

# AGENDA

## Denver Board of Water Commissioners

Denver Water Board Room, 1600 W 12<sup>th</sup> Avenue, Denver, Co 80204 and  
Video Conference: <http://zoom.us/join>, Meeting ID: 834 3150 7460 - Passcode: 001149 or  
Dial in (669) 900-6833 - Meeting ID: 834 3150 7460 - Passcode: 001149

Members of the public are asked to participate via video conference due to COVID-19 safety protocols

**Wednesday, April 13, 2022 – 9:00 a.m.**

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### I. INTRODUCTORY BUSINESS

#### A. Call to Order and Determination of Quorum

#### B. Public Comment and Communications

At this point in the agenda, the Board may allow members of the public to address the Board on any item of interest within the jurisdiction of the Board, and not on the agenda for action. Speakers wishing to address a specific Action Item will be invited to address the Board when the item is being considered. Three minutes are allowed for each person unless the President determines otherwise.

1. Distributor Communications
2. Citizen Advisory Committee Communications

#### C. Ceremonies, Awards and Introductions

D. Legislative Update Andrew Hill 5 minutes

### II. ACTION ITEMS

#### A. Consent Items

Items listed below are considered routine and may be enacted by one motion and vote. If any Board member desires discussion beyond explanatory questions, or corrections to the Minutes, the President may order that item to be considered in a separate motion and vote.

1. Minutes from March 9, 2022
2. Minutes from March 23, 2022
3. Third Amendment with ConstructNet International – Contract 504524

**B. Individual Approval Items**

- |   |              |            |
|---|--------------|------------|
| 1. Strategic Plan Adoption  | Jim Lochhead | 10 minutes |
| 2. Intergovernmental Agreements with Western Area Power Administration<br>– Contracts 505245 and 505246 | Nathan Elder | 5 minutes  |

**III. POLICY MATTERS**

- |  |                                       |            |
|--|---------------------------------------|------------|
| <b>A. Water Supply Update</b>            | Nathan Elder                          | 5 minutes  |
| <b>B. Watershed Briefing</b>             | Christina Burri/<br>Alison Witheridge | 20 minutes |
| <b>C. National Western Center Update</b> | Nicole Poncelet                       | 15 minutes |

**IV. EXECUTIVE UPDATE**

- A. CEO Update**
- B. CFO Update**
- C. Operations Update**

**V. BRIEFING PAPERS & REPORTS**

- A. Briefing Paper**
- B. Report**

**VI. ADJOURNMENT**

## VII. TRUSTEE MATTERS

### I. ACTION ITEMS

1. Meeting as Trustee: Minutes from February 23, 2022 Trustee Meeting

### II. INFORMATION ITEM

1. Meeting as Plan Sponsor: Supplemental Retirement Plans Investment Policy Statement (IPS) Presentation Aneta Rettig 20 minutes

## VIII. EXECUTIVE SESSION

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by D.R.M.C Sec. 2-34.

- A. Confidential Report

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2022

Board Item: II-A-3

## Third Amendment with ConstructNet International Contract 504524

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to amend the professional services contract with ConstructNet International for assistance in providing Diversity, Equity and Inclusion (DE&I) awareness training to individual contributors and DE&I skill-building training for our leaders.

Denver Water entered into a contract with ConstructNet International on January 15, 2021 to evaluate and improve our current environment as a diverse, equitable and inclusive employer. ConstructNet assisted us in: (1) building knowledge of DE&I practices and understanding how a diverse and inclusive workforce can aid in achieving our Strategic Plan objectives; (2) analyzing how Denver Water compares as an employer to the demographics of our local workforce; (3) identifying gaps and institutional barriers impeding the employment or promotion of individuals from different demographic groups; (4) training Denver Water's leaders to build DE&I knowledge and the skills to implement behaviors that move the organization forward in the area of DE&I, emphasizing mitigation or removal of systemic and institutional bias to increase inclusivity.

This amendment will expand the work in 2022 and 2023 to include additional skills training for leaders to increase their capabilities in facilitating DE&I conversations and comfort level with overall DE&I leadership, as well as to provide DE&I training for individual contributors to enhance their awareness, knowledge, and skills to support our objective of becoming a more inclusive and supportive workplace.

### **Budget and Schedule:**

The total amount of this amendment is \$148,320, bringing the total contract value to \$373,320 and extending the term to December 31, 2023. Funds for this service/contract will come from the 2022 budget for Learning and Organizational Development Business Unit, which has sufficient funds to pay the \$88,320 estimated to be needed in 2022. The remaining \$60,000 will be budgeted in 2023.

### **Selection of Business Partner:**

ConstructNet was selected in 2021 through a competitive selection process.

### **S/MWBE Information:**

The contractor is a Small/Minority and Women-owned Business Enterprise.

### **Recommendation:**

Staff recommends that the Board approve the third amendment to Contract 504524 with ConstructNet International for DE&I consulting and training services for an extension of the contract period through December 31, 2023, and for an addition of \$148,320 for a total amended contract amount not to exceed \$373,320.

### **Approvals**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager              | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer                |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff              | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel                      | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer               |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer                  |

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2022

Board Item: II-B-1

## Adoption of Denver Water's Strategic Plan

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Action by Consent

Individual Action

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### **Purpose and Background:**

Over the past 10 years, Denver Water has consistently used a strategic planning process to set long range priorities that advance us toward the achievement of our vision. This process culminates with the adoption of our Strategic Plan.

The Strategic Plan establishes our direction, informs our decisions, and guides our actions by providing common goals and objectives for all employees so they may effectively and efficiently align resources and operations toward the achievement of our vision. In response to an ever-changing environment, we refresh the Strategic Plan every five to seven years.

Our last Strategic Plan refresh occurred in 2017. Over the past five years, we've achieved significant progress toward the goals and objectives outlined in the Plan. In addition, we've completed the Operations Complex Redevelopment, construction is well underway at both the Northwater Treatment Plant and the Hydro building at National Western - which will house our new water quality lab, and we are beginning construction of Gross Reservoir expansion. At the same time, we've faced many new challenges. The pandemic, social upheaval, political discord, economic challenge and now a war in Ukraine have affected everything from our work environment to our supply chains. And climate change has had an increasing impact on our system and communities. For these reasons, it is time to reassess and adjust our future direction - evaluating the changing environment against past practices and implementing new ways of thinking and operating to ensure we continue to productively serve our customers and communities for generations to come.

Over the past three months we gathered feedback and insights from the Board of Water Commissioners and an Advisory Committee made up of the executive team and a diverse group of employees representing various functions across the organization. From this input we refreshed our vision, mission, guiding principles, and goals and objectives into our refreshed Strategic Plan (see attached).

Our customers remain at the center of our refreshed Strategic Plan and many of the concepts from the previous plan are incorporated into the new plan. However, there are some noteworthy differences:

- Due to the many accomplishments over the last 10 years, it is time to move beyond a vision of aspiring to be the Best Water Utility in the Nation. The new Vision acknowledges that our communities would not be here but for the foresight of our predecessors in planning and developing a remarkable system that collects, treats and delivers water to sustain the Denver metro area and support the mountain communities in which we operate. It is our responsibility to protect and value this system and the precious natural resource it delivers for future generations, and to engage our communities in doing the same.
- The Mission is inclusive of the work we do throughout Denver Water and is designed to speak to all employees about the incredible importance of their role in sustaining our communities for the long term.
- Our Guiding Principles have increased from three to four and now include an "inclusive culture" as integral to our ability to make informed decisions that benefit our workforce and the communities we serve.
- The Framework makes several adjustments to our four perspectives to reflect the accomplishments and challenges of the last 5 years and support our vision going forward.
  - It emphasizes flexibility and resiliency in our capital planning.

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- It places a greater emphasis on environmental stewardship and sustainability.
- It supports safety, training, leadership development and a diverse and inclusive culture.
- It places a greater emphasis on our role as a Trusted Leader.

We intend to socialize the plan beginning with our leaders in mid-June and cascade to all employees during the summer months. We will also use the plan to inform our 2023 Annual Business Plan and two year look ahead, which we will bring to the Board in July.

**Recommendation:**

Staff recommends that the Board adopt Denver Water's 2022 Strategic Plan to be executed over the course for the next five to seven years.

**Approvals**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager   | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer                |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff   | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel           | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer               |
| <input type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer                  |



DENVER WATER

# Strategic Plan

Updated 2022





# VISION AND MISSION

## Our Vision: To sustain vibrant communities that value water for future generations.

Denver Water is the nation's premier water resource manager. Through our service, we enrich the lives of the people in the diverse communities of the Denver metropolitan area and surrounding mountains. The water we provide is a priceless resource. Everything we do – serving and engaging our customers, planning, developing and operating our system, interacting with our neighbors and the environment – fosters the value of water for future generations.

Our customers are our top priority. They rely on us to deliver a clean, reliable water supply every day, without fail. In turn, we depend on our customers to use our precious supply with the utmost efficiency. This partnership requires that we continually earn our customers' trust by listening to them and acting in their best interest. We exist to serve them.

Our vast and complex system includes the watersheds, rivers and streams that sustain our water supply. As a result, we develop and operate our system, facilities and properties to sustain a healthy environment and produce clean energy.

We face challenges – known and unknown – such as a warming climate, pandemics, population growth, periodic drought, competition for water resources, security threats, and changing regulatory and political environments. We are prepared for any possible event. To meet these challenges, we build the trust and support of local, regional and national interests by engaging and doing the right thing. In an ever-changing world, we continuously improve, we step up, and we lead.

Financial strength is a cornerstone to our success. We employ accountable governance and control mechanisms to maintain a financial

plan that supports long-term capital investments and ensures effective and efficient operations. We prudently manage rates and ensure they are equitable across customer classes. We are fiscally responsible; we will not sacrifice long-term interests for short-term expediency.

Our people, our families and our friends live in and are part of the diverse cultures and neighborhoods throughout our water system. This sense of community, family and friendship drives our passion for service. We care about each other and the community we serve. We collaborate, we engage, and we partner.

## Our Mission

*To serve our customers by being a national leader in delivering clean water, operating and maintaining a reliable and resilient system, and protecting the water resources of the West.*





# GUIDING PRINCIPLES

We use the following guiding principles to evaluate all of our decisions and purposefully move us toward our vision to sustain vibrant communities that value water as a legacy for future generations.

## **We are customer-centric.**

We strive to earn the support and trust of our customers – everyone who pays for our service or uses our water. They are our top priority, and we are motivated to serve them.

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## **We are industry leaders.**

We understand, help develop, implement and share best industry practices. We are forward-thinking – we anticipate future trends and look for and responsibly implement progressive solutions. We are adaptable, resilient and experts in our work.

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## **We take the long-term view.**

We weigh the consequences of our decisions and actions against multiple scenarios to preserve future options and the sustainability of our community and the environment. We provide the best possible outcome for our customers and future generations.

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## **We are inclusive.**

We embrace and promote an inclusive and diverse culture where all employees play a role in speaking openly, listening to understand and suspending judgement. Because we are better together through our unique backgrounds and perspectives, we intentionally seek multiple points of view to ensure the best possible outcomes.



# EXCELLENT OPERATIONS

Advance resilient infrastructure and efficient processes to deliver clean water, reliably.

| Goal   | Objectives   |
|--|--|
| <b>Plan, build, operate and sustain our infrastructure to meet customers' current and long-term water needs, given a warming climate and uncertain future.</b> | <p>Apply scalability to capital and long-range planning to preserve options and maintain flexibility under multiple future scenarios.</p> <hr/> <p>Anticipate and proactively address infrastructure needs to ensure safety, reliability and resiliency.</p>   |
| <b>Apply new insight and best business practices to drive customer value and continuous improvement in our day-to-day operations.</b>                          | <p>Use and evolve standard work plans, asset and risk management practices, metrics and operational reporting to drive efficiency.</p> <hr/> <p>Listen to and incorporate insight from customers, employees and peers to anticipate future needs and drive continuous improvement.</p> <hr/> <p>Invite new ideas and appropriate technologies for adapting to changing business needs.</p> |
| <b>Plan and operate our system and facilities to strengthen our resiliency.</b>  | <p>Advance environmental stewardship within system operations and capital and long-range planning.</p> <hr/> <p>Optimize operating efficiency and increase sustainability of all new and existing facilities.</p> <hr/> <p>Expand our clean energy and green infrastructure portfolio.</p>   |



Foster a passionate and purpose-driven culture rooted in inclusion, adaptation and excellence.

**Goal**

**Objectives**

**Encourage all staff to pursue meaningful opportunities to deliver on our mission.**

Foster a people-first, safety-always environment, where employees discuss hazards and concerns with candor and make sound, risk-based decisions to accomplish work safely.

Ensure a comprehensive approach to training and skill development that enables employee growth.

Build employee leadership competencies at all levels to drive a culture of servant leadership in both spirit and execution.

**Model inclusion and willingness to try new approaches in our pursuit of excellence.**

Develop and grow practices that value and draw strength from the diversity of our people.

Promote diversity in leadership by addressing systemic, cultural and organizational barriers to hiring and career advancement at all levels of the organization.

Facilitate a culture of continuous improvement with an emphasis on creating efficiencies, removing barriers and taking calculated risks.



# STRONG FINANCIALS

Balance near-term investment with sound long-range planning to ensure good value for our customers.

| Goal  | Objectives  |
|---|---|
| <p><b>Manage our financial plan in a manner that supports our strategic objectives.</b></p>           | <p>Manage debt and cash reserves to ensure successful execution of our long-range plans, meet short-term needs and prepare us for an uncertain future.</p> <hr/> <p>Proactively manage rates and fees to optimize revenue stability from year to year, ensure good value, equity and affordability across customer classes, and promote water-use efficiency.</p> |
| <p><b>Make financial decisions keeping in mind the best long-term interests of our customers.</b></p> | <p>Maintain a strong control environment by effectively tracking, managing and transparently reporting our financial resources, transactions and performance.</p> <hr/> <p>Develop and execute our budget to ensure alignment with our strategic priorities.</p>  |



# TRUSTED LEADER

Lead the water industry in serving our communities and protecting the water resources of the West.

## Goal

## Objectives

**Advance local, statewide and Western region efforts to protect Colorado’s water.**

Align and activate key government, business, nonprofit and academic influencers to advance our strategic positions.

Leverage our successes and influence as a force for change toward a sustainable future.

**Collaborate and partner to sustain vibrant, healthy and water-smart communities.**

Develop and share best practices across the water industry and in the communities we serve.

Partner with customers and community leaders to advance public health and water conservation.

Build strategic partnerships to inform and influence water-smart growth.

**Build trust within our communities by engaging customers and doing the right thing.**


Act with integrity, transparency and accountability, always.


Build and nurture relationships with the diverse communities we serve.

Engage our customers, employees and partners in sharing our stories.




1600 W. 12th Ave., Denver, CO 80204-3412  
303-893-2444

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 [denverwatertap.org](#)

Denver Water's Public Water System Identification: CO0116001

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2022

Board Item: II-B-2

## Inter-governmental Agreements with Western Area Power Administration Contracts 505245 & 505246

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to renew Denver Water's power interference and banking Inter-governmental (IGA) agreements, Contracts 500026 and 500028, with the United States Government (U.S.) through the Western Area Power Administration (WAPA). These contracts are vital to the operation of Dillon Reservoir (Dillon) and the management of Denver Water's water works system.

Denver Water owns and operates Dillon on the Blue River, which is upstream of Green Mountain Reservoir (Green Mtn. Res.) that is owned by the U.S. and operated by the Bureau of Reclamation. Green Mtn. Res.'s outlet works include a hydropower plant that generates power and revenue for the U.S. Dillon is junior in priority to Green Mtn. Res. Under the terms of the Blue River Decree, Denver Water may divert water at Dillon ahead of Green Mtn. Res. provided it replaces the U.S.'s lost power by providing replacement power or reimbursing the lost power revenue.

In 1989 and 1990 Denver Water entered into two contracts with WAPA to replace the power owed to the U.S. under the Blue River Decree. The first contract, the Firm Electric Service agreement, Contract 500026 is referred to generally as the "Power Interference Agreement." Under the Power Interference Agreement, Denver Water purchases approximately 7,000 MWh of firm electric power annually from WAPA. Denver Water does not consume this electrical power, but instead uses this block of power to offset a portion of the electrical power WAPA would have generated at Green Mtn. Res. In most years, Denver Water is not able to fully replace the power owed the U.S. using the Power Interference Agreement block of power.

The second contract, the Interchange Arrangements agreement, Contract 500028 is referred to as the "Banking Agreement." The Banking Agreement allows Denver Water to provide power to WAPA for the lost power caused by Dillon's diversions, including (1) utilize the Power Interference Agreement block of power; (2) provide electricity generated by the Williams Fork Reservoir hydropower plant; and/or (3) purchase power at the market rate when Denver Water's power bank account is depleted.

The current contracts expire September 30, 2024. Denver Water and WAPA wish to enter into new agreements that extend these contracts for an additional thirty years through September 30, 2054. The new agreements are under the same general terms as the current contracts.

### **Budget and Schedule:**

The estimated average annual total, based on expected rate changes, for the Firm Electric Service Contract, 505245, is \$266,500 per year.

The estimated average annual total, based on expected rate changes, for the Power Banking Contract, 505246, is \$570,000 per year.

The term of both contracts is October 1, 2024, through September 30, 2054. Funds for these contracts will come from the future annual budgets in Raw Water Supply. These contracts have a 30-year contract term and the amount of power purchased depends on hydrology, potential rate changes, and the amount of out of priority diversions of water at Dillon Reservoir.

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These contracts, if approved, allow Denver Water to meet its mandatory obligations under the Blue River Decree to provide replacement power to the U.S. Accordingly, staff requests the Board deem payments made pursuant to these contracts as nondiscretionary payments for utilities such that the CEO/Manager may pay the amount owed without regard to amount as provided in Paragraphs 2 and 2.h. of the Board's July 11, 2018 Board Resolution, as it may be amended from time to time.

**S/MWBE Information:**

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

**Recommendation:**

Staff recommends that the Board:

1. Approve Contracts 505245 and 505246 with Western Area Power Administration for the purchase and banking of power needed for power interference owed by Denver Water under the Blue River Decree for the contract period of October 1, 2024 through September 30, 2054.
2. Authorize the CEO/Manager to approve and pay Denver Water's annual obligations incurred pursuant to Contacts 505245 and 505246.

**Approvals**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager              | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer                           |
| <input type="checkbox"/> Julie Anderson, Chief of Staff                         | <input checked="" type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel                      | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer                          |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer                             |