MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF LITTLE THOMPSON WATER DISTRICT

The Board of Directors of Little Thompson Water District (LTWD) met in regular session on Thursday, October 15, 2026. Attendance was as follows:

Board of Directors:
Emily McMurtrey, President
Bill Szmyd, Vice-President
Larry Brandt, Treasurer
Ed Martens
James J. Walker

Staff in Attendance:
Amber Kauffman, District Manager
Angela Diekhoff, Business Manager
Brad E. Eaton, District Engineer
James Sutherland, Water Resources Manager
Reese Saxton, Operations Manager
Kammy Tinney, Business Project Manager
Judy O'Malley, Recording Secretary
Clayton Orback, Civil Engineer II
Ben Harclerode, Civil Engineer IV
Justin Hollis, Water Resources Specialist
Levi Newell, Water Resources Technician

Other Attendees:
Kerry Miller and Victoria Arling, Program Managers; WaterNow Alliance– via Teleconference

CALL TO ORDER
The recitation of the *Pledge of Allegiance* occurred, followed by President Emily McMurtrey calling the meeting to order at 5:00 p.m.

ROLL CALL
Roll call was taken.

It was moved by Director Ed Martens and seconded by Director Bill Szmyd to excuse the absence of Directors Ryan Heiland and Garret Maurer. Motion carried unanimously.

All other Directors were present, resulting in a quorum of five of seven members in attendance.

President McMurtrey requested board members and new employees introduce themselves.

AGENDA REVIEW
There were no changes to the agenda.

PUBLIC COMMENTS ON NON-AGENDA ITEMS
President McMurtrey opened the Public Comments period at 5:05 p.m. for non-agenda comments. There were no public comments on non-agenda items, and the Public Comments period was closed.

CONSENT AGENDA

It was moved by Director Szmyd and seconded by Director Larry Brandt to approve the Consent Agenda, including:

- **Minutes of the September 17, 2026, Regular Board Meeting**
- **Tap List 729**
- **September 2026 Disbursements and Financial Report were not available at the October 15, 2026, meeting but will be presented at the November 19, 2026, meeting.**

The motion carried unanimously.

DISCUSSION ITEMS

Matt Hill Appeal:

District Manager Amber Kauffman reviewed the details of Mr. Hill's Appeal to the Board. Mr. Hill contacted Staff and the Board with several requests and has subsequently narrowed the requests down to the following:

1. Electronic Billing and Online Account Information
   Display the annual allotment and year-to-date usage on electronic bills and in the online billing account, starting with the first bill of 2027, when allotments are reset. The paper bill already prints both figures, so the data exists; the electronic bill leaves them off.
2. EyeOnWater (EOW) Allotment Information and Alerts
   Display each customer's allotment in EOW, with an alert as usage approaches it, before the 2027 irrigation season, which I would suggest means by April 1, 2027. The District's website recommends EOW for determining whether a customer risks exceeding the allotment, but today it does not show the allotment, and it displays green, reassuring status to customers who are already over. The June 18 minutes record that Badger Meter makes a lot of accommodations and adjustments to its program for LTWD. If the vendor cannot deliver by that date, an email from the District when an account reaches 75 and 100 percent of its allotment, generated from billing data the District already holds, would serve in the meantime.

Staff advised that both requested enhancements involve third-party vendor systems that are not directly controlled by LTWD.

Regarding electronic billing, the current billing vendor receives an electronic data file from the District to generate electronic bills; however, the vendor's existing platform does not support displaying allotment information. Staff noted that similar requests have been made previously without success. Additional information included on paper bills, such as year-to-date water usage, is also unavailable on electronic bills. Business Manager Angela Diekhoff advised that the vendor is currently developing functionality that will allow customers to download PDF copies of bills, with release anticipated in mid-2027.

Regarding EOW, Staff has previously requested that Badger display allotment information for customers. While implementation had not been prioritized by the vendor, Operations Manager Reese Saxton recently learned from a new vendor representative that software has been developed to provide this capability. The vendor is reportedly resolving software issues, and deployment is expected in early 2027.

LTWD Staff can evaluate available options, communicate requested changes to the appropriate vendors, and gather information regarding feasibility, costs, and potential implementation timelines. However, because these systems are owned and managed by third-party vendors, the District does not control their capabilities, development priorities, or implementation schedules. As a result, Staff cannot guarantee that the requested functionality will be available or that it can be implemented within the requested timeframe.

LTWD currently sends postcard notifications to customers as they approach their annual water allotments. This process requires significant Staff time and incurs ongoing printing and postage costs. Staff are exploring whether these notifications can be transitioned to email, depending on the capabilities of the District's existing systems. Email notifications could provide more timely communication while reducing administrative workload and mailing expenses. However, the District does not currently maintain email addresses for all customers and cannot verify that existing email addresses are current.

Discussions occurred throughout including communication challenges, customer reluctance to provide or update email addresses, and potential methods to encourage or require customers to maintain current contact information. Ms. Diekhoff reaffirmed the commitment to identifying the most effective methods of communicating important water-use information to customers.

Conservation Road Map with WaterNow Alliance:
Program Directors Kelly Miller and Victoria Arling, of Water Now, gave the following presentation to the Board.
LTWD partnered with WaterNow Alliance through its Project Accelerator Program to evaluate and modernize the District's water conservation programs and rebates. The initiative focused on aligning conservation efforts with customer needs and LTWD's long-term water savings goals. WaterNow Alliance supports local water leaders by providing technical assistance, resources, and tools to advance innovative, sustainable, and climate-resilient water management practices.

WaterNow found that customers generally support conservation and prefer programs with low upfront costs and clear implementation guidance. Recommendations included improving online conservation resources, streamlining program administration and tracking, and expanding conservation offerings through practical, scalable pilot programs aligned with LTWD's budget and staff capacity.

Water Resources Manager James Sutherland and Water Resources Specialist Justin Hollis noted that the District has implemented several of the program recommendations throughout the year including customer surveys, additonal resources on the website, and water efficiency planning. Based on survey results the Water Resources team is updating the rebate application process and replacing soil amendment rebates with high efficiency hose nozzle rebates.

Discussion occurred throughout with such topics as what authority municipalities, developers, and other entities have to modify landscaping requirements, particularly regarding grass and tree strips between sidewalks and roadways. Discussion also included the proportion of indoor versus outdoor water use and opportunities for conservation.

Auditor Engagement Letter:

Business Manager Diekhoff reviewed with the Board the Auditor Engagement Letter from The Adams Group for the District's 2026 Annual Audit.

It was moved by Director Szmyd and seconded by Director Brandt to approve the Auditor Engagement Letter with The Adams Group for performance of the District's 2026 Annual Audit. The motion carried unanimously.

2027 Budget Review:

Business Manager Diekhoff presented the 2027 Proposed Budget to the Board for discussion.

- Base Fees to increase by 8%, with the increase for new tap growth adjusted to 1.5%.
- Water Rates:
  - ❖ All water rate tiers will increase by 8%
  - ❖ Wholesale water rates will increase by 8%
  - ❖ Budgeted bulk water sales are based on historical sales data and anticipated trends.
- The budget assumes the sale of 211 new taps, reflecting approximately 1.9% growth, consisting of:
  - ❖ Conservation - 195 taps
  - ❖ Conservation Plus - 8 taps
  - ❖ Standard - 5 taps
  - ❖ Estate/Cash-in-Lieu – 3 Taps
- Total employee costs are projected to increase 12.07% compared to 2026 projected actuals, or approximately 9% compared to the 2026 adopted budget.
  - ❖ Wages - the budget includes a 3.5% cost-of-living adjustment (COLA) and a 2% merit increase; and salary adjustments to ensure employees are appropriately positioned within their respective salary ranges based on the 2025 Employers Council salary survey.
  - ❖ Additional Staff - one new employee in the GIS Department; one new employee in the Business Department; one new Customer Service Representative, with the position budgeted in 2026 but not anticipated to begin until late 2026.
- Operating Expenses:
  - ❖ Overall increase projected Operating Expenses to increase by 20.48% compared to 2026 projected actuals. The increase is contributed to the establishment of a Capital Replacement Fund equal to 5% of operating revenue, as directed by the Board during the 2026 budget process.
  - ❖ Debt Service: a new $20 million bond: The 2027 budget includes one principal and interest payment associated with the anticipated $20 million bond issuance.
  - ❖ Professional Services: Continued funding for professional services related to monitoring, opposing, and negotiating water rights changes proposed by others.
  - ❖ System Repairs and Maintenance: Increased the budget to reflect the growing trend in system repairs and maintenance needs.
  - ❖ Water Conservation: Increased funding for Water Conservation Programs to support ongoing conservation efforts and customer education.
  - ❖ Safety Training: Increased funding for Safety Training Programs to provide additional training and support for employee safety.
  - ❖ One-Time Expenses in the budget period are for a Cash-in-Lieu (CIL) Rate Study at $50,000 and potential Bond Cost of Issuance at $300,000.

Discussion occurred throughout several rate-study and budgeting topics, including the retirement of the District's longtime safety training provider, proposed phased increases to Over-Allotment surcharges based on the Willdan Rate Study, and the use of proposed rates for budgeting purposes. Discussion also included creating separate rates and tap fees for irrigation and dairy taps, comparisons of District Plant Investment Fees (PIFs) with neighboring utilities, and a review of information scheduled for presentation at the November 19, 2026, Regular Board Meeting.

It was moved by President McMurtrey and seconded by Director Martens to reduce the Over-Allotment Surcharge from $20 to $18 as recommended in the Willdan rate study. The motion carried with three ayes and two nays.

It was moved by Director Szmyd and seconded by President McMurtrey to include the proposed Irrigation PIF Rates as recommended in the Willdan rate study with the 2027 proposed budget, and to split the recommended increase 50% in 2027 and 50% in 2028. The motion carried with four ayes and one nay.

It was moved by President McMurtrey and seconded by Director Jim Walker to have a Capital Replacement Fund equal to 5% of operating revenue included in a budget amendment for 2026, and with the proposed 2027 budget. The motion carried unanimously.

President McMurtrey called for a break at 6:48 p.m. The meeting resumed at 6:59 p.m.

Year-End Employee Bonuses:

District Manager Kauffman presented the following information:
The Board considers year-end bonuses on an annual basis with the intent to convey a "thank you" directly from the Board to all District employees. The amount of the bonus is applied to all staff, is significant enough to be noticed, and is not tied to a percentage of each employee's compensation. In 2025, the Board rewarded each employee with a $2,000 bonus. Bonus checks are issued through the payroll system, and taxes are collected on the bonus prior to distribution.

It was moved by Director Martens and seconded by Director Brandt to approve a $2,000 year-end bonus to all District employees. The motion carried unanimously.

President McMurtrey acknowledged the challenges a drought year places on Staff, and several Board members expressed appreciation for the dedication and performance of LTWD employees.

Carter Lake Filter Plant (CLFP):

District Manager Kauffman reviewed with the Board a summary of plant activities provided by CLFP Plant Manager Rick Whittet.

- **Pretreatment Project.** The current schedule puts the project at a 6 month delay due to the following issues:
  - ❖ Concrete submittals
  - ❖ Potholing issues

- ❖ Shoring plan for the clearwell
- ❖ DAF over-excavation (fault of contractor)
- ❖ County permitting
- ❖ Contractor turnover

The CLFP Board discussed having the engineer meet with Larimer County department heads to help advance the project. If those efforts are unsuccessful, the Board agreed the next step would be to bring the matter before the Larimer County Board of Commissioners.

- ❖ Northern Colorado Conservancy Water District (Northern Water) found Dewberry's proposal for a new canal turnout design to be appropriately priced. Because seeking additional proposals could delay the project and increase costs, the CLFP Board directed Staff to proceed with the Dewberry contract.

- **Financials.** The Auditor Engagement Letter and Employee Bonuses were approved.
- **2027 Billing Structure.** A budget was not included in the report, but CLFP Plant Manager Rick Whittet informed Ms. Kauffman of a change to the billing structure for the capital replacement fund. After reviewing the Joint Operating Agreement, Mr. Whittet decided that the fund costs should be allocated on a 50/50 basis for assets and $0.12 per-1,000-gallon charge to fund asset rehabilitation and replacement.

Public Hearing: Action Item – Motion to Approve: Resolutions 2026-15 Inclusions:
The Public Hearing was properly publicized. No written objections were received. President McMurtrey opened the Public Hearing. There were no public comments, and the Public Hearing was closed.

It was moved by Director Szmyd and seconded by President McMurtrey to adopt Resolution 2026-15 Inclusions of properties located in Larimer and Weld Counties as presented. The motion carried unanimously.

Action Item – Motion to Approve: Resolution 2026-16:
District Engineer Brad E. Eaton presented the following information to the Board.
The Aurora Organic Dairy (AOD) Waterline Upgrade Project has been in development since 2023 to increase water service capacity by replacing approximately 3,800 feet of existing 4-inch waterline with 12-inch waterline. The District entered into an agreement with AOD in August 2023 under which the dairy agreed to fund the project. Design and easement acquisition efforts are nearing completion.

Initial easement discussions have been favorable to this point however, Staff has been advised by the attorney assisting the District with easement acquisitions that formal Board resolutions are required to pursue use of the District's right of eminent domain when the property owners do not accept the District's proposed terms.

It was moved by Director Szmyd and seconded by Director Brandt to adopt Resolution 2026-16 A Resolution of Necessity and for Eminent Domain Proceedings for the Public Use and Public Purpose of Constructing, Installing, and Maintaining the Aurora Organic Dairy Waterline Upgrade. The motion carried unanimously.

STAFF REPORTS

District Manager's Report: District Manager Kauffman presented the following information to the Board:

- **Hicks Legacy Water Authority.** Operations Manager Saxton and Water Resources Manager James Sutherland attended the October meeting. Discussion centered around water quality blending and scenarios.
- **South Platte Roundtable.** The October meeting was held in Sterling with a tour of several irrigation structures and related wetlands ahead of the meeting.

Business Manager's Report: Business Manager Diekhoff presented the following information to the Board:

- **Customer Service Month.** October was recognized as Customer Service Month, highlighting the important role all District employees play in serving customers and supporting the community. Ms. Diekhoff expressed appreciation for the dedication of all Staff and gave special recognition to the Business Department/Customer Service team for their hard work, flexibility, and commitment to meeting the District's customer and administrative needs.
- **EyeOnWater (EOW).** Additional customer EOW account sign-ups continued to increase in September.

District Engineer's Report: District Engineer Eaton presented the following information to the Board:

- **Commitment to Serve Requests.** LTWD received seven new taps, and two new Accessory Dwelling Unit (ADU) Commitment to Serve Requests in September, bringing the 2026 year-to-date total to 2,540 new taps and 14 ADUs.
- **Capital Projects.** The Raw Water Infrastructure project and the 30-inch Barefoot Line are making good progress. Testing and commissioning of the Barefoot Line are expected in November.
- **Development Projects.** A new commercial development known as Access 25 Logistics Park to be located near WCR 34 and WCR 9.5 is entering into the entitlement process.
- **Colorado Department of Transportation (CDOT) Segment 5.** Activities continue for staff with the relocation of the joint 24-inch transmission line and the LTWD pressure reducing vault at I-25 and WCR 34. These activities are in preparation for the shutdown and relocation of this critical transmission line this coming winter.
- **Other Engineering Activities.** The final pieces to the West I-25 transmission line connection to the existing 24-inch transmission line at I-25 and WCR 38 are finishing. Testing and commissioning to follow and is expected to begin in mid-November.

Water Resources Manager's Report: Water Resources Manager Sutherland presented the following information to the Board:

- **Water Resources Operations.** The District began filling Dry Creek Reservoir on September 4, 2026, and was expected to take roughly 40 days to send 1,100 acre-feet (ac-ft) into storage. Revisions to the District's operational coordination with Central Weld County Water District (CWCWD) in early October resulted in a 50/50 split of all Dry Creek filling from September 4 to October 31, resulting in approximately 743 ac-ft of fill for each entity. The Northern Water Board has set the initial quota at 50%.

- **Water Court Change Cases Update.** Staff and the legal team have begun working through the extensive list of initial comments for the Handy Ditch Change Case. A proposed decree and the District's expert disclosure report are still under review from the remaining opposers in the Consolidated Home Supply Case.
- **Water Use.** Mr. Sutherland and Water Resources Specialist Justin Hollis discovered the August water use increase was due to a negative interconnect meter reading number reported as a positive. The September water use had increased due to the filling of Dry Creek Reservoir.
- **Local Weather and Precipitation.** The Seasonal Temperature Outlook map shows temperatures will likely be average for the next three months, while the Seasonal Precipitation Outlook map continues to show the area is likely to receive above normal precipitation over the next three months.

Operations Manager's Report and Water Quality Update: Operations Manager Saxton presented the following information to the Board:

- **Locates and Leaks.** Locates and leaks were trending down in September but picking up in October.
- **Water Quality Sampling.** All samples were within acceptable levels.
- **Other.** Mr. Saxton noted that District Engineer Eaton was good at wording easements advising property owners not to place anything over our waterlines. Mr. Saxton also stated he appreciated Staff members who helped notify customers of a major waterline leak on a Saturday evening.

Business Project Manager's Report: Business Project Manager Kammy Tinney presented the following information to the Board**:**

- **Office Remodel, Site Improvement and Accessory Structure Project.** The District's planning team has addressed the remaining fire department and CDOT comments. Since the written report included with the agenda packet, the team has received clarification of the Town of Berthoud's (Berthoud) position regarding sewer connection without annexation and approval of the plans is pending to complete the third submittal. The pipe shed was delivered on September 25, and the project schedule is on hold pending issuance of the final permit from Larimer County. The remodel budget has been split between 2026 and 2027 due to the project delays.
- **Policies and Procedures/Rules and Regulations.** Work continues on drafting and internal review of signing authority, remote work, after-hours shutoff, meter testing, and cybersecurity policies and procedures, and any related revisions to the rules and regulations.
- **Employee Engagement Activities.** Fourth quarter activities include Years of Service awards in September, a Chili Cook-Off in October, Annual Holiday Lunch in November and, of course, Ugly Sweaters in December.

DIRECTOR REPORTS

- Director Szmyd advised he went to the City of Loveland (Loveland) with his concerns regarding the strips of grass between roads and sidewalks, and understands approvals for these areas occurs years before installation. Mr. Szmyd noted he is seeing more rock in these areas. Mr. Szmyd also spoke to Water Resources Specialist Hollis regarding any assistance WaterNow can provide in approaching Homeowner's Associations.

- Director Martens noted that several subdivisions near the Mariana Cove subdivision use the same landscape contractor. Mr. Martens noted that one of the subdivisions is removing the grass strips in sections.
- President McMurtrey recommended the Norther Water Fall Symposium to those in attendance.
- District Manager Kauffman advised there is nothing for the November 2, 2026, Board Work Session and asked if it should be cancelled. The Board Members agreed to cancelling the session.

Upon motion, duly made by Director Martens and seconded by Director Brandt, the meeting adjourned at 8:49 p.m. The motion carried unanimously.

Respectfully submitted,

Amber Kauffman
Secretary