Aaron Rodriguez, Adam Bromley, Andy Fayram, Catharine Kellogg, Chad Birgenheier, Cyril Vidergar, Jim Lees, John Faulkner, Melanie Reeves, Nathan Alburn, Noah Cecil, Ryan Van Pelt, Tasha Stewart, Todd Hanlin, Tracey Hewson.

Guest Attendance: Clinton O'Neill, Mark Beauchamp

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 May 21, 2025 meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from May 21, 2025.

Motion: Randy Williams 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

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 May 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.

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: Financial Report Update – Jim Lees

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

Recommendation: Information Item Only. No Action Required.

Item 4.5: Utility Financial Dashboards – Aaron Rodriguez

This agenda item shows the Utility Financial Dashboards based on Year to Date financial and operational data.

Recommendation: Information Item Only. No Action Required.

REGULAR REPORT

Item 5.1: Power Cost-of-Service Rate Study Preliminary Results – Jim Lees

The purpose of this item is to provide the LUC with an overview of the Power Cost-of-Service Rate Study and get recommendations from the Commission on rate design.

Recommendation: Provide direction on rate design for the monthly base charges and the parameters for the rate increases for 2026 for each customer class, with the exception of the self-generating class.

Discussion:

Councilor Olson inquired if we had a list of Capital Improvement Plans that add up to the \$23,184,940 that are listed in Attachment A – Project Summary Assumptions page. **Adam Bromley** confirmed that we have those items listed in our 10-year CIP.

Councilor Olson inquired if we plan to move to time-based electric rates. **Adam Bromley** stated that we will not be moving to time-based rates. **Councilor Olson** followed up with an inquiry if any of the PRPA owner cities use time-based rates. **Adam Bromley** confirmed that Fort Collins does.

Consensus: At the end of his presentation, **Mark Beauchamp** wanted to know if the Commission was comfortable with a rate design that would equate to an approximate \$1.50 rate increase. **The Commission informally voted that they are comfortable with this design.** The final rate design will be presented at a meeting later this summer.

STAFF REPORT

Item 6.1: Highway 402 Utility Service Project Update – John Faulkner

The purpose of this item is to provide the Commission with an update on the Highway 402 Utility Design Project. This presentation covers the initial development agreement as well as the planning and development of wastewater flows and the decision to incorporate water, electric, and fiber into the project.

Recommendation: Staff item only. No action required.

COMMISSION & COUNCIL REPORTS

Item 7.1: Commission and Council Report – Melanie Reeves

Recruitment Recommendations:

Craig Bialy, Randy Williams, and Clinton O'Neill were all successfully appointed to the Loveland Utilities Commission at the June 17, 2025 City Council Meeting.

1. Clinton O'Neill (Term: 01 Jul 2025 - 30 Jun 2028)
2. Craig Bialy (Term: 01 Jul 2025 - 30 Jun 2028)
3. Randy Williams (Term: 01 Jul 2025 - 30 Jun 2028)

Chimney Hollow Tour:

Thank you to all who participated in the Chimney Hollow tour on Monday, June 9th!

Request for Discussion:

At the Loveland Utilities Commission meeting on May 21, 2025, Citizen **Gale Bernhardt** asked that the 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.

We would like to get a consensus from the Commission on your interest in revisiting the Cash-in-Lieu formula.

Discussion:

Dan Herlihey wanted to understand what triggers us to look again at Cash-in-Lieu (CIL) pricing. **Nathan Alburn** noted that we evaluate CIL costs yearly as Chimney Hollow costs increase. **Randy Williams** commented that he thought we should have stayed with the market value of Colorado-Big Thompson units.

Consensus: After the brief presentation by Nathan Alburn, the Commission agreed that they are comfortable with the current CIL process, formula, and cadence to review the values within the formula. They do not think it needs to be revisited at this time.

Commission Reports

Dan Herlihey: None.

Gene Packer: Gene had a conversation a week ago with the manager of Chimney Hollow. He was interested in the uranium that was discovered at the reservoir. The uranium at Chimney Hollow is naturally occurring in the granite rock formations that were quarried to supply material for the dam. As the reservoir fills, these rocks will be in direct contact with water, leading to the leaching of uranium into the water. This issue will initially require close monitoring from Northern Water.

Bill Szmyd: Bill wanted to know if the 4th street project was expanded from the original scope. John Faulkner and Chad Birgenheier noted that the current construction has been in the planned project scope and Bill is just seeing two separate parts of phasing in the downtown area.

Don Cook: Don provided the following comment to Dan Herlihey via email, who read it at the meeting: *My wife and I visited the Museum to view the 100 Years of Power in Loveland exhibit. The exhibit is very informative of electricity being introduced to Loveland and the hydro plant origin. Beyond the history, the instrumentation, distribution hardware and samples of the various "line hardware" was impressive. I encourage all to visit the museum to take in the exhibit and include the family as all ages seemed interested when we were there. Kudos to Staff at the Utility and Museum for a well designed and produced exhibit.*

Gary Hausman: None.

Matt Elkins: None.

Randy Williams: None.

Craig Bialy: Craig went on the Chimney Hollow tour this morning and heard the same story as Gene Packer from the representative at Northern Water regarding the uranium.

Council Reports

Steve Olson: Metro Districts are a topic that City Council is struggling with. Councilor Olson mentioned that less building permits have been issued this year than in previous years – a possible impact of the hold on metro district development. The councilor also mentioned the passing of the first reading of two pieces of real property by the City of Loveland. The councilor had concerns regarding the use of bonding money for the purchase of the Cascade building. **Adam Bromley** clarified that we have been

planning for the use of funds to expand the building in our CIP plans already – the money was already ear-marked in 2026.

Andrea Samson: N/A

DIRECTOR'S REPORT

Item 8.1: Director's Report – Sharon Israel

1. We encourage you to view Loveland's Latest for June: Five City Updates You Need To Know! This monthly video series highlights five things happening around the city: [Loveland's Latest - June 2025](#)
2. Loveland Utilities presents: **Passport to Power**, a free family event celebrating 100 years of public power! Event is on Friday, July 25, 2025, from 3:00 – 6:00 p.m. in Downtown Loveland at the Corner of Fifth & Lincoln.
3. Update on the City of Loveland Utilities Branding.
4. Update on the Platte River Power Authority (PRPA) Organic Contract
 - a. Platte River is hosting a work session on the Organic Contract on Friday, June 20, 2025. This work session will include council members, city attorneys, and city staff from all four owner-communities. We will provide an update on the Organic Contract at the July LUC meeting.
5. Water Project Updates for May
6. Electric Project Updates for May
7. Water and Electric Meter Sets for May

ADJOURN: The meeting was adjourned at **5:09 p.m.**

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

