

**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: 867 2845 0917, Password: 601026
or Dial-in: (669) 900-6833, Meeting ID: 867 2845 0917

Wednesday, May 25, 2022

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 25, 2022, commencing at 9:37 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: 867 2845 0917, Password: 601026 or Dial-in: (669) 900-6833, Meeting ID: 867 2845 0917. Members of the Board present were:

Gary M. Reiff, President
Craig Jones, 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	D. Herrera, IT Application Manager
J.A. Anderson, Chief of Staff	D. Lopez, IT Support Specialist
A. Bricmont, Chief Financial Officer	J. Lorton, Director Accounting
B.D. Good, Chief Administrative Officer	D. Martinelli, Finance Associate Analyst
D. Gorgemans, Chief Internal Auditor	C. Martinez, Finance Associate Analyst
A. Joseph, <i>Acting</i> General Counsel	A. Mays, Finance Supervisor

R. Mahoney, Chief Engineering Officer
R. Marsicek, Chief Water Resource
Strategy Officer
T.J. Roode, Chief Operations and
Maintenance Officer
E. Abbott, IT Program Manager
S. Abram, Director Finance Planning &
Performance
S. Adamkovics, Finance Sr. Analyst
A. Aslamy, Risk Sr. Analyst
R. Badger, Planning Manager
M. Barela, Finance Supervisor
J. Bogner, Finance Sr. Analyst
A. Cavallaro, Paralegal
S. Chavez, Finance Supervisor
S. Chesney, Director Public Affairs
J. Daly, Finance Sr. Analyst
F. Davis, Rates Manager
M. Day, IT Support Manager
N. DiMascio, Attorney
M. Farquhar, GIS Analyst
M. Freeman, Grants Administrator
P. Freeman, Business Operations
Manager

P. McCormick, Project Engineer
K. Oligney, Director IT Infrastructure
S. Overby, Business Operations Support
B. Peterson, Finance Supervisor
C. Proctor, Communications Sr. Specialist
A. Rettig, Finance Supervisor
K. Riegle, Attorney
U. Sharma, Treasurer
L. Southard, Business Operations
Support
J. Walter, Finance Analyst
L. Albanese, Financial Investment News
J. Crockett, Jacobs
N. Furness, Marsh & McLennan
S. Hellwege, CliftonLarsonAllen, LLP
G. Hood, Jacobs
R. Hungerbuhler, Segal Marco Advisors
K. Koepke, Marsh & McLennan
J. LeChevallier, CliftonLarsonAllen, LLP
G. McCarthy, Portfolio Evaluations, Inc.
P. Wood, Gabriel, Roeder, Smith &
Company
D. Woolfrey, Gabriel, Roeder, Smith &
Company

Commissioner Reiff called the Meeting to order at 9:37 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 APRIL 27, 2022

Meeting as Trustees, the Board approved the Minutes of the Meeting of April 27, 2022.

2. ITEM I-2: 2021 RETIREMENT PLANS AUDITED FINANCIAL STATEMENTS

Meeting as Trustees, the Board received the 2021 Retirement Plans Audited Financial Statements, a copy of which is attached to and incorporated in these Minutes as Exhibit A. The Board accepted and adopted the 2021 financial statements for the Employees' Retirement Plan of the Denver Board of Water Commissioners, Denver Water Supplemental Retirement Savings Plan, and the Denver Water 457 Deferred Compensation Plan.

Mr. Hellwege of CliftonLarsenAllen (CLA) provided the Board with a brief overview of the scope of engagement, audit results, and recommendations of the 2021 Retirement Plans Audited Financial Statements. He reported that CLA encountered no difficulties in performing the audit, no passed adjustments, no disagreements with management, no corrected misstatements, and no significant material weaknesses. He thanked the Denver Water team for their time and cooperation.

3. ITEM I-3: ACTUARIAL REPORT FOR THE EMPLOYEES' RETIREMENT PLAN AND OTHER POST-EMPLOYMENT BENEFITS

Meeting as Trustees and Plan Sponsor, the Board accepted and approved the January 1, 2022 Valuation Report for the Pension Plan and the Other Post-Employment Benefits (OPEB) Report provided by GRS. A copy of the Actuarial Valuation Report is attached to and incorporated in these Minutes as Exhibit B.

Mr. Wood of Gabriel, Roeder, Smith & Company (GRS) reported to the Board that Denver Water has had three very strong years with approximately \$39 million in deferred asset gains, moving the Plan close to 100% funded. The increase in inflation creates the possibility for lower-than-expected asset returns in the short term. Significant deferred asset gains provide some protection against short-term adverse asset and inflation experience. Denver Water's funding policy continues to lead the way among its peers and the plan is in a position to weather the adverse economic conditions.

The funded ratio on an actuarial value of assets basis increased from 84.4% to 92.0% and the funded ratio on a market value of assets basis increased from 88.4% to 99.7% due to upward pressure from investment gains. The estimated Actuarially Determined Contribution (ADC) for 2022 is \$17.9 million, which includes expected employee contributions of \$2.8 million and net employer contributions of \$15.0 million.

INFORMATION ITEMS

4. ITEM II-1: 1Q 2022 PERFORMANCE REPORT FOR 401(K) PLAN AND 457 PLAN – PORTFOLIO EVALUATIONS, INC.

Meeting as Plan Sponsor, the Board received the 1st Quarter 2022 Performance Report for the 401(k) and 457 Plans, a copy of which is attached to and incorporated in these Minutes as Exhibit C.

Mr. McCarthy of Portfolio Evaluations, Inc. (PEI) provided an update on plan asset allocation, the investment performance market, and highlighted investment strategies and governance aspects of the DC Plans as summarized in the Supplemental Retirement Savings Plan & 457 DC Plan Summary and the May 2022 Roadmap.

5. ITEM II-2: DB PLAN – 1Q 2022 PERFORMANCE REPORT


Meeting as Trustees and Plan Sponsor, the Board received Segal Marco Advisors' 1Q 2022 Performance Report, a copy of which is attached to and incorporated in these Minutes as Exhibit D.

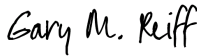
Ms. Sharma highlighted the first quarter 2022 pension plan performance and actions taken related to the retirement plan, noting a difficult first quarter.

6. ITEM II-3: 1Q 2022 SUMMARY RETIREMENT PROGRAM REPORT FOR DB PLAN, 401(K) PLAN AND 457 PLAN

Meeting as Trustees and Plan Sponsor, the Board received the 1st Quarter 2022 Retirement Program Report for the DB plan, 401(k) and 457 Plans, 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 the Meeting to Executive Session at approximately 10:14 a.m.

DocuSigned by:

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Secretary

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President