

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

Denver Water Administration Building  
1600 West 12<sup>th</sup> 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**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, May 24, 2023, beginning at 9:00 a.m. in the Board Room and via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 882 3417 6376, Password: 600590 or via Dial-in: (669) 900-6833, Meeting ID: 882 3417 6376. Members of the Board present during the Regular Meeting 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
R. Mahoney, Chief Engineering Officer	K. Oligney, Director IT Infrastructure
T.J. Roode, Chief Operations and	S. Overby, Business Operations Support

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

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



Maintenance Officer	C. Palmore, Business Sr. Analyst
E. Abbott, IT Application Manager	J. Potts, Finance Analyst
S. Abram, Director Financial Planning & Performance	L. Quintana, Administrative Sr. Assistant
S. Adamkovics, Finance Sr. Analyst	A. Rettig, Finance Supervisor
B. Akins, Finance Sr. Analyst	K. Riegler, Attorney Sr.
J. Archer, Engineering Manager	B. Scott, IT Manager
A. Aslamy, Risk Sr. Analyst	U. Sharma, Treasurer
R. Badger, Planning Manager	L. Southard, Business Operations Support
K. Bates, Attorney	R. Walsh, Engineering Manager
L. Bissey, Paralegal	J. Walter, Finance Analyst
J. Bogner, Treasury Sr. Analyst	J. Crockett, Jacobs
A. Cavallaro, Paralegal Sr.	C. Lane, Platte Canyon Water and Sanitation District
J. Daly, Finance Sr. Analyst	J. Lorenz, Marsh
A. Denault, Community Relations Sr. Specialist	G. McCarthy, Captrust
L. Duffy, Finance Sr. Analyst	P. Wood, Gabriel, Roeder, Smith, & Company

## INTRODUCTORY BUSINESS

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

### Public Comment and Communications

Commissioner Jones 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.

## 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-B-1: PROPERTY, CASUALTY, AND CYBER INSURANCE POLICY RENEWALS/PURCHASES

Mr. Aslamy reported that staff is working with Denver Water's insurance broker, Marsh, on renewing existing insurance policies, including property, fiduciary, excess liability, crime, cyber, terrorism, and malicious attacks to determine the

most viable policy options. On Marsh's recommendation, Denver Water staff is negotiating a directors and officers (D&O) policy and will provide a recommendation to the Board at a later Board meeting.

Mr. Lorenz, of Marsh, presented the Board with the 2023 Insurance Renewal – Follow-up Questions, a copy of which is attached to and incorporated in these Minutes as Exhibit A. As a follow-up to the May 10, 2023 Board Meeting, and in response to questions from the Board, Mr. Lorenz clarified policy coverage differences between cyber insurance and malicious attack/active assailant insurance and D&O insurance versus fiduciary insurance. He added that Marsh would explore insurance gap concerns with the Denver Water risk management team and provide additional feedback on questions regarding indirect impacts from wildfires, how Denver Water's peers are addressing the impacts, and loss of revenue risk associated with severe drought.

Approved the 2023-2024 insurance strategy and delegated renewal of the agreements for property and equipment, excess liability, fiduciary, crime, cyber, terrorism, and malicious attack insurance to the CEO to bind annual coverage up to a maximum \$1,600,000.

**2. ITEM II-B-2: REAPPOINTMENT TO THE CITIZENS ADVISORY COMMITTEE – HOMEBUILDERS ASSOCIATION OF METRO DENVER REPRESENTATIVE**

Ms. Denault stated that Mr. Fitzmorris has served a three-year term on the Citizens Advisory Committee (CAC) as the Homebuilders Association of Metro Denver representative. The CAC voted unanimously to recommend Mr. Fitzmorris for a second term, lasting through April 2026.

Approved the appointment of Jim Fitzmorris for a second, three-year term as the Homebuilders Association of Metro Denver representative position on the Citizens Advisory Committee.

**POLICY MATTERS**

**3. ITEM III-A: NORTHWATER TREATMENT PLANT**

Mr. McCormick presented the Board with the Northwater Treatment Plant (NTP) Update, a copy of which is attached to and incorporated in these Minutes as Exhibit B. He reported on the progress of construction on site, displaying interior/exterior site photos and noting the various project milestones. He stated

that a majority of the structures are backfilled and buried, and grading is 90% complete. The team is preparing to turn on power and test the equipment, components, and systems. He explained that a critical piece of equipment was shipped during the winter without proper protection from the elements and was determined to be unsafe to install. The current estimate for replacement is 46 weeks, which impacts the project schedule by pushing delivery into February 2024. A temporary piece of equipment has been installed for testing purposes. Once the permanent replacement arrives, the team will start refining the chemical addition, which will take 4-6 weeks to complete. The team's goal is to avoid any additional delays.

Mr. McCormick also provided the Board with an update on the amount of work completed to date, a status summary of all bid and work packages, and a summary of substantial completions issued for work or bid packages, and layout plans, detailing primary power distribution and the water treatment process. The project estimate at completion (EAC) remains at \$518.1 million, which is just under the project forecast of \$520 million, and approaching \$450.2 million spent to date. The owner contingency is projected to finish under budget.

#### **4. ITEM III-C: SOUTH SYSTEM UPDATE**

Mr. Walsh presented the Board with the South System Planning Program (Program), a copy of which is attached to and incorporated in these Minutes as Exhibit C. He provided an overview of the scope of planned improvements for the Program, explaining that the South System includes the Foothills and Marston Water Treatment Plants, Source of Supply (raw water) infrastructure upstream, and Distribution (treated water) infrastructure downstream of the two treatment facilities.

He stated that the purpose of the Program is to operationalize the planning goals and strategies identified in the Integrated Resource Plan 2065 to develop an actionable, adaptive plan for the South System and incorporate projects into the long-term forecast. The Program will address risks to the South System's operation and performance, evaluate and prepare for climate change impacts, and identify regulatory changes for source waters, treatment processes, and water supply. The team has adaptive planning workshops scheduled to develop a strategic 20-year capital improvement plan for the South System, with identified triggers for design and construction improvements in order to provide an adaptive framework for assessing changing needs in the future.

## EXECUTIVE UPDATE

### 5. ITEM IV-A: CEO UPDATE

Mr. Lochhead reported that in response to the Department of Interior's efforts to address drought conditions in the Colorado River basin, the Lower Basin states have submitted a proposal for potential adoption to collectively reduce water use by 3 million acre-feet by the end of 2026. Up to 2.3 million acre-feet of those cuts will be federally compensated by Inflation Reduction Act funds. The Upper Basin states have not endorsed the Lower Basin states' proposal but have signed a letter requesting the Bureau of Reclamation analyze the proposal as an action alternative under the Draft Supplemental Environmental Impact Statement. Mr. Lochhead stated that while the goal is to have something in place by October, the present draft proposal is vague and does not provide a sustainable, permanent answer for conserving Colorado River resources over the long-term.

### 6. ITEM IV-B: CFO UPDATE

Ms. Bricmont reported that the April Financial Report has been prepared for the Board's review, a copy of which is attached to and incorporated in these Minutes as Exhibit D. She noted that the 2023 Annual Comprehensive Financial Report will be brought before the Board at the next meeting.

### 7. ITEM IV-C: OPERATIONS UPDATE

Mr. Elder reported that recent storms in Denver brought significant rainfall, with a gain of nearly 13,000 acre-feet in Denver Water's storage reservoirs. The amount of water received also resulted in a drop in water demand from Denver Water customers. For the first time in more than three years, there is enough water in the South Platte River to satisfy all water rights. Additionally, the U.S. Drought Monitor shows that rainfall totals led to reductions in drought coverage across the Front Range.

## BRIEFING PAPERS & REPORTS

### 8. ITEM V-A-1: REPORT FOR LEAD REDUCTION PROGRAM

The Board received a Report for Lead Reduction Program, a copy of which is incorporated and attached to these Minutes as Exhibit E.

## ADJOURNMENT

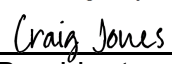
No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 9:43 a.m.

### Trustee/Plan Sponsor Meeting

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 Sponsor of the Supplemental Retirement Savings Plan of the Board of Water Commissioners of the City and County of Denver, met on Wednesday, May 26, 2023, commencing at 9:46 a.m., in the Board Room, Room 106, 1600 West 12<sup>th</sup> Avenue, Denver, Colorado and via Zoom Video Conference. The Minutes of the Trustee/Plan Sponsor Meeting are maintained separately.

The Trustee/Plan Sponsor Meeting concluded at 10:28 a.m., at which time the Board voted unanimously to adjourn the meeting of the Board of Water Commissioners.

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Secretary

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President