
Commission Members Present: Bill Szmyd, Dan Herlihey (Chairman), Don Cook (Vice Chairman), Gary Hausman, Gene Packer, Randy Lee Williams, Craig Bialy, Natalie Walsh, Marcus Wilson, Joseph O'Neil

LUC Commission Members Absent: Clinton O'Neill

Council Liaison Present: Kalina Middleton

Council Liaison Absent: Zeke Cortez

City Staff Members Present: Sharon Israel (Director of Utilities), Adam Bromley, Aaron Rodriguez, Chad Birgenheier, Jim Lees, Melanie Reeves, Todd Hanlin, Ryan Van Pelt, Shaundra Stoever, Noah Cecil, Nathan Alburn, Catharine Kellogg, Becca Howe, Ali Pascell, Jesse DeCoteau, John Faulkner, Widmar Stiverne, Carl Woodworth, Cyril Vidergar

Guest Attendance: Bruce Robinson, John Matis, Dave Klockman

CALL TO ORDER

CALL TO ORDER:

Dan Herlihey called the meeting to order at **3:04 PM**.

ADOPTION OF MINUTES

Item 2.1: Adoption of Minutes – Dan Herlihey

This item requested a motion to approve the minutes of the January 21, 2026, meeting.

Recommendation: Adopt A Motion to Approve of the Loveland Utilities Commission Meeting Minutes from January 21, 2026.

Motion: Don Cook made the motion.

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

CITIZENS REPORT

Item 4.1: Citizens Report

Procedures: Anyone in the audience may address the LUC on any topic relevant to the commission. If the topic is a Consent Agenda item, please ask for that item to be removed from the Consent Agenda; pulled items will be heard at the beginning of the Regular Agenda. If the topic is a Regular Agenda item, members of the public will be given an opportunity to speak to the item during the Regular Agenda portion of the meeting before the LUC acts upon it. If the topic is a Staff Report item, members of the public should address the LUC during this portion of the meeting. Anyone making comment during any portion of tonight's meeting should identify himself or herself and be recognized by the LUC Chairman. Please do not

interrupt other speakers. Side conversations should be moved outside the meeting room. **Please limit comments to no more than three minutes.**

Citizen Bruce Robinson: Mr. Robinson lives in Ward 2 in the Parkside Metro District. He previously talked about the higher monthly base rate in Loveland if you have solar for your home. Today he wanted to talk about the amount of time it takes to get solar approved. He first contacted Tesla Energy in September 2023. Tesla Energy came out and did a site survey and provided a quote but then notified Mr. Robinson in December 2026 that they will no longer continue work in Loveland due to the extensive nature to get approval. He waited until the fall of 2024 to try again and decided to go with Elevated Independent Energy. Mr. Robinson stated that in Loveland home solar must go through two different entities. You must first get approval from the Distributed Energy Resources (DER) group and then the Loveland Building Department. The approval process took several weeks. It takes about one week to install the solar panels and electrical components once approval is received. The work was inspected and approved by the Building Department but then you need to have an inspection by the DER group to receive Permission to Operate (PTO). Several people came to his house for the inspection and then several days later he found out that his PTO was denied because the installation did not follow the initial plans. He believes there should be better communication between the various departments. Mr. Robinson suggests that the City of Loveland implement SolarAPP+.

Citizen John Matis: Mr. Matis appreciates the opportunity to emphasize some things that are of concern to him regarding the electric power requirements for data centers. If and when appropriate, he would want the LUC and/or City Council to advise PRPA of these concerns. As a member of the senior and retiree demographic group he is opposed to passing the costs of data centers to the public. Data centers offer few permanent jobs, offer very limited benefits, and consume very disproportionate quantities of water and electric power resources. He stated that AI and data centers are impacting more and more of the business world but consume disproportionate amounts of electricity and water. He is also opposed to small nuclear (SNU sites) as they don't have ways to remove the waste that these sites produce.

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 January 2026.

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: **Gene Packer** had questions about when Northern Water would start filling Chimney Hollow. **Ryan Van Pelt** replied that the fill date is a moving target, but the last date discussed was mid-April. Gene also noted the missed deadline to sign the Colorado Compact by several states.

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 – Q4 2025 – Adam Bromley

This item details outage and reliability metrics for our electric system based on a rolling 1-year window. The attached report is a quarterly update (Q1-2025 – Q4-2025) to our statistics that includes number of outages, outage causes and associated outage durations for our most recent quarter (Q4-2025), as well as an overview of all of 2025.

Recommendation: Information Item Only. No Action Required.

Discussion: Don Cook noted the System Average Interruption Frequency Index went up in Q4 2025 and he noted that ‘human cause’ that was indicated as the highest cause of outages. Don wanted to know if there was a specific contractor or several contractors to blame for this increase. Adam Bromley noted that there is one large project across the city that has a lot of subcontractors that we are having issues with.

Item 4.5: Quarterly Distributed Energy Resources (DER) Activities Update – Q4 2025 – Adam Bromley

This report provides updates related to Distributed Energy Resources (DER) activities in the 2025 calendar year.

Recommendation: Information Item Only. No Action Required.

Discussion: Don Cook if there was a regulatory requirement for electric reliability. Adam Bromley stated that the Public Utilities Commission (PUC) of Colorado does provide regulatory oversight for reliability but that the PUC does not govern the operations of the City of Loveland Electric Utility, City Council does. Adam also noted that we self-report our reliability metrics to American Public Power Association (APPA) and we are significantly more reliable than a lot of other entities; our reliability ranks in the top quartile of self-reporting municipal utilities across the country. In general, municipal utilities' reliability is typically higher than that of the investor owned or rural electric cooperative utilities due to size, service area density, and non-profit capital investment strategies.

REGULAR AGENDA

Item 5.1: Acceptance of one-third Share of Big Thompson Ditch and Manufacturing Company into the Water Bank – Nathan Alburn

This item is an application by an entity (Applicant) to the Loveland Utilities Commission (LUC) for a deposit of one-third (0.33333) share of Big Thompson Ditch and Manufacturing Company into the City's Water Bank in exchange for water rights development credit in the City's Water Bank, pursuant to sections 19.04.017 and 19.04.080 of the Loveland Municipal Code.

Recommendation: Adopt a Motion Finding that the Requirements of City Municipal Code Section 19.04.080 have been met, Finding that it is in the Best Interest to Accept into the City Of Loveland Water Bank the One-Third (0.33333) Share of Big Thompson Ditch and Manufacturing Company that Originated from Stock Certificate No. 637, and Accepting such Share Portion into the Water Bank with a Conditional 40.0% Reduction in Water Bank Credit Subject to Adjustment Upon Water Court Approval of a Change of the Share Portion.

Motion: Don Cook made the motion.

Second: Gary Hausman seconded the motion. The motion was **approved** with a **8-0 vote**.

Discussion: Dan Herlihey wanted to know if there was cost to the owner of water shares if an item goes to water court. Nathan Alburn stated that there was not a cost to the owner unless they pull their shares from the bank.

Randy Williams wanted to know if there are augmentation plans to the existing gravel pits. Ryan Van Pelt answered that he coordinates with David Bothell with the Parks and Recreation Department.

Gene Packer wanted to know if the gravel pits needed to make up for evaporation losses. Nathan Alburn confirmed that they do.

Item 5.2: New Rate Class for Large Commercial Electric Customers – Jim Lees

The purpose of this item is to ask the Loveland Utilities Commission (LUC) to adopt a motion recommending that City Council approve the proposed addition of a rate structure for the Electric Transmission Voltage Service (Schedule TS) rate class to the Utility Rates, Charges and Fees for 2026.

Recommendation: Approve a Motion Recommending that City Council Adopt a Resolution Amending the 2026 Utility Rates, Charges and Fees to add a rate structure for the Electric Transmission Voltage Service rate class.

Motion: Don Cook made the motion.

Second: Gary Hausman seconded the motion. The motion was **approved** with an **8-0 vote**.

Discussion: **Natalie Walsh** stated that this new rate class would set a precedence for large electric customers. **Jim Lees** confirmed that this new rate would address the existing large customer and also additional large users that come to the city.

Don Cook questioned if this customer was directly connected to the substation and not the transmission system. **Adam Bromley** confirmed and indicated that there are no operations or maintenance costs associated with this type of customer.

Sharon Israel stated that PRPA is adopting policies at the board level to protect the ratepayers and communities. Additionally, in this case, there is only one customer that is meeting this rate class. As a not-for-profit utility we are always looking to ensure that we aren't cross-subsidizing rate classes.

Randy Williams wanted to know if the city is billing the same rate as PRPA. **Jim Lees** noted that there is a modest rate increase for administrative fees.

Gene Packer wanted to know if the transmission demand and generation demand were additive. **Jim Lees** confirmed that the customer would be paying both transmission and generation charges.

Sharon Israel noted that by approving this rate class we are asking the LUC to approve a pass-through of the rates that we pay to PRPA. We have also shared historical peak data with the customer so that they are educated and can change their own operations to help keep their costs lower.

Natalie Walsh suggested that when this item goes to City Council that we give broader context to help the layman understand.

Councilor Middleton wanted to know what percentage of the city load that this customer utilizes. **Adam Bromley** confirmed that it is 9-10% of the total city load.

Natalie Walsh asked if the monthly base charge rate were to increase, would this customer have to pay more as it increases. **Jim Lees** confirmed that the monthly base charge is updated yearly by PRPA and passed on to the cities and in this case, the customer.

STAFF REPORT

Item 6.1: Water Shortage Response Planning Update and Next Steps – Water Resources

The City of Loveland Water Resources and Customer Experience Team is providing an update to the Loveland Utilities Commission on the status of the City's Water Shortage Response planning efforts. The City's last formally adopted drought plan dates to 2013. As staff began the process of updating that plan, it became clear that the existing framework lacked clear authority, enforceability, and modern communication tools.

To address these gaps, the City first advanced targeted Municipal Code updates to establish the necessary legal and operational foundation for effective water shortage response. Those updates were previously presented to and supported by advisory boards, including LUC most recently on January 21st.

With the code framework now in place, staff are finalizing a comprehensive Water Shortage Response Plan (WSRP), which will serve as the City's updated drought planning framework. This item provides context on

how the city arrived at this approach, outlines high-level water shortage triggers and response concepts, and describes next steps, including returning to LUC with the finalized plan.

Recommendation: Staff item only. No formal action is requested at this time.

Discussion: Don Cook wanted to know when we might complete the Water Shortage Plan and bring it back to the LUC. Todd Hanlin and Catharine Kellogg thought it might be April or later. The Municipal Code items are slated for an April City Council review.

Bill Szmyd noted that a concern that he has is regarding the second or third year of a drought and wanted to know when we get to the point where we literally have to start dialing back the flow of water to people's houses. He wanted to know how robust our water portfolio is. Todd Hanlin noted that we have a lot of storage in our system and a very robust and diverse water portfolio.

Bill Szmyd also wanted to know more about enforcement with the implementation of water AMI meters. Sharon Israel stated that some of the code revisions that we are bringing forward to City Council this year are giving us more teeth to enforce water wasting. The city will start with educating customers first and then we have a stronger and clearer path towards enforcement.

Item 6.2: Financial Report Update – Jim Lees

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

Recommendation: Staff item only. No formal action is requested at this time.

Item 6.3: Utility Financial Dashboards – Aaron Rodriguez

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

Recommendation: Staff item only. No formal action is requested at this time.

COMMISSION & COUNCIL REPORTS

Item 7.1: Commission and Council Report – Melanie Reeves

Discuss events that the Loveland Utility Commission Council members attended, special topics and any City Council items related to the Utility from the past month.

- **Volunteer Opportunity:** We are looking for two Commissioners who can participate in the Review of the Proposed 2027 Budget for Water, Raw Water and Wastewater – Scheduled for April 24, 2026, from 1:00 to 3:30 PM
- **Volunteer Opportunity:** We are looking for two Commissioners who can participate in the Review of the Proposed 2027 Budget for Electric – Scheduled for April 21, 2026, from 1:30 to 3:30 PM.
 - Natalie Walsh and Marcus Wilson volunteered. Melanie will connect with both Commissioners separately.

Commission Reports:

Dan Herlihey: Dan asked if we have a lift station out at the proposed Costco development area. **Chad Birgenheier** confirmed that we do, however, Chad noted that the proposed Costco location falls outside of the lift station boundary and it will be gravity-fed.

Gene Packer: None.

Bill Szmyd: Bill noted that he is one of the business owners on 4th street, but he acknowledges that other business owners don't understand why the HIP Streets project requires several digs into the street. Bill also stated that he recently saw a presentation by NISP and thought it would be a good educational presentation for the group. Additionally, Bill had a question about the proclamation about the uranium treatment at Chimney Hollow. **Chad Birgenheier** noted that the Chimney Hollow work is still in progress. They will start filling with 1500 acre-feet in the coming months to continue testing dilution. The city is still in the process of residual study with a consultant as we try to figure out what levels are.

Don Cook: None.

Gary Hausman: Gary noted that citizen John Matis was against nuclear plants, but he thinks it's a good thing to investigate to make up for the energy shortfall. Gary wanted to thank John Faulkner for the infrastructure photos of the failing infrastructure.

Randy Williams: None.

Craig Bialy: None.

Clinton O'Neill: N/A

Natalie Walsh: Natalie stated that the questions about uranium will come when people turn their taps on after Chimney Hollow is filled. She has questions about whether the water will be treated between Chimney Hollow and the city. She noted that messaging will be very important to help people understand the actual risks and encouraged early education efforts so that they know that the city cares and that the technology is there to help with mitigation.

Marcus Wilson: Marc noted that he participated in the Northern Water workshop today and it was a great program.

Joseph O'Neil: Joe noted that Bruce Robinson spoke today with the difficulty of installing solar rates and he had some questions about the solar rates that were addressed by Electric Utility Manager Adam Bromley.

Council Reports:

Kalina Middleton: Council recently approved the development of the Loveland Costco project. Council also continues to engage in discussions about long-term development. She thanked the Commission for their continued support and dedication.

Zeke Cortez: N/A.

DIRECTOR'S REPORT

Item 8.1: Director's Report – Sharon Israel

1. Update on the CIS System regarding Tiered Water Rates – Shaundra Stoever
 - a. Shaundra stated that we need to do some capacity building within the CIS System before we can get to a place where we can implement tiered rates. We are doing 'Build 67' within our CIS system (how we generate our utility bills). This Build is targeted to be completed this year, but we anticipate additional capacity-building will be needed. We have started thinking about building a new customer portal. We are also focusing on full Water AMI deployment starting this year. Additionally, we need around 4 to 6 months to roll out the communications on the AMI deployment. There are also concerns with our current bill printing vendor and we think we may need to change printer vendors to accommodate the anticipated bill changes.
2. Historical and Projection graphs for the Water Utility:
 - a. Water Gallons per Capita per Day (Attachment A)
 - b. Water Peak Day Production (Attachment B)
 - c. Water Treatment Plant Yearly Water Produced (Attachment C)
 - d. Wastewater Gallons per Capita per Day (Attachment D)
 - e. Water Reclamation Facility Yearly Wastewater Treated (Attachment E)
 - f. Water Reclamation Facility Max Month Flow (Attachment F)
 - g. Water Reclamation Facility Biological Oxygen Demand Pounds per Day (Attachment G)
3. Example of failing infrastructure. This 6-inch pipe is from Cleveland at the intersection of 4th Street.
4. Water Project Updates for January 2026.
5. Water and Electric Meter Sets for January 2026.
6. We invite you to a tour of Water Facilities, including the Water Treatment Plant, the Water Reclamation Facility and the Water Quality Lab. **The tour will be held on Thursday, March 12th from 8:00 AM to 12:00 PM.** Utilities staff will provide transportation for participants. Melanie will send out a calendar invite and additional information!

ADJOURN: The meeting was adjourned at **5:44 p.m.**

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

