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, November 20, 2025. Attendance was as follows:

Board of Directors:	Staff in Attendance:
Emily McMurtrey, President, Present	Amber Kauffman, District Manager
Larry Brandt, Present	Angela Diekhoff, Business Manager
Ryan Heiland, Present	Brad Eaton, District Engineer
Ed Martens, Present	Reese Saxton, Operations Manager
Bill Szmyd, Present	Kammy K. Tinney, Business Project Manager
James J. Walker, Present	Judy O'Malley, Recording Secretary

Other Attendees:
James Reed, Bob and Debbie Dehn, Steve and Teri Hochmiller, Andrew S. Nau, Linda Cain, James Whitlow, Anthony and Lori Sanchez, Seth Holland, J.D. Leclair, Josh Neville, Susan Kurzweil, and Steve Brandenburg; Residents

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. A quorum of the Board was present with six members in attendance. There is one vacancy on the Board.

AGENDA REVIEW

District Manager Amber Kauffman recommended adding time at the beginning of Agenda Item 6.1 to recognize the service of former board member Steve Brandenburg.

It was moved by President McMurtrey, seconded by Director Bill Szmyd, to take time before Agenda Item 6.1 to thank Steve Brandenburg for his service to the Board. Motion carried unanimously.

There were no other changes to the agenda.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

President McMurtrey opened the Public Comments period at 5:03 p.m. for non-agenda comments.

Mr. Seth Holland, President of the Pelican Shores North Homeowners' Association (HOA), spoke regarding the fact that residents of this subdivision were unaware of allotments until approximately three years ago. Mr. Holland stated their members are working to reduce water usage, but the available resources do not provide enough assistance for larger lots. He also noted that the HOA has reduced their water use by over 4.5 million (M) gallons. Mr. Holland closed his comments with suggestions to the Board to try to find additional resources for larger lots and to temporarily suspend overuse surcharges for customers who are making efforts to reduce their water use.

There being no further non-agenda comments, the Public Comments period was closed at 5:07 p.m.

CONSENT AGENDA

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

- **Minutes of the October 16, 2025, Regular Board Meeting;**
- **Minutes of the November 6, 2025, Special Board Meeting;**
- **Tap List 718;**
- **October 2025 Disbursements in the amount of $2,339,452.05**
  - **Operating Account: $1,950,618.01**
    - **ACH Manual Check Numbers 6723 to 6821 - $1,459,187.67**
    - **Manual Check Numbers 12602 to 12672 - $491,430.34**
  - **Payroll Account: $388,834.04 (Two bi-weekly payroll periods paid in October)**
    - **Live Checks 2213 to 2216 - $21,933.12**
    - **ACH Transmittal Vouchers 2710 to 2723 - $185,954.81**
    - **ACH Direct Deposit Numbers 15049 to 15128 - $180,946.11**
- **October 2025 Financial Report:**

The motion carried unanimously.

DISCUSSION ITEMS

Recognition of Outgoing Board Member:

President McMurtrey and District Manager Kauffman called Steve Brandenburg to the front of the meeting room to acknowledge his service to the LTWD Board. Mr. Brandenburg was presented with a personalized, replica ship's wheel as a token of appreciation from the Board and staff for his service to the District.

Ward 5 Director Appointment:

Director Szmyd and Director Jim Walker presented their recommendation for the Ward 5 appointee.

Following discussion, **it was moved by Director Szmyd, seconded by Director Walker, to appoint Garret Maurer to the vacated Ward 5 seat. The motion carried unanimously.**

Staff will coordinate a time to administer the oath of office to Mr. Maurer and complete the necessary filings ahead of the regular board meeting in December.

Reserve Policies:

District Manager Kauffman provided the following information to the Board:
Earlier in 2025, Staff suggested a revision to the District's reserve policies to better serve the District. These suggested changes include:

- Combining the Operations and Maintenance Reserve account with the Cash Flow Reserve account and increasing the amount equal to six months of operations and maintenance expenses.
- Amend the Land Acquisition Fund to include the use of that fund for remodeling the existing building. These funds are expected to be used in 2026.
- Removing the Vehicle and Equipment Replacement Fund.

- Removing the Water Resources Fund. When people paid cash-in-lieu (CIL) for their water dedication for select tap purchases, these moneys were to be reserved for future water resources purposes as designated by the Board. Current management of funds received from the CIL system are replacing dollars spent by the District from the Capital Fund in 2023 to buy Windy Gap and Consolidated Home Supply water rights. Prior to that purchase, CIL purchases were utilized to buy water that year.
- Removing the Water Court Fees Fund. This fund was assigned revenue collected when new development dedicated native waters. This rate was defined in 2025 as $2,300 per acre-foot (AF) of water credit. These funds went into a pass-through account and are used for aiding in the cost of changing native water from irrigation to municipal use. This is not intended to stop the process of collecting the funds, but rather to let them be used as they are collected for the water court process or for the construction of facilities related to the change in use of those waters.
- Removing the Healthcare Bank For-Benefit-Of (FBO) account. This account was required by LTWD's previous provider for the LTWD's health savings account and maintenance of the related high deductible health care plan and is no longer required.

Discussion occurred regarding the need to keep the Water Resources Fund in place, the cost of different water shares, and the value of water credit LTWD assigns for Colorado-Big Thompson (C-BT) shares.

It was moved by Director Szmyd, seconded by President McMurtrey, to accept the Reserve Policy subject to revision to maintain the Water Resources Fund in the amount of $500 thousand (K). The motion carried unanimously.

Public Hearing: Action Item – Motion to Approve: 2026 Budget Review and Five-Year Financial Plan: Adoption of 2026 Proposed Budget, Appropriation of Funds, and Certification of Mill Levies – Resolutions 2025-15, 2025-16, and 2025-17:

Business Manager Angela Diekhoff presented the 2026 Proposed Budget along with the Five-Year Financial Plan , following input from Board and Staff strategy sessions.

Basis of Budget Revenue:

- Base Fee will increase by 15 percent, and revenue will be adjusted 2.5 percent for new tap growth.
- Water rates
  - ❖ All Tiers increase by 15 percent.
  - ❖ Wholesale Rates will increase 5 percent based on the guidelines of each entity's Intergovernmental Agreement (IGA).
- Sales of 246 taps (2.5 percent increase)
  - ❖ Conservation – 246 Taps
  - ❖ Conservation Plus – 23 Taps
  - ❖ Standard – 4 Taps
  - ❖ Estate – CIL – 3 Taps

Basis of Budget – Expenses:

- Wages – Cost of Living 2.7 percent plus Merit raise of 2.00 percent to equal overall average increase of 4.7 percent.

- Total Employee Cost Increase of 23.36 percent compared to 2025 projected actuals, or 16 percent increase in what was budgeted for 2025.
  - ❖ One new employee in Distribution, one new employee in the Business Department, one new employee in Engineering, and a new Water Resource Manager. 2025 Budget had built in a full time Water Resource Manager and a part time Water Resource Advisor for a full year, plus another full time Engineer to be hired, however, the 2025 Actuals does not have the pay that would have been associated since those positions are not currently filled.
  - ❖ Increase in salaries to make sure employees are in the appropriate range with the salary survey done by Employers Council in 2025.
- Operating expenses increased by 15.45 percent compared to 2025 projected actuals.
  - ❖ Continued expense in professional services for monitoring, opposing, and negotiating regarding water rights changes by others.
  - ❖ Increasing trends in system repairs and maintenance.
  - ❖ Increase in Water Conservation Programs.
  - ❖ Increase in Safety Training Programs.
  - ❖ Two items are one-time expenses to extend from 2025 to 2026.
- Capital and non-operating costs increased 285.10 percent compared to 2025 projected actuals; This includes $10,971,401 for the following Joint Capital Projects:
  - ❖ Pretreatment Construction
  - ❖ 5 million gallon (M-G) Steel Tank Painting

Five-Year Capital Projects:
- A summary of the Capital Improvement Program as prioritized in order of importance and anticipated project start date was presented.

Discussion occurred throughout the presentation with topics including:
- LTWD will need to bond within the next two years for necessary Capital Projects.
- A rate study will be conducted in 2026 to determine the revenue needed to cover costs and set rates for customers.
- The Plant Investment Fee (PIF) portion of tap fees will increase by 15 percent.
- The manner in which allotments are determined by surrounding water utilities and the number of rate tiers set by those utilities.
- How the rate increase is expected to affect the average customer.

President McMurtrey opened the Public Comments period at 5:50 p.m. There being no public comments on the 2026 Budget, President McMurtrey closed the Public Comments period.

It was moved by Director Ed Martens, seconded by Director Brandt to adopt Resolution 2025-15 Adopting the 2026 Budget with the change to the Reserve Policy to maintain a $500K Water Resources Fund. The motion carried unanimously.

It was moved by President McMurtrey, seconded by Director Ryan Heiland, to adopt Resolution 2025-16 Appropriating Funds for 2026 as presented. The motion carried unanimously.

It was moved by Director Szmyd, seconded by President McMurtrey, to adopt Resolution 2025-17 to Certify Mill Levies to Boulder, Larimer and Weld Counties. The motion carried unanimously.

Public Hearing: Action Item – Motion to Approve: 2026 Updated Rates and Fees:
The proposed rates and fees were presented during Agenda Item 6.3, 2026 Budget Review and Five-Year Financial Plan. President McMurtrey opened the Public Comments period at 5:54 p.m. Each member of the public in attendance was provided with a three-minute time slot to present their questions and comments regarding the proposed budget and rate increases. Comments, questions and concerns expressed by the public included the challenges of staying within limits of water allotment even with reduced landscape on larger properties purchased 25 or more years ago with little or no knowledge of water allotment associated with tap size; Feelings that it is not fair of LTWD to impose penalties now and that older properties should be "grandfathered in" and not subject to surcharges; Some customers on larger properties have livestock and large vegetable gardens and do not feel they should suddenly have to change their way of living; Water bills have increased substantially with imposition of the surcharge and increased rates; Questions of why water shares are yielding less, and; Feelings of new development being the cause of LTWD's need to manage water allotments with overuse surcharges. The Public Comments period was closed at 7:02 p.m.

Board members and staff explained the surcharges are in place to deter people from going over their allotments; Board members noted that the District has to consider resource availability to all within the District and treat all customers fairly; Allotments have always been in place but not previously managed well, which is acknowledged by both management and the Board and both are working to correct the issue; LTWD does not have Land Use authority to determine development in the area, but does require new developments to dedicate the appropriate amount of water and pay for necessary upgrades to the system; LTWD is under pressure from the State of Colorado (the State) to conserve water, and; Upcoming changes to the Colorado River Pact will likely affect the amount of water available for use by everyone. Suggestions from customers were taken under consideration by the Board to work on fair solutions. Director Brandt advised the customers they can bring their concerns to their ward representatives throughout the year.

Following discussion regarding how the rates affect the budget, **it was moved by President McMurtrey, seconded by Director Szmyd, to approve Section 1501.1 Schedule A – Tap Fees, Section 1502.1 Schedule B – Water Rate Schedule, Section 1502.2 Schedule C – Miscellaneous Fees, and Section 1506.4 Schedule D – Water Dedications, with the intent to reevaluate the surcharges once the 2026 Rate Study is complete and before surcharges typically begin to appear on customer bills. The motion carried unanimously.**

President McMurtrey called for a break at 7:33 p.m. The meeting resumed at 7:53 p.m.

Auditor Engagement for 2025 Fiscal Year:
Business Manager Diekhoff presented the item to the Board and recommended approval of the engagement of The Adams Group to perform the 2025 Audit.

It was moved by Director Martens, seconded by Director Walker, to approve the Engagement Letter with The Adams Group for performance of the 2025 Audit. The motion carried unanimously.

2026 Board Meeting Schedule:
District Manager Kauffman presented the proposed regular meeting and quarterly work session schedule to the Board, which includes the schedule of regular meetings for Carter Lake Filter Plant (CLFP) and the St. Vrain Water Authority (SVWA).

Following discussion of whether it is best to keep the LTWD regular board meetings on the third Thursday of the month or move them back to the second Thursday of the month, **it was moved by President McMurtrey, seconded by Director Heiland, to approve the proposed 2026 Regular Meeting schedule with regular board meetings on the third Thursday of the month and the quarterly work sessions to be held in February, May, August and November. The motion carried unanimously.**

CLFP:

District Manager Kauffman provided a summary of the meeting:

- Pretreatment
  - ❖ Weekly construction meetings are scheduled for Wednesdays. Mobilization is occurring but the project will start slow due to permitting. A building permit has yet to be submitted. The plan is to piecemeal the permit to Larimer County to expedite what is important at the time. Rice Lake West has changed the project manager and superintendent but will work on a schedule of values for LTWD and Central Weld County Water District (CWCWD) to know what to expect in monthly invoices and to ensure the contractor can be paid in a reasonable amount of time. Poudre Valley Rural Electric Authority (PVREA) has also been slow to contact the Bureau of Reclamation to discuss relocation of power poles due to the government shutdown.
- 5 M-G Steel Tank Re-Coating
  - ❖ Three companies submitted bids which ranged from $3,698,000 to $1,412,000. Coblaco had the low bid and CLFP is working to get contracts signed for the project.
- South Plant Filters 17 and 18
  - ❖ Underdrains in Filters 17 and 18 need to be replaced. The Basis of Design report is being prepared for submittal to the State ahead of going to bid for the project. CLFP has started to reach out to get pricing on the underdrains and media. In 2019 the underdrains were approximately $1,700 each but when CLFP reached out to the vendor, they were informed that the price is now $2,700 each.
- Sanitary Survey
  - ❖ The last time the plant had their sanitary survey was in 2020. The next one is scheduled in December 2025.
- Canal Shutdown
  - ❖ Northern Colorado Water Conservancy District (Northern Water) has sent the CLFP the schedule of the shutdown for their annual inspection of the high-pressure line and the canal. It is anticipated that CLFP will be operating without the high-pressure line for one day only (January 12) and without the canal for approximately three days in February. There is slight concern for the timing of the canal shutdown as CLFP will also have one tank out of service for painting during this time.
- Dry Creek Reservoir
  - ❖ Water was pumped from Dry Creek Reservoir to supply approximately 10 percent of the water volume in October.

SVWA:

District Manager Kauffman presented the following information to the Board:

LTWD legal counsel forwarded the recommended changes to the dissolution agreement to SVWA legal counsel which was then sent to the Town of Firestone (Firestone) for quick review. Firestone had no changes, and the SVWA board approved the Dissolution Agreement. Firestone will send a resolution for the approval of the dissolution agreement to their council on December 10 and

LTWD will do the same on December 11. No further invoices will be sent to LTWD and all costs to complete the dissolution process will be incurred by Firestone as long as both parties approve the agreement. Per the Dissolution Agreement, SVWA has until December 5 to complete the payout to LTWD.

STAFF REPORTS

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

- **Developer for a Day Workshop.** On October 28, engineering and water resources staff attended a workshop hosted by the City of Loveland (Loveland) centered on the challenges of being a small developer. The workshop included staff from Loveland, Fort Collins – Loveland Water District, and LTWD. The group was separated into teams and challenged to work through a small development and see what impacts a small request can have on the viability of a project. The projects were centered around affordable housing and led into a conversation about funding for affordable housing and requirements for entities to approve development that provides affordable housing. There is a 90-day turnaround time to approve low-income housing developments applying for certain funds.
- **Highland Ditch Board Meeting.** Todd Williams of Williams and Weiss Consulting gave a presentation to the Highland Ditch Board regarding the use of Highland shares in a non-potable system for development within LTWD on Thursday, November 6. Ms. Kauffman attended the meeting to get feedback and answer any questions. There seemed to be no direct concern for the use of non-potable systems. The board was generally more comfortable with LTWD owning the water and paying the assessments/fees as opposed to the development's managing entity.
- **Dry Creek Annual Dam Inspection.** LTWD and CWCWD staff attended the Dry Creek Annual Dam inspection by the State's Dam Safety Division on Friday, November 7. LTWD and CWCWD staff operated the cone valves at the outlet of the dam and walked the dam with the State representatives. The inspection went well but there are some items to be monitored.
- **Town of Berthoud (Berthoud).** Ms. Kauffman had lunch with Berthoud Director of Water Utilities Ken Matthews on November 10. They discussed putting a deadline on efforts to complete a new IGA that addresses tap swaps, native water transfers, and potential participation in the H2 and/or RFO projects.
- **Regional Water Authority.** District Engineer Brad Eaton attended the November 6 meeting for the regional water authority. The group met the new attorney for the proposed authority. The attorney reviewed the details of what needs to be done to move forward.
- **Chimney Hollow Uranium Mitigation Workshop.** Ms. Kauffman attended the Chimney Hollow Uranium Mitigation workshop on October 22 that included a discussion on uranium mitigation efforts, costs, and preliminary modeling effort results. A third party will be engaged to review the analysis. Northern Water believes the uranium will dissipate; however, the water needs to move over the exposed rock for that to happen.

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

- **Call Volume for 2025.** The front office needed the phone system rep to pull some reports and one of the reports pulled was phone call volume. From November of 2024 to November of 2025, the front office processed 44,200 calls through just the land lines. There was no comparison available to previous years, but the front office was amazed by the volume of calls in one year.

- **Eye-On-Water (EOW) Instructional Video.** LTWD's public relations group, WildRock, has completed an instructional video on how to sign up for, and use, the EOW app. The video is now posted to the LTWD website.

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

- LTWD received four new taps, and one new Accessory Dwelling Unit (ADU) Commitment to Serve Requests in October, bringing the 2025 year-to-date total to 216 new taps and 13 ADUs.
- Capital Projects
  - ❖ The 30-inch Barefoot transmission line construction activities have ramped up with the contractor adding two more crews. Project completion is currently targeted for early summer of 2026.
  - ❖ Staff have been in touch with a consultant on the mainline upsizing from Phils Vault to Highway 60.
- Development
  - ❖ There are no new development projects at this time, but developers are pushing to complete existing projects before winter.
- Other Engineering Department Activities:
  - ❖ The Engineering Department is pleased to report that Catie Bartone has joined LTWD as the new Civil Engineer II. Ms. Bartone is already proving to be a great addition to the team.

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

- Ms. Kauffman advised that a second interview for the Water Resources Manager position has occurred with one candidate.
- The October water usage had been far above the projected amount due to the continued hot and dry weather.
- Ms. Kauffman reviewed changes to the water use graphs. Cumulative water use for the 2025 water year stayed slightly below the projections.
- Ms. Kauffman offered KUDOs to Water Resources Specialist Joe Pitti and Water Resources Technician Justin Hollis for automating the reports. Mr. Hollis was also noted, along with WildRock, for designing yard signs to be given to the winners of the Water-Wise Landscape Contest.
- The seasonal temperature and precipitation outlooks are at equal chances of being within normal ranges.

Operations Manager's Report: Operations Manager Reese Saxton presented the following information to the Board:

- Everything was going well.
- The Arkins 350K gallon tank is offline. Cleaning and a comprehensive inspection were completed.

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

- Employee Engagement Activities
  - ❖ The Annual Holiday Lunch is scheduled for November 21, 2025, at which time the annual bonuses will be distributed. The year-end raffle drawing for KUDOS recognition is scheduled for the last safety training of the year, and the second annual Ugly Christmas Sweater Lunch will be held on December 18.

- The Office Remodel, Site Improvement and Accessory Structure Project Public Notice of Request for Qualifications (RFQs) was published on Friday, November 14, 2025. Statements of Qualification are due Wednesday, December 10, 2025. Staff and r4 Architects, LLC will review the submitted qualifications and request proposals between December 10 and December 17, 2025, with proposals for consideration due no later than January 7, 2026. The project is expected to take four months to complete.

DIRECTOR REPORTS

- Director Szmyd advised that Loveland received a $1M settlement from Dupont and 3M to address Per- and polyfluoroalkyl substances (PFAS) contamination in its water supply and asked if LTWD is eligible to any compensation; District Manager Kauffman reminded everyone present that when LTWD tested for the contaminant none was found. Mr. Szmyd also questioned why LTWD does not have concrete water storage tanks; District Engineer Eaton replied he could speculate it had to do with cost; however, the new Markham Hill Tank design calls for it to be made of concrete. Poudre River Power Authority (PRPA) is taking a big interconnection across the entire United States, and it might be an interesting model for Northern Colorado to look at for water supplies. He also mentioned that Taft Avenue will be closed north of Highway 34 to 29th Street from December 2025 through June 2026.
- Director Brandt noted that a waterline is being installed under Highway 34 at Weld County Road 13 and will have to bore underneath railroad tracks.
- Director Heiland noted he has been able to keep a City of Boulder (Boulder) ditch that he uses for the University of Colorado (CU) Boulder open later into the season. He is allowed to use the water until the soil temperatures are under 50 degrees.
- President McMurtrey asked Board Members to complete an evaluation of District Manager Kauffman prior to the December 11 board meeting for her annual review.

It was moved by President McMurtrey, seconded by Director Brandt, to adjourn the meeting at 8:44 p.m. The motion carried unanimously.

Respectfully submitted,

Amber Kauffman
Secretary