

**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

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, May 25, 2022, beginning at 9:00 a.m. in the Board Room and via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 867 2845 0917, Password: 601026 or via Dial-in: (669) 900-6833, Meeting ID: 867 2845 0917. 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	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	P. McCormick, Project Engineer
R. Marsicek, Chief Water Resource Strategy Officer	K. Oligney, Director IT Infrastructure
	S. Overby, Business Operations Support

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
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

B. Peterson, Finance Supervisor
C. Proctor, Communications Sr. Specialist
A. Rettig, Finance Supervisor
K. Riegler, 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

INTRODUCTORY BUSINESS

Commissioner Reiff called the meeting to order at 9:02 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.

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: LAST CHANCE DITCH DIVERSION DAM REPLACEMENT
– CONTRACT 504770**

Approved Contract 504770 with ACC Mountain West for Last Chance Ditch Diversion Dam Replacement for the contract period from May 25, 2022 through April 5, 2023, for a total contract amount not to exceed \$1,645,200.

2. ITEM II-B-1: 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 A. He reported on the progress of construction on site, noting several upcoming project milestones. He stated that as of April 2022, the team anticipates completing the project one week ahead of schedule, having recovered the previous eight-month slippage due to supply chain issues and manufacturer labor shortages. Construction is currently 66% complete with 24 months to go until the targeted completion date of February 2024.

The project estimate at completion (EAC) remains at \$512 million with about \$349 million spent to date, and about \$7.5 million below the project forecast of \$520 million. Minority and women-owned enterprise spending is currently just shy of 8%, but on track to exceed the targeted participation of \$31.5 million. Construction owner contingency spend is at \$5.1 million, less than one third of the \$17.5 million allocated, which could result in a reduction to the EAC at the end of the project. Overall, the project is well-positioned to come in under-budget and on schedule.

In response to questions from the Board, Mr. McCormick explained the team has a contingency plan to backfill any open key positions on the project. He also stated that emphasis is being placed on training, prevention and emergency response on site and the crews have started targeted fire drills, often with involvement from the fire department.

Approved the Eighth Amendment to Contract 501559 with CH2M Hill Engineers, Inc. for additional Facilities Commissioning and Startup (FCS) support and training for Denver Water Operations and Maintenance staff on Northwater Treatment Plant (NTP) systems and processes, for an increase of \$559,886 to CH2M's Task 5A and 6 budget, resulting in a total contract value of \$10,419,215.

Approved the Eighth Amendment to Contract 501471 with Carollo Engineers to perform electrical and instrumentation field inspection services, including support of FCS and training for Denver Water Operations and Maintenance staff on NTP systems and processes, for an increase of \$1,569,146 to Carollo's Task 5A budget, resulting in a total contract value of \$14,543,992.

3. ITEM II-B-2: PROPERTY, CASUALTY, AND CYBER INSURANCE POLICY RENEWALS/PURCHASES

Ms. Sharma stated that staff is working with Denver Water's insurance broker, Marsh & McLennan, on renewing existing insurance policies, including property, fiduciary, excess liability, crime, cyber, terrorism, and malicious attacks to determine the most viable policy options. All lines of coverage except for crime will be effective beginning June 1, 2022 and continuing for the next 12 months.

Approved the 2022-2023 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. The total amount of this renewal is \$1,081,571.

4. ITEM II-B-3: 2021 AUDITED FINANCIAL STATEMENTS

Ms. Lorton presented the Board with the 2021 Audited Financial Statements, a copy of which is attached to and incorporated in these Minutes as Exhibit B. She reported that the external audit was completed in compliance with GAAP as governed by GASB, and commended staff from across the organization for their outstanding work.

Mr. LeChevallier of CliftonLarsonAllen, LLP reported that Denver Water's external auditors conducted an audit of the financial statements in accordance with Generally Accepted Auditing Standards, resulting in an unmodified (clean) opinion. Summarizing the audit findings, Mr. LeChevallier noted that the audit scope for the Annual Comprehensive Financial Report encompassed Denver Water's financial statements and retirements plans, noting that the format of the opinion changed for the audit reports, but the procedure remained the same. CLA encountered no difficulties in performing the audit, no corrected misstatements, no disagreements with management, no significant issues to discuss with management, and found no material weaknesses.

Mr. LeChevallier thanked Denver Water's finance and accounting teams for their cooperation and attention to detail.

Accepted the 2021 Comprehensive Annual Financial Report for Denver Water.

EXECUTIVE UPDATE

5. 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 C. She noted there were no material changes from last month.

BRIEFING PAPERS & REPORTS

6. ITEM V-A-1: REPORT FOR LEAD REDUCTION PROGRAM DASHBOARD

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

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 9:36 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 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. The Minutes of the Trustee/Plan Sponsor Meeting are maintained separately.

The Trustee/Plan Sponsor Meeting concluded at 10:14 a.m., at which time the Board voted unanimously to adjourn the meeting of the Board of Water Commissioners.

DocuSigned by:
Jim Lockhead
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Secretary

DocuSigned by:
Gary M. Reiff
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President