

**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 3990 9007, Password: 899885
or Dial-in: (669) 900-6833, Meeting ID: 867 3990 9007

Wednesday, August 10, 2022

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, August 10, 2022, beginning at 9:00 a.m. in the Board Room and via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 867 3990 9007, Password: 899885 or via Dial-in: (669) 900-6833, Meeting ID: 867 3990 9007. Members of the Board present during the Regular Meeting were:

Gary M. Reiff, President
Craig Jones, First Vice President
Stephanie Donner, Vice President

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

J.S. Lochhead, CEO/Manager	D. Martinelli, Finance Associate Analyst
J.A. Anderson, Chief of Staff	C. Mbakago, Division Sr. Analyst
A.C. Bricmont, Chief Financial Officer	S. Monge, Program Administrator
J. Brody, General Counsel	K. Oligney, Director IT Infrastructure
G. Fisher, <i>Acting</i> Chief Water Resource Strategy Officer	C. Palmore, Business Sr. Analyst - EPMO
B. Good, Chief Administrative Officer	C. Proctor, Communications Sr. Specialist
D. Gorgemans, Internal Auditor	L. Quintana, Administrative Sr. Assistant
R. Mahoney, Chief Engineering Officer	B. Ransom, Recreation Manager
T.J. Roode, Chief Operations and Maintenance Officer	B. Scott, IT Manager
E. Abbott, IT Applications Manager	J. Seagren, Distribution Relations Manager
	U. Sharma, Treasurer

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

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



S. Abram, Director Financial Planning & Performance
 S. Adamkovics, Finance Sr. Analyst
 B. Akins, Finance Analyst
 S. Behunek, Public Affairs Manager
 A. Cavallaro, Paralegal
 S. Chesney, Director Public Affairs
 M. Freeman, Grants Administrator
 P. Freeman, Business Operations Manager
 C. Harris, IT Manager
 A. Hill, Government Relations Liaison
 A. Joseph, Attorney
 R. Kuhn, Finance Supervisor

J. Walter, Finance Analyst
 P. Williams, Executive Assistant
 W. Williams, IT Support Manager
 D. Bookhardt, Butler Snow LLP
 K. Crawford, Butler Snow LLP
 C. Lane, Platte Canyon Water and Sanitation District
 Tim Lowe, Bancroft-Clover Water & Sanitation District
 R. Moore, Piper Sandler Co.
 A. Moyer, Colorado River District
 S. Shaver, Stradling Yocca Carlson & Rauth

INTRODUCTORY BUSINESS

Commissioner Reiff called the meeting to order at 9:01 a.m. Upon motion regularly made, seconded and unanimously carried, Commissioners Gant and Gómez were found to be absent for good cause and were excused. The meeting commenced with Policy Matters until a quorum was called at 9:11 a.m., at which time the Board took up the Action Items agenda.

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: MINUTES FROM JULY 13, 2022

Approved the Minutes from the July 13, 2022 Board Meeting.

2. ITEM II-A-2: MINUTES FROM JULY 27, 2022

Approved the Minutes from the July 27, 2022 Board Meeting.

**3. ITEM II-A-3: THIRD AMENDMENT TO LEGAL SERVICES
AGREEMENT WITH KUTAK ROCK, LLP – AGREEMENT 503216**

Approved Third Amendment for Additional Contract Funds for Agreement 503216 with Kutak Rock, LLP for legal services, for an extension of the contract period through December 21, 2024, for an additional \$1,000,000 and a total amended contract amount not to exceed \$2,480,000.

**4. ITEM II-A-4: INTERCONNECT AGREEMENT WITH ROXBOROUGH
WATER & SANITATION DISTRICT – CONTRACT 505367**

Approved Contract 505367 with Roxborough Water and Sanitation District for the ability to activate both Emergency Interconnects, for the contract period from August 2022 to August 2027.

**5. ITEM II-A-5: SUMMIT COUNTY BALLFIELD LEASE – CONTRACT
505262**

Approved Contract 505262 with Summit County for the lease of Summit County Ballfields below Dillon Dam for the contract period from January 1, 2022 to December 31, 2031.

**6. ITEM II-B-1: APPROVAL OF THE SERIES 2022A SUPPLEMENTAL
BOND RESOLUTION**

Ms. Sharma presented the Board with the Series 2022A Supplemental Bond Resolution, a copy of which is attached to and incorporated in these Minutes as Exhibit A. She explained that the Resolution authorizes the competitive sale of a maximum of \$200 million of bonds for capital improvements to finance a portion of 2022 and 2023 expenditures related to the Gross Reservoir Expansion, the Northwater Treatment Plan, Main Replacements and Improvements, and the Lead Reduction Program. The Resolution also establishes bond sale parameters, delegates certain responsibilities to complete the bond sale, and details outstanding bonds.

The Resolution parameters were developed based on current market conditions and anticipated interest rates. Staff will provide regular updates to the Board on the municipal bond market through the date of sale, which is currently planned for September 27, 2022.

Commissioner Reiff confirmed for the record that the Board has received a thorough presentation of the bond sale.

Commissioner Reiff conducted a roll call vote on the Resolution, approving the sale of Series 2022A Water Revenue Bonds. The votes were as follows:

Commissioner Reiff - yes
Commissioner Jones - yes
Commissioner Donner - yes

Adopted the Series 2022A Supplemental Bond Resolution, authorizing the planned sale of a maximum of \$200 million of Series 2022A Water Revenue Bonds.

POLICY MATTERS

7. ITEM III-A: Q2 PERFORMANCE REPORT

Ms. Abram presented the Board with the Second Quarter Performance Report, a copy of which is attached to and incorporated in these Minutes as Exhibit B. She provided an overview of the organizational scorecard metrics and highlighted portions of the 2022 Financial Report, noting no significant changes from the First Quarter Performance Report.

Ms. Abram reported that Revenue was \$18.2 million over budget with water use higher than normal, primarily due to extended periods of hot, dry weather and increased water demand. The Salary and Benefits budget was \$2.1 million over budget, primarily due to one-time payments made to employees to mitigate the impact of inflationary cost increases in 2022. In addition to typical pay adjustments, the Board previously approved certain salary range adjustments based on an annual market study.

Total Operating Costs without operating projects was \$8 million over budget. Professional and Purchased Services were \$3.3 million over budget with continued increased costs for hauling, trucking, and paving in Construction and Field Services. Chemical costs were higher due in part to price increases and higher demand in the summer months. Ms. Abram noted some inflationary cost increases have been higher than anticipated.

8. ITEM III-B: FINANCIAL PLAN PRESENTATION

Denver Water's 2023 Preliminary Financial Plan presentation was removed from the Agenda and rescheduled for the August 27, 2022 Board meeting when all Commissioners will be present.

EXECUTIVE UPDATE**9. ITEM IV-A: CEO UPDATE**

Mr. Lochhead reported that last week, Denver Water hosted an interim committee meeting of the Colorado General Assembly Water Resources and Agricultural Review Committee, during which discussions focused on Colorado River water issues and Denver Water's efforts to cooperate with other water users on Colorado's Western Slope, as well as other matters before the state legislature. Denver Water also held its annual employee Summerfest event, which had been on hold for the past two years due to the pandemic. He stated that it was a fun day of festivities and great to see everyone together again on campus.

Mr. Lochhead recognized the significance of the \$4 billion climate bill that passed in the U.S. Senate for drought relief. He also noted that the Upper Basin states have devised a Five Point Plan in response to the U.S. Bureau of Reclamation's recent demand that the Colorado River Basin states reduce their water consumption by 2 to 4 million acre-feet in the next year. The Lower Basin states, where overuse continues, have not announced any cuts or water reductions.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn at approximately 9:21 a.m.

DocuSigned by:
Jim Lochhead
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Secretary

DocuSigned by:
Gary M. Reiff
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President