

**RECORD OF PROCEEDINGS
MINUTES
of the
Board of Water Commissioners**

Denver Water Administration Building
1600 West 12th Avenue
Denver, CO
Board Room, First Floor

Video Conference: <http://zoom.us/join>, Meeting ID: 842 1228 8876, Password: 023874
or Dial-in: (669) 900-6833, Meeting ID: 842 1228 8876

Wednesday, March 23, 2022

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, March 23, 2022, beginning at 9:00 a.m. via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 842 1228 8876, Password: 023874 or via Dial-in: (669) 900-6833, Meeting ID: 842 1228 8876. Members of the Board present during the Regular Meeting were:

Gary M. Reiff, President
Craig Jones, First Vice President
Stephanie Donner, Vice President
Tyrone J. Gant, Vice President
Dominique Gómez, Vice President

Board employees and others present during portions of the meeting were:

J.S. Lochhead, CEO/Manager	P. Freeman, Business Operations Manager
J.A. Anderson, Chief of Staff	L. Harris, Engineer Sr.
A.C. Bricmont, Chief Financial Officer	A. Hill, Government Relations Liaison
J. Brody, General Counsel	A. Ingram, Procurement Supervisor
D. Gorgemans, Internal Auditor	D. Lopez, IT Support Specialist
R. Mahoney, Chief Engineering Officer	J. Martin, Project Engineer
R. Marsicek, Chief Water Resource Strategy Officer	D. Martinelli, Finance Associate Analyst
V. Roberts, <i>Acting</i> Chief Administrative Officer	C. Mbakago, Division Sr. Analyst
	K. Oligney, Director IT Infrastructure

Denver Water aspires to be the best water utility in the nation.

Integrity :: Vision :: Passion :: Excellence :: Respect



T.J. Roode, Chief Operations and Maintenance Officer
S. Abram, Director Finance Planning & Performance
S. Adamkovics, Finance Sr. Analyst
B. Akins, Finance Analyst
R. Badger, Planning Manager
A. Cavallaro, Paralegal
E. Cinchock, Division Sr. Analyst
J. Daly, Finance Sr. Analyst
F. Davis, Rates Manager
C. Fransen, Procurement Specialist

J. Park, IT Application Sr. Developer
L. Quintana, Administrative Sr. Assistant
K. Riegle, Attorney
U. Sharma, Treasurer
J. Walter, Finance Analyst
P. Williams, Executive Assistant
A. Woodrow, Lead Program Manager
C. Harms
C. Lane, Platte Canyon Water and Sanitation District
M. Nelson
D. Newnam

INTRODUCTORY BUSINESS

Commissioner Reiff called the meeting to order at 9:00 a.m.

Public Comment and Communications

Commissioner Reiff issued an invitation to members of the public to comment to the Board on any matters not included in the meeting Agenda. There was no public comment.

Legislative Update

Mr. Hill reported that the Legislative Update Briefing Paper has been prepared for the Board's review, noting that House Bill 22-1305 is currently under review by staff. He was available to answer any questions. The Board had no questions.

ACTION ITEMS

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

1. ITEM II-A-1: SECOND AUTHORIZATION FOR ADDITIONAL CONTRACT FUNDS WITH KUTAK ROCK, LLP – CONTRACT 503216

Approved the Second Authorization Contract 503216 for additional contract funds with Kutak Rock, LLP for legal services, for an additional \$300,000 and a total amended contract amount not to exceed \$1,380,000.

2. ITEM II-A-2: ON-CALL CONTRACTS FOR ACCELERATED LEAD SERVICE LINE REPLACEMENT FOR LEAD REDUCTION PROGRAM – CONTRACTS 505190, 505191, 505192

Approved Contract 505190 with Global Underground Corp.; Contract 505191 with Apex Plumbing, Inc.; and Contract 505192 with Reynolds Construction, LLC for the Accelerated Lead Service Line Replacement program, for the contract period from March 23, 2022 to December 31, 2022.

Approved delegation of authority to the CEO to award subsequent task orders to contractors throughout 2022 based on costs and contractors' capacity to perform replacements, up to the number of task orders needed to meet the replacement target and within the \$34,047,579 budget. Status of contract performance and task order authorization will be reported to the Board monthly throughout 2022.

3. ITEM II-A-3: INTERGOVERNMENTAL AGREEMENT WITH U.S. BUREAU OF RECLAMATION FOR GROSS RESERVOIR EXPANSION ROLLER COMPACTED CONCRETE MATERIALS TESTING – CONTRACT 505230

Approved Intergovernmental Agreement 505230 with the United States Bureau of Reclamation for the period from March 23, 2022 to December 1, 2023, for \$50,264, including \$6,500 of owner-directed contingency funds.

4. ITEM II-A-4: SECURITY GUARD SERVICES – CONTRACTS 505214 AND 504908

Approved Contract 505214 with Allied Universal Security Services for the contract period from March 23, 2022 to April 30, 2025, for a total contract amount not to exceed \$7,700,000.

Approved Contract 504908 with Citadel Security USA LLC for the contract period from March 23, 2022 to April 30, 2025, for a total contract amount not to exceed \$3,300,000.

POLICY MATTERS

5. ITEM III-A: LEAD REDUCTION PROGRAM UPDATE

Ms. Woodrow presented the Board with the Lead Reduction Program (LRP) update, a copy of which is attached to and incorporated in these Minutes as

Exhibit A. She reported that overall program financials for 2021 came in under budget, primarily due to a shift in the filter distribution schedule, reduced program management costs, and communications outreach and education contract costs. The LRP's ongoing community outreach and education efforts continued to raise program awareness and opportunities for customer engagement through online, remote, and social media platforms. Additionally, Denver Water's ambassador program, which is the framework for Denver Water to create and maintain community connections in harder to reach communities, grew its partnerships to reach more audiences.

Ms. Woodrow stated that for 2022, in addition to hosting construction preparedness virtual community meetings, and developing an investigations strategy, the team has already met several key submittal deadlines for the Environmental Protection Agency (EPA) and the Colorado Department of Health (CDPHE), with more milestones on the horizon. These accomplishments, in combination with the acceleration of lead service line replacements and filter distribution, and reduction in lead levels, surpass the original expectations for the program.

In response to questions from the Board, Ms. Woodrow stated that the LRP continues to receive positive feedback from customers, and there has been a 1% increase in the rate of filter adoption, which staff attributes to the program's continued outreach efforts.

Ms. Bricmont added that staff is currently in the process of looking into funds allocated in the federal infrastructure plan for lead service line replacements, noting that the Board will be updated as more information is obtained.

6. ITEM III-B: GROSS RESERVOIR EXPANSION UPDATE

Mr. Martin presented the Gross Reservoir Expansion update, a copy of which is attached to and incorporated in these Minutes as Exhibit B. He reported that Denver Water has been working to obtain the necessary project permitting and other final local regulatory approvals in compliance with the Federal Energy Regulatory Commission (FERC) order. The team is currently on track to start construction on April 1, 2022 for what will be a five-year journey through completion in 2027.

General key activities that will be coordinated in 2022 include site development, dam surface preparation, and foundation excavation. In April, these activities will include the removal of trees from work areas; mass grading for batch plant,

office, maintenance, and lower dam pads; demolition of the spillway crest; and drilling and blasting the first foundation benches for the left and right dam abutments.

Mr. Martin stated that current and planned public outreach has involved an orchestrated effort to keep the community informed, which has been promoted through in-person events, mailers, recreation pamphlets, social media, web content, news releases and local ads. In conjunction with this communication effort, the Denver Water team has remained focused on project partnering in order to build a world class team to build a world class project, committed to the goal of world class performance.

7. ITEM III-C: 2021 YEAR-END PERFORMANCE REPORT

Ms. Abram presented the Board with the 2021 Year-End Performance and Financial Update, a copy of which is attached to and incorporated in these Minutes as Exhibit C. She provided an overview of the organizational scorecard metrics and highlighted portions of the Denver Water 2021 Business Plan, noting no significant changes from the 3rd Quarter Performance Report.

She reported that overall, 2021 ended 4% under budget, with operating costs 3.9% higher than budget, and costs for operating and capital projects under budget by 8.7%, primarily due to timing shifts. The operating budget, without applied labor, finished the year just 2.3% over budget despite cost increases due to inflation and other pandemic-related impacts. Revenue was \$25.7 million over budget with water use through the 3rd quarter 1% higher than average due to the extended dry weather.

Total operating costs without operating projects were \$7.7 million over budget and Salaries and Benefits were \$3 million over budget. Professional and Purchased services were \$2.6 million over budget and Materials and Supplies were \$1.8 million over budget. Costs for chemicals used in water treatment have increased, as well as manufacturing and trucking/freight costs, which are expected to continue into 2022.

EXECUTIVE UPDATE

8. ITEM IV-A: CEO UPDATE

Mr. Lochhead briefly recapped his attendance at the American Metropolitan Water Association (AMWA) 2022 Water Policy Conference in Washington, D.C.

At the conference, he discussed Denver Water's Lead Reduction Program (LRP) and the need for legislation regarding lead service line removal and financing. U.S. Representative Kildee of Michigan, with whom Mr. Lochhead has been working, along with the AMWA, just introduced legislation that will help more communities finance the removal of lead service lines.

Mr. Lochhead also noted that he had the opportunity to discuss the extension of the lead service line variance with the EPA. The Denver Water team has begun the process of applying for funding under the federal infrastructure bill to be used to accelerate Denver Water's replacement of lead service lines as part of the LRP.

9. ITEM IV-B: CFO UPDATE

Ms. Bricmont reported that the February Financial Report has been prepared for the Board's review, a copy of which is attached to and incorporated in these Minutes and Exhibit D. She indicated that the financial performance measures are within the metrics for overall operating revenues, noting that two projects are driving under-spending.

BRIEFING PAPERS & REPORTS

10. ITEM V-A-1: BRIEFING PAPER FOR LEGISLATIVE STRATEGY

The Board received a Briefing Paper for Legislative Strategy, a copy of which is incorporated and attached to these Minutes as Exhibit E.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn at approximately 9:41 a.m.

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Secretary

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President