MINUTES OF THE SPECIAL 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, May 21, 2026. Attendance was as follows:

<u>Board of Directors:</u>
Emily McMurtrey, President
Bill Szmyd, Vice-President
Larry Brandt, Treasurer
Ryan Heiland
Ed Martens
Garret Maurer
James J. Walker

<u>Staff in Attendance:</u>
Amber Kauffman, District Manager
Angela Diekhoff, Business Manager
Brad E. Eaton, District Engineer
James Sutherland, Water Resources Manager
Kammy K. Tinney, Business Project Manager
Reese Saxton, Operations Manager
Joe Pitti, Water Resources Specialist
Judy O'Malley, Recording Secretary

Other Attendees:
There were no other attendees present.

CALL TO ORDER
The recitation of the *Pledge of Allegiance* occurred, followed by President Emily McMurtrey calling the meeting to order at 5:06 p.m.

ROLL CALL
Roll call was taken. A quorum of the Board was present with seven of seven members in attendance.

AGENDA REVIEW
District Manager Amber Kauffman recommended discussion in Executive Session, at the conclusion of regular business, pursuant to C.R.S. §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" amended from "as it pertains to Agenda Items 6.1 and 6.2," to "as it pertains to Agenda Items 6.2 and 6.3".

It was moved by Director Bill 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 5:09 p.m. for non-agenda comments. There were no members of the public present, and the Public Comments period was closed.

CONSENT AGENDA
It was moved by Director Ed Martens and seconded by Director Szmyd to approve the Consent Agenda, including:

- **Minutes of the April 16, 2026, Regular Board Meeting**

- **Minutes of the May 4, 2026, Board Work Session**
- **Tap List 724**
- **April 2026 Disbursements in the amount of $2,239,197.48**
    - **<u>Operating Account: $1,831,904.79</u>**
        - **ACH Manual Check Numbers 7179 to 7262 - $1,531,102.76**
        - **Manual Check Numbers 12891 to 12963- $300,802.03**
    - **<u>Payroll Account: $407,292.69 (Two bi-weekly payroll periods paid in April)</u>**
        - **Live Checks – 2276 - $923.50**
        - **ACH Transmittal Vouchers 2806 to 2819 - $208,252.02**
        - **ACH Direct Deposit Numbers 15575 to 15657 - $198,117.17**
- **April 2026 Financial Report**

The motion carried unanimously.

DISCUSSION ITEMS

<u>Strategic Work Session Results:</u>
District Manager Kauffman reviewed the process used by Board Members and Department Managers to identify strategic goals for the next three to five years. Staff subsequently prepared the following strategic goals for consideration:

- Develop a program to systematically analyze water loss in the distribution system, and rank areas where loss is highest to lowest. Use these results to aid in development of a prioritized capital rehabilitation and replacement program. Develop costs to assist with targeted funding structure.
- Identify workflow chains that cross department boundaries or are critical to mission. Begin with a risk assessment of how important the workflow is and select three processes to work on, beginning with the most critical to the organization. Identify and implement a software package that can help facilitate workflow while simultaneously documenting workflow procedures in written and exhibit/flow chart format. Use these documents to create training programs for new employees and existing staff.
- Using a risk-based analysis, identify and rank the most critical facilities for which to provide redundancy. Develop a capital improvement plan to direct a portion of capital spending toward improving redundancy.
- Seek input from current information technology (IT) consultants regarding appropriate cyber security protocols for employee email, employee internet access, Wi-Fi access for guests, server protection, cell phone, or tablet access to Wi-Fi. Develop training for employees based on IT, water industry, and governmental agency recommendations.

Discussion occurred throughout regarding a timeframe for Staff to compose a solid, measurable plan to reach the goals and the frequency of reporting updates to the Board.

<u>Raw Water Master Plan:</u>
District Manager Kauffman advised that Staff will present the results of the draft raw water master plan for Board consideration and discussion in Executive Session.

<u>Thompson River Dairy:</u>
District Manager Kauffman advised that Staff will present a proposal from Thompson River Dairy for Board consideration and discussion in Executive Session.

Allotments for Large Lots:
Water Resources Manager James Sutherland presented data outlining the effects of granting requests of Tapholders with larger lots (greater than 17,000 square feet) where Standard taps were originally purchased to be grandfathered into the Estate tap allotments. Staff believes that granting requests from specific customers that have large lots would necessitate granting such exceptions to all large lot customers within the District. Approving the requests to have large lot allotments "grandfathered" into the current Section 1505.5 Schedule D Water Dedication table and increased from the Standard tap allotment of 228,000 gallons per year to the Estate tap allotment of 360,000 gallons per year without purchasing additional shares to increase the allotment would create unnecessary risk to the security and reliability of the District's water supply. Furthermore, a significant number of District customers in this same situation have purchased additional shares to increase the allotment for their lots to accommodate their usage. Moving all large lot allotments to the Estate tap allocation would create a minimum of 1,700 to 1,850 acre-feet of potential new use that is not accounted for in the District's water supply system and forward growth planning, representing approximately a 30 percent increase over the 2025 District at-the-plant (ATP) demand at Carter Lake Filter Plant (CLFP). Staff recommend that any of these requests be denied.

Following discussion, **it was moved by Director Szmyd and seconded by Director Ryan Heiland to deny "grandfather" requests by existing Tapholders to increase existing allotment amount without the purchase of additional shares to increase from a Standard tap to an Estate tap. The motion carried unanimously.**

Allotment Adjustments for Leaks:
Business Manager Angela Diekhoff reviewed with the Board LTWD's current Leak Credit policy along with policies of surrounding water utilities, noting some providers do not offer any leak forgiveness. Ms. Diekhoff also presented a summary of leak credits issued over the past three years and compared that to the number of leak credit requests received the three years prior to LTWD engaging the Eye-on-Water (EOW) app finding the numbers to be similar.

Ms. Diekhoff noted that the amount currently credited back to customers is already substantial. She then offered three possible leak credit policy options for the Board to consider:
- Discontinue leak credits on tiered usage rates and instead review usage annually, providing credits only for the portion of the allotment determined to be associated with the leak.
- Continue providing credits on tiered usage rates while also adding credits for allotment charges related to the leak at year end.
- Maintain the current practice of providing leak credits only on tiered usage rates and leave allotment charges unchanged.

Discussion occurred throughout regarding such topics as Staff researching the capabilities of EOW, staff time needed to prepare leak credits for Ms. Diekhoff's review, notifying customers if Staff discovers a Leak, promotion of how using EOW can help catch leaks at an earlier stage, and only offering leak credits to customers who are signed up for the EOW app once it is available to all customers. The Board requested Ms. Diekhoff to prepare scenarios for review and present customer relief options to the Board.

Rules and Regulations Updates for Multifamily Service:
District Manager Kauffman, Business Manager Diekhoff, and Business Projects Manager Kammy Tinney presented the following information to the Board:
At the April 16, 2026, regular meeting the Board held a public hearing and adopted adjustment to the District's rate and fee schedules to incorporate rates for service to multifamily housing units. As a result, Section 3 – Water Taps, Section 4 – Administration of Tapholders' Accounts, and Section 7 – Multifamily and Mobile Home Parks of the Rules and Regulations required revisions, along with the Domestic Water Agreement forms for residential, non-residential, and multifamily service, and the addition of "multifamily" to Schedule C.

Discussion occurred regarding special circumstances for managing non-payment of the water bill by one unit in a multifamily residence.

It was moved by President McMurtrey and seconded by Director Szmyd to approve the revisions to Rules and Regulations Sections 3, 4, and 7 with the removal of specific gallons and acre feet for use and replacement with the reference to Schedule A in Section 7. The motion carried unanimously.

CLFP:
President McMurtrey and Director Heiland provided a summary of the meeting:
- **Pretreatment Project.** The concrete was rejected as it was mixed with raw water not potable water as required in the specifications. The project is currently behind by six months. There was discussion regarding possible verbal permission from Larimer County to start work without a permit and the need for documentation as proof.
- **South Plant Filters 17 and 18.** Progress is going well. The underdrains are in fabrication and shipping is expected in late May.

Public Hearing: Action Item – Motion to Approve: Resolutions 2026-08 Inclusions and 2026-09 Exclusions:
The Public Hearing was properly publicized. No written objections were received. President McMurtrey opened the Public Hearing at 6:42 p.m. There were no public comments, and the Public Hearing was closed.

It was moved by Director Szmyd and seconded by Director Larry Brandt to adopt Resolutions 2026-08 Inclusions and 2026-09 Exclusions of properties located in Larimer and Weld Counties as presented. The motion carried unanimously.

President McMurtrey called for a break at 6:43 p.m. The meeting resumed at 7:00 p.m. following a tour of the remodel progress in the office.

STAFF REPORTS

District Manager's Report**:** District Manager Kauffman presented the following information to the Board:
- **Chimney Hollow Initial Fill.** Ms. Kauffman attended a portion of the initial fill on April 22. It was a momentous day but had little fanfare. In attendance were several representatives from other participants in the project as well as Northern Colorado Water Conservancy District (Northern Water) staff and board members.

- **Hicks Legacy Water Treatment Authority (Authority).** The eight participating agencies met on May 7 to continue discussions around the authority formation and selection of an engineer to begin water quality evaluation and treatment type alternative analysis. The formation document was sent to all the entities and comments are due back to the "Authority" attorney by May 22. Two engineering companies submitted proposals to Central Weld County Water District (CWCWD) since the authority is technically not formed. Three entities offered to review the proposals and perform interviews on April 29. The firms that submitted proposals and were interviewed include Jacobs Engineering and HDR Engineering. The review committee included CWCWD, Left Hand Water District, and LTWD. The selection committee made a recommendation for CWCWD's consideration that was not unanimous. Both firms were well qualified.
- **Town of Mead (Mead).** Ms. Kauffman had lunch with Mead's town manager, Helen Migchelbrink, on May 13 to discuss shared topics related to water, development, town issues, Colorado Department of Transportation (CDOT) projects, et cetera. Town Manager Migchelbrink did signal that the town intends to move forward with the surcharge on LTWD water bills for customers in the boundaries of Mead. Formal notification has not been provided and is subject to change. Ms. Migchelbrink did mention that she appreciated the District's efforts to provide billings for the last three years for the properties within their boundaries so Mead could better understand potential revenues to help pay for instances where they need to relocate our waterlines per our Intergovernmental Agreement (IGA).
- **NoCo Water Alliance.** The overall goal is communication and to keep native waters in Northern Colorado.

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

- **Office Security System.** The District is installing new, updated cameras throughout the building to ensure all blind spots are covered and upgrading the alarm system to allow Staff to monitor and control security remotely through an app or online access. In addition, keypad entry systems are being installed at both the employee entrance and reception doors. Each employee will be assigned their own access code allowing for a transition away from physical keys.
- **Strengthen and Update IT Systems.** Staff continue to work with the District's IT consultants (Stratus) to ensure District systems remain protected against cybersecurity threats. In addition, Staff are working with Stratus on replacing aging servers. Funding for the server replacement was included in this year's budget; however, current cost estimates are higher than originally anticipated. Staff are currently waiting on updated quotes, but they were not available by the Board meeting to discuss the potential need to exceed the originally budgeted amount. Dell only holds the price quote for 10 days. Ms. Diekhoff requested the Board approve a conditional budget increase up to an amount specified by the Board.

It was moved by Director Heiland and seconded by Director Brandt to authorize up to $700,000 to cover the additional costs of new servers. The motion carried by five "aye" votes and two "nay" votes.

- **EOW.** There was another large increase in EOW signups.

Discussion ensued regarding a request to Badger Meter to include allotment information on the app, mining data utilizing more EOW reports, using a data analyst to optimize data obtained from EOW, consideration of a new surcharge for non-watering days, researching different billing software and possibly hiring a consultant for the task of researching billing software.

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

- **Commitment to Serve Requests.** LTWD received five new tap, and one new Accessory Dwelling Unit (ADU) Commitment to Serve Requests in April, bringing the 2026 year-to-date total to 482 new taps and eight ADUs.
- **Capital Projects.** Progress continues to move forward on Capital Projects.
- **Development Projects.** Barefoot Lakes continues to be active with new filings. A new development is being planned near the Fed-Ex and Home Depot facilities in Mead.
- **Other Engineering Activities.** The Engineering department is currently interviewing candidates for an Engineering Business Support Level II position as well as candidates for a Civil Engineer Level IV or V position.

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. A Proposed Ruling in draft form is under review by District staff, legal counsel and LTWD's third party consultant. The engineering report from the third party consultant has been drafted. Court deadlines were reviewed and as of now, all deadlines should be met without difficulty. The Consolidated Home Supply Change Case proposed decree is under review from opposers in the case with May 15 being the next deadline for additional comments from opposers. Requested changes from opposers are being addressed, and legal counsel is confident that the case can be wrapped up this summer.
- **Water Use.** April water use was slightly below the ten-year average. 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 increased some in April. The snowpack rose slightly above "record low." The drought outlook has not changed, and predictions continue to call for above average temperatures and below average precipitation for the foreseeable future.

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

- **Locates and Leaks.** Locates remained low and the Locates Department were able to catch up on other projects. There was a large increase in leaks, one of which called for the use of a contractor with the capability of boring.
- **Project Updates and Notes.** The Meter Department completed the changeout of all 448 drive-by meter read endpoints. This was a project that was budgeted at around $400,000, assuming the Meter Department would need help from Badger doing the changeout. The project was completed entirely in-house at about half the cost.

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. Plumbing, electrical, HVAC, framing, and drywall are 45 to 60 percent complete depending on the category. Wall texture and paint are in process, and rough carpentry and roofing are 100 percent complete. Coordination with the Project Manager, supported by the management team, is ongoing daily. Various systems needed improvement such as IT, security, and electrical upgrades which have been included in the project. The final order for workstations and chairs was completed and submitted on April 24 with anticipated delivery in the second week of June.

LTWD's legal counsel reviewed the draft annexation agreement presented by the Town of Berthoud (Berthoud) and is working directly with legal counsel for Berthoud to finalize terms. Staff met onsite with representatives of the Larimer County Building Department to address the issues with permitting of existing structures. LTWD's General Contractor and an independent engineer are working to certify structure, 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.

- **2026 Legislative Session.** A house bill that would require water right owners to revegetate or convert to dryland farming any land formerly used for agriculture is not likely to be vetoed. If enacted, the bill would currently only be in effect in the Lower Arkansas River Basin.
- **Other.** Department Managers and the District Manager completed all 12 modules of the Frontline Leaders program and are scheduled for a final in person wrap up session with the facilitators. All Staff headed offsite for lunch on May 20. No additional employee activities are scheduled pending completion of the office remodel and move in.

DIRECTOR REPORTS

- Director Szmyd attended the City of Loveland (Loveland) Utilities Commission meeting, noting they are budgeting for a 3.5 percent increase for salaries and 1 percent for scale.
- Director Heiland announced that he arranged to have the University of Colorado Boulder (CU) football coach Deion "Coach Prime" Sanders meet the CU Outdoor Services crew.
- Director Martens advised that he had stated the Bureau of Reclamation had released 500,000 gallons of water from Flaming Gorge Reservoir to support Lake Powell, however, the actual amount was 200,000 gallons.

President McMurtrey called for a break at 7:50 p.m. at which time all Staff were excused except District Manager Kauffman, Water Resources Manager Sutherland, and Water Resources Specialist Joe Pitti. The meeting resumed at 7:52 p.m.

It was moved by President McMurtrey and seconded by Director Martens to adjourn to Executive Session subject to Colorado Revised Statutes §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 Items 6.2 and 6.3. The motion carried unanimously and the Board entered into Executive Session at 7:53 p.m.
The Board reconvened in Regular Session at 9:20 p.m. upon motion duly made by President McMurtrey and seconded by Director Szmyd. The motion carried unanimously.

It was moved by Director Martens seconded by Director Heiland to adjourn the meeting at 9:21 p.m. The motion carried unanimously.

Respectfully submitted,

Amber Kauffman
Secretary