

**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: 882 3417 6376, Password: 600590
or Dial-in: (669) 900-6833, Meeting ID: 882 3417 6376

Wednesday, May 24, 2023

Trustee/Plan Sponsor Meeting

A meeting of the Board of Water Commissioners, serving in their capacity as Trustees of the Employees' Retirement Plan Trust Fund and Plan Sponsor of the Employees' Retirement Plan, and as Plan Sponsor of the Supplemental Retirement Savings Plan of the Board of Water Commissioners of the City and County of Denver and the Denver Water 457 Deferred Compensation Plan, was held on Wednesday, May 24, 2023, commencing at 9:46 a.m., in the Board Room, Room 106, 1600 West 12th Avenue, Denver, Colorado and via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 882 3417 6376, Password: 600590 or Dial-in: (669) 900-6833, Meeting ID: 882 3417 6376. Members of the Board present were:

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

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

J.S. Lochhead, CEO/Manager	L. Ellingson, Engineer Sr.
J.A. Anderson, Chief of Staff	C. Fikan, Finance Associate Analyst
A. Bricmont, Chief Financial Officer	A. Heidema, Director Engineering - Property
J. Brody, General Counsel	A. Joseph, Attorney Sr.
N. Elder, <i>Acting</i> Chief Water Resource Strategy Officer	D. Lopez, IT Support Sr. Specialist
B.D. Good, Chief Administrative Officer	D. Martinelli, Finance Associate Analyst
D. Gorgemans, Chief Internal Auditor	P. McCormick, Project Engineer

Our vision is to sustain vibrant communities that value water for future generations.

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

R. Mahoney, Chief Engineering Officer
T.J. Roode, Chief Operations and
Maintenance Officer
E. Abbott, IT Application Manager
S. Abram, Director Financial Planning &
Performance
S. Adamkovics, Finance Sr. Analyst
B. Akins, Finance Sr. Analyst
J. Archer, Engineering Manager
A. Aslamy, Risk Sr. Analyst
R. Badger, Planning Manager
K. Bates, Attorney
L. Bissey, Paralegal
J. Bogner, Finance Sr.
A. Cavallaro, Paralegal Sr.
J. Daly, Finance Sr. Analyst
A. Denault, Community Relations Sr.
Specialist
L. Duffy, Finance Sr. Analyst

K. Oligney, Director IT Infrastructure
S. Overby, Business Operations Support
C. Palmore, Business Sr. Analyst
J. Potts, Finance Analyst
L. Quintana, Administrative Sr. Assistant
A. Rettig, Finance Supervisor
K. Riegle, Attorney Sr.
B. Scott, IT Manager
U. Sharma, Treasurer
L. Southard, Business Operations
Support
R. Walsh, Engineering Manager
J. Walter, Finance Analyst
C. Lane, Platte Canyon Water and
Sanitation District
J. Lorenz, Marsh
G. McCarthy, Captrust
P. Wood, Gabriel, Roeder, Smith, &
Company

Commissioner Jones called the Meeting to order at 9:46 a.m.

Upon motion regularly made, seconded and unanimously carried by the members of the Board then present, unless otherwise noted, the Trustees and/or Plan Sponsor acted upon the following Action Items:

ACTION ITEMS

1. ITEM I-1: MINUTES FROM FEBRUARY 22, 2023

Meeting as Trustees, the Board approved the Minutes of the Meeting of February 22, 2023.

2. ITEM I-2: ACTUARIAL VALUATION REPORT FOR THE EMPLOYEES' RETIREMENT PLAN AND OTHER POSTEMPLOYMENT BENEFITS

Meeting as Trustees and Plan Sponsor, the Board accepted and approved the January 1, 2023 Valuation Report for the Employees' Retirement Plan provided by Gabriel, Roeder, Smith & Company (GRS). A copy of the Actuarial Valuation Report is attached and incorporated in these Minutes as Exhibit A.

Mr. Wood of GRS reported to the Board that asset returns took a step back this year after following three years of very strong returns, which could exert pressure on the contribution rate over the next few years. As part of the valuation, asset gains in excess of the expectation are smoothed over a three-year period. High inflation has resulted in some banked Cost of Living Adjustment (COLA), which will have an increasing effect on the contribution. The 6.5% rate of return assumption still remains reasonable and will be revisited prior to the next valuation. Denver Water's strong funding policy continues to lead the way among its peers and is designed to adapt quickly and weather adverse economic conditions.

The funded ratio on an actuarial value of assets basis remained at 92% and the funded ratio on a market value of assets basis decreased from 99.7% to 84.8%, primarily due to investment losses. The estimated Actuarially Determined Contribution (ADC) for 2023 is \$19.2 million, which includes expected employee contributions of \$3 million and net employer contributions of \$16.1 million, below the currently budgeted net employer contributions of \$17.5 million.

3. ITEM I-3: FUNDING POLICY FOR THE EMPLOYEES' RETIREMENT PLAN

Meeting as Trustees, the Board approved the proposed amendments to the Funding Policy (Policy) for the Employees' Retirement Plan (Plan), a copy of which is attached to and incorporated in these Minutes as Exhibit B.

Ms. Sharma stated that the Policy is reviewed annually by staff to determine whether modifications to the current policy statement are necessary. Following the most recent annual review, the Board's actuary, Gabriel, Roeder, Smith & Company proposed minor edits to language to be consistent with the Plan document changes and best practices. The recommended changes do not include substantive changes.

INFORMATION ITEMS

4. ITEM II-1: Q1 2023 PERFORMANCE REPORT FOR THE DB PLAN – SEGAL MARCO

Meeting as Trustees and Plan Sponsor, the Board received Segal Marco Advisors' First Quarter 2023 Performance Report, a copy of which is attached to and incorporated in these Minutes as Exhibit C.

Ms. Rettig highlighted the first quarter 2023 pension plan performance and actions taken related to the retirement plan, noting that despite some volatility, this quarter performed well. Assets totaled \$456.4 million as of March 31, 2023, up \$3.1 million from the 4th quarter of 2022.

5. ITEM II-2: Q1 2023 PERFORMANCE REPORT FOR 401(K) PLAN AND 457 PLAN – CAPTRUST

Meeting as Plan Sponsor, the Board received the First Quarter 2023 Performance Report for the 401(k) and 457 Plans, a copy of which is attached to and incorporated in these Minutes as Exhibit D.

Mr. McCarthy of Captrust highlighted portions of the First Quarter 2023 Performance Report for the 401(k) and 457 Plans. He also discussed the market outlook and quarterly retirement program actions taken and changes to the DC Plans as summarized in the Supplemental Retirement Savings Plan & 457 DC Plan Summary.

6. ITEM II-3: 4Q 2022 SUMMARY RETIREMENT PROGRAM REPORT FOR DB PLAN, 401(K) PLAN AND 457 PLAN

Meeting as Trustees and Plan Sponsor, the Board received the First Quarter 2023 Retirement Program Report for the DB plan, 401(k) and 457 Plans and the quarterly Due Diligence Report, a copy of which is attached to and incorporated in these Minutes as Exhibit E.

No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 10:26 a.m.

DocuSigned by:

Jim Lockhead
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Secretary

DocuSigned by:

Craig Jones
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President