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, June 18, 2026. Attendance was as follows:

Board of Directors:	Staff in Attendance:
Emily McMurtrey, President	Angela Diekhoff, Business Manager
Bill Szmyd, Vice-President	Brad E. Eaton, District Engineer
Larry Brandt, Treasurer	James Sutherland, Water Resources Manager
Ed Martens	Kammy K. Tinney, Business Project Manager
Garret Maurer	Reese Saxton, Operations Manager
James J. Walker	Judy O'Malley, Recording Secretary

Other Attendees:
Kevin Burnett, Senior Project Manager of Willdan Financial Services (Willdan) – via teleconference
Greg Venette, Town of Johnstown (Johnstown) Utilities Director

CALL TO ORDER

The recitation of the *Pledge of Allegiance* occurred, followed by President Emily McMurtrey calling the meeting to order at 5:03 p.m.

ROLL CALL

Roll call was taken.

It was moved by Director Bill Szmyd and seconded by Director Larry Brandt to excuse the absence of Director Ryan Heiland. Motion carried unanimously.

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

AGENDA REVIEW

President McMurtrey recommended discussion in Executive Session, at the conclusion of regular business, pursuant to Colorado Revised Statutes (CRS) §24-6-402(4) subparts (a) "concerning the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest" and (e) for "determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators" as it pertains to Agenda Item 6.4.

It was moved by Director Szmyd and seconded by President McMurtrey to approve the agenda as presented, including discussion in Executive Session as requested. Motion carried unanimously.

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 Ed Martens to approve the Consent Agenda, including:

- **Minutes of the May 21, 2026, Regular Board Meeting**
- **Tap List 725**
- **May 2026 Disbursements in the amount of $1,781,035.35**
  - **Operating Account: $1,361,134.19**
    - **ACH Manual Check Numbers 7263 to 7333 - $893,742.60**
    - **Manual Check Numbers 12964 to 13014 - $467,391.59**
  - **Payroll Account: $ 419,901.16 (Two bi-weekly payroll periods paid in May)**
    - **Live Checks – 2277 - $6,682.47**
    - **ACH Transmittal Vouchers 2820 to 2838 - $215,975.49**
    - **ACH Direct Deposit Numbers 15658 to 15746 - $197,243.20**
- **May 2026 Financial Report**
- **Ursa Major Development Agreement**

The motion carried unanimously.

DISCUSSION ITEMS

Marsh Variance Request:

District Engineer Brad E. Eaton presented the following information regarding the request to the Board:

William and Carol Marsh are the owners of a 4.84-acre property served by a 5/8-inch Standard Residential Tap. The Marshes propose to construct a new 2,300-square-foot primary single-family residence and upon completion of the new residence, the existing dwelling will be converted to an accessory dwelling unit (ADU). On April 22, 2026, the District issued a commitment letter approving the addition of an ADU and identifying the applicable accessory dwelling fee. The Marshes subsequently submitted a request asking LTWD to waive the fee based on the property's long-term underutilization of its existing annual water allocation. Staff supports the variance request with conditions as outlined in the Commitment Letter.

Following discussion, **it was moved by President McMurtrey and seconded by Director Martens to approve the Variance as presented. The motion carried with five ayes and one nay**.

Rate Study Results:

Business Manager Angela Diekhoff noted that a rate study was conducted at the direction of the Board. Ms. Diekhoff introduced Kevin Burnett, Senior Project Manager of Willdan, who reviewed the results of the study for Board consideration and discussion. The purpose of the Rate Study was to ensure that costs are distributed fairly among all customers/users and to update plant investment fees (PIF), so growth pays for growth. LTWD is a utility operated as an "Enterprise" under the Taxpayer's Bill of Rights (TABOR) and by law, an Enterprise is not supported by tax revenue. Daily operations of the district are supported by base fees and monthly rates while capital expansion is supported by PIFs.

Suggested future-year adjustments are based on the best available current information. Proposed base fee and rate increases, along with debt issuance timelines for 2027 through 2031 were presented; starting in 2027 with a 15 percent base fee and rate increase for Residential customers, 25 percent rate increase for Non-Residential customers, and five percent rate increase for Wholesale customers. It was also recommended to increase all Overage Water Allotment Surcharges by 15 percent then rounded to the nearest dollar. A comparison to neighboring water utilities at the current rates shows LTWD rates are slightly below the median in average monthly bills, and the PIF is just above the median.

Key takeaways from the Rate Study are:

- Continuing with the same rates does not provide sufficient revenue to sustain current operations
- Rate structure can be refined to provide better matching between revenues generated by customer classes and the costs they impose on the system
- PIFs should be increased to maintain growth pays for growth objectives

Johnstown Colorado-Big Thompson (C-BT) Lease:

Water Resources Manager James Sutherland provided the following information to the Board:

The Town Manager for Johnstown, Matt LeCerf, requested a lease of up to 1,000 units of C-BT. The Town is in their Level 3 drought conditions and limits outdoor watering for their residents to two days per week. Johnstown has also been directed by the Consolidated Home Supply Ditch and Reservoir Company to install a temporary pump at Lon Hagler and/or Mariano Reservoirs in order to move water into the ditch due to the potential inability to operate the ditch company's exchange on the Big Thompson River. As of June 3, 2026, feedback from Matt LeCerf and Greg Venette was that the plan is to move water from Lon Hagler. They are awaiting quotes for pumps, et cetera and hope to have everything in place and moving water into the ditch by the end of June.

After the LTWD Water Resources department reviewed the 2026 supplies and when the water balance for the year is considered for the initial demand projection including a 15 percent higher demand projection, LTWD has a remaining year-end balance of 3,871 and 2,816 acre-feet (ac-ft), respectively. Based on this information the LTWD Board approved 2,500 ac-ft for C-BT leases primarily to support agriculture at their April meeting. LTWD Staff feels the District is able to provide 400 ac-ft to Johnstown for the 2026 water year and still protect LTWD supplies for the 2027 water year. As the summer months begin, Staff will continue to monitor water usage for potential additional leasing to agriculture or other partners.

Following discussion, **it was moved by Director Szmyd and seconded by President McMurtrey to approve the Johnstown C-BT Lease. The motion carried unanimously**.

Johnstown Dry Up Lease:
Water Resources Manager Sutherland advised that Staff would present a proposal from Johnstown for Board consideration and discussion in Executive Session.

Carter Lake Filter Plant (CLFP):
President McMurtrey and District Engineer Eaton provided a summary of the meeting:
- **Pretreatment Project.** The general contractor released the original site superintendent and has brought in new staff to improve production and progress on the project and provided a written schedule for the stakeholders.
- **Neighbor Complaints.** A neighbor of CLFP recently complained to Larimer County (County) about dust and noise. The contractor has since implemented mitigation measures for both issues. The complaint prompted the County to visit the site which resulted in further County concerns regarding project permitting and outstanding information that had not been previously provided to the County for review. According to Owner Representative Darrell Larson, the outstanding information has since been supplied by NOCO Engineering Company (NEC) to the County and the permits were issued. CLFP Staff spoke with County representatives regarding the need for confidentiality of the information; the County attorney will review the request.
- **Pumping Out of Dry Creek Reservoir.** Pumping continues to occur at a rate of ten percent of the total flow. Plant operation and water quality will be monitored closely.

Discussion occurred regarding the process of refilling Dry Creek Reservoir.

Director Szmyd thanked Mr. Eaton for attending the CLFP meeting.

Public Hearing: Action Item – Motion to Approve: Resolutions 2026-10 Inclusions and 2026-11 Exclusions:
The Public Hearing was properly publicized. No written objections were received. President McMurtrey opened the Public Hearing at 6:25 p.m. There were no public comments, and the Public Hearing was closed.

It was moved by Director Szmyd and seconded by Director Brandt to adopt Resolutions 2026-10 Inclusions and 2026-11 Exclusions of properties located in Larimer and Weld Counties as presented. The motion carried unanimously.

STAFF REPORTS

District Manager's Report: In the absence of District Manager Amber Kauffman, Business Project Manager Kammy Tinney advised the Board that summaries of activities and happenings in the District over the past month are incorporated with each Department Manager's report while the District Manager is out of the office.

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

- **Audit.** District Staff are currently completing the final review and wrap-up items with The Adams Group. It is anticipated that the audit will be finalized within the next week or two. Draft financial statements will be provided to the Board no later than June 30, 2026, and representatives from The Adams Group will present the audit results at the July Board meeting.
- **EyeOnWater (EOW).** Staff continue to evaluate and utilize the EOW platform as a valuable tool for customer water-use monitoring and leak detection while exploring opportunities to improve the customer experience and address evolving customer expectations.

  This week, one of the District Customer Service Representatives, along with Operations Manager Reese Saxton and several members of his team met with a consultant from Badger Meter. The meeting provided an opportunity to discuss challenges staff have encountered while working with EOW and to gain a better understanding of the platform's capabilities. Staff are hopeful that this discussion will lead to additional clarification and potential solutions to improve both staff and customer experiences moving forward.

Discussion ensued regarding how to use the information obtained from the app, the need to create District policy for using the information, determining legalities around the use of the information, and ways to obtain data LTWD wants including writing code for specific reports. Mr. Saxton advised the Board that Badger Meter does make a lot of accommodations and adjustments to their program for LTWD.

- The Town of Mead (Mead) initiated a six percent surcharge on their LTWD customers that had previously been discussed. Ms. Diekhoff is working with WildRock to ensure affected customers are aware of the new charge.

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

- **Commitment to Serve Requests.** LTWD received four new tap, and two new Accessory Dwelling Unit (ADU) Commitment to Serve Requests in May, bringing the 2026 year-to-date total to 486 new taps and 10 ADUs.
- **Capital Projects.** Progress continues to move forward on the Northeast Transmission Line and Water System Master Plan. The Phil's Vault to Highway 60 Line Upsize project kicked off on May 27 with the consultant.
- **Development Projects.** Developments continue to be very active.
- **Other Engineering Activities.** The Engineering department hired Cindy Carter for the Engineering Business Support Level II position. Also, Ben Harclerode, PE accepted an offer of employment as a Civil Engineer IV. Mr. Harclerode will join the team later this summer. The District GIS staff member unexpectedly retired at the end of May, so the department is actively pursuing a replacement.

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

- **Water Court Change Cases Update.** The Handy Ditch Change Case just recently started moving. Proposed Ruling draft and Engineering report have both been finalized and are ready to send to opposers prior to the June 15 deadline. The remaining Court deadlines of opposer comments and a Court set further status conference should be met without difficulty. The Consolidated Home Supply Change Case proposed decree is under review from opposers in the case. A productive meeting was held with the City of Loveland (Loveland) to address their comments. The LTWD Legal team is working through responses. Legal counsel is advising Staff of requested changes from opposers, and the District is providing feedback if/when there are concerns. Legal counsel is confident that the case can be wrapped up this summer.
- **Water Use.** May water use was ten percent less than projected. The Dry Creek Reservoir level has dropped in part due to CLFP mixing in 10 percent of water to be treated from the reservoir.
- **Local Weather and Precipitation.** The rainfall and the temperatures in May were almost back to average. The drought outlook for the LTWD service area remains abnormally dry.

There was discussion regarding Platte River Power Authority (PRPA) selling additional shares of Windy Gap Water.

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 on average.
- **Project Updates and Notes.** The Twin Mounds Passive Mixing System was installed, and the tank has been filled.
- **Hicks Legacy Water Treatment Authority (Authority).** All participating entities were asked to provide two additional months of water quality samples. Participants agreed the water should be sampled in the summer and in the winter. The Central Weld County Water District (CWCWD) Board approved a contractor, and agreements were sent our for review.

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

- **Office Remodel, Site Improvement and Accessory Structure Project.** Construction remains on schedule with expected completion June 12, and issuance of a Certificate of Occupancy June 15. Furniture delivery and installation of workstations is scheduled for June 18 and 19, and Staff are scheduled to move back into the space June 23!

  The District's legal counsel provided additional comments to the draft annexation agreement
  with the Town of Berthoud (Berthoud) on June 11, following continued discussions around completion of a section of trail along Highway 56. The District's General Contractor and an independent engineer have provided certifications for the structural, electrical, and plumbing submittals to secure a permit for the shop addition. The District's planning team continues to work through fire suppression requirements for construction of the pipe shed.
- **Employee Engagement Activities.** An on-site barbecue for staff is in discussion.
- **Other Activities.** Ms. Tinney, along with Water Resources Tech Justin Hollis, manned an LTWD booth at the Northern Colorado Water Conservancy District (Northern) Conservation Fair. It was a very good event with a lot of interest from the public in attendance.

DIRECTOR REPORTS

- Director Szmyd noted that he is no longer with the Loveland Utilities Commission.
- Director Garret Maurer stated that he had stayed at Lake Granby recently and the lake level was extremely low.
- Director Jim Walker commented that he was waiting for some rainfall.

President McMurtrey called for a break at 7:08 p.m. at which time all Staff were excused except Business Project Manager Tinney and Water Resources Manager Sutherland. The meeting resumed at 7:20 p.m.

Upon motion duly made by President McMurtrey and seconded by Director Szmyd and, upon vote, unanimously carried, the Board adjourned to Executive Session at 7:21 p.m., for the purposes of CRS §24-6-402(4) subparts (a) "concerning the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest" and (e) for "determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators" as it pertains to Agenda Item 6.4.

Upon motion duly made by President McMurtrey and seconded by Director Brandt and upon vote, unanimously carried, the Board reconvened in regular session at 7:44 p.m.

Upon motion duly made by Director Szmyd and seconded by President McMurtrey, the meeting adjourned at 7:45 p.m.

Respectfully submitted,

Kammy K. Tinney
Acting Secretary