

**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, August 23, 2023

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, August 23, 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:

A. Salazar, CEO/Manager	D. Herrera, IT Solution Lead
J.A. Anderson, Chief of Staff	B. Jimenez, IT Support Specialist
A. Bricmont, Chief Financial Officer	A. Joseph, Attorney Sr.
J. Brody, General Counsel	J. Martin, Project Engineer
B.D. Good, Chief Administrative Officer	D. Martinelli, Finance Associate Analyst
D. Gorgemans, Chief Internal Auditor	K. Oligney, Director IT Infrastructure
R. Mahoney, Chief Engineering Officer	S. Overby, Business Operations Support
R. Marsicek, Chief Water Resource Strategy Officer	C. Palmore, Business Sr. Analyst
	B. Peterson, Finance Supervisor

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

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



G. Rygh, *Acting* Chief Operations and Maintenance Officer
E. Abbott, IT Application Manager
B. Akins, Finance Sr. Analyst
A. Aslamy, Risk Sr. Analyst
R. Badger, Planning Manager
J. Bandy, Planning Manager
L. Bissey, Paralegal
J. Bogner, Treasury Sr. Analyst
J. Bowers, Distribution Relations Manager
C. Brummitt, Attorney
H. Carroll, IT Support Manager
A. Cavallaro, Paralegal Sr.
S. Chesney, Director Public Affairs
S. Coates, Division Analyst
D. Compton, Recreation Ranger
F. Davis, Rates Manager
S. Dozier, IT Application Developer
L. Duffy, Finance Sr. Analyst
L. Ellingson, Engineer Sr.
C. Fikan, Finance Associate Analyst
P. Freeman, Business Operations Manager

C. Proctor, Communication Sr. Specialist
J. Potts, Finance Analyst
L. Quintana, Administrative Sr. Assistant
A. Rettig, Finance Supervisor
K. Riegle, Attorney Sr.
L. Schulz, Customer Relations Manager
L. Southard, Business Operations Support
J. Walter, Finance Analyst
P. Williams, Executive Assistant
F. Aranda, Bank of America
J. Brody, Piper Sandler
K. Crawford, Butler Snow LLP
A. Fiegel, Captrust
R. Hungerbuhler, Segal Marco
D. Kelley, Butler Snow LLP
C. Lane, Platte Canyon Water and Sanitation District
T. Lowe, Bancroft-Clover Water and Sanitation District
R. Mitchell
R. Moore, Piper Sandler

INTRODUCTORY BUSINESS

Commissioner Jones called the meeting to order at 9:03 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-A-1: STRONTIA SPRINGS RESERVOIR ACCESS IMPROVEMENTS – CONTRACT 505605

Approved Contract 505605 with Flatiron Constructors, Inc. for Conduit No. 20 Diversion Dam Slope Stabilization Improvements and Strontia Springs Reservoir Access Improvements for the contract period from August 23, 2023 to April 11, 2025, for a total contract amount not to exceed \$2,266,000.

2. ITEM II-A-2: JEFFERSON CONSERVATION DISTRICT PRIVATE LANDS FORESTRY AGREEMENT FROM FORESTS TO FAUCETS PARTNERSHIP – CONTRACT 505785

Approved Contract 505785 with Jefferson Conservation District for forest health and wildfire risk reduction, for the contract period from August 23, 2023 to December 31, 2026, for a total contract amount not to exceed \$349,358.

3. ITEM II-A-3: IDENTIFICATION OF DISCRETIONARY POSITIONS

Approved the addition of Executive Assistant to the CEO/Manager as a full-time discretionary FTE to be funded from the Chief of Staff's budget.

4. ITEM II B-1: RESERVOIR AERATION PROJECT – CONTRACT 505683

Mr. Mahoney reported that the reservoir aeration project involves design-build services to design and construct aeration systems at the Marston Forebay and three North Complex reservoirs. The original request for proposal contemplated full design and construction of the Marston and North Complex aeration projects, however, when proposals were received, Denver Water adjusted the timing of multiple projects to accommodate long-term budget constraints. The design of the North Complex aeration project will continue to build on the preliminary work of the design build team and provide future flexibility for project delivery, while the timing of construction will be delayed at least two years.

In response to questions from the Board, Mr. Mahoney explained that aeration improves water quality, resolves taste and odor issues, and reduces the cost of maintaining reservoir infrastructure.

Approved Contract 505683 with Hensel Phelps Construction Company for the Reservoir Aeration Project, for the contract period from August 23, 2023 to November 13, 2025, for a total contract amount not to exceed \$9,252,191.

POLICY MATTERS

5. ITEM III-A: GROSS RESERVOIR EXPANSION UPDATE

Mr. Martin presented the Board with the Gross Reservoir Expansion (GRE) Update, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He reported on the progress of construction and key activities on site, noting that the project team is between the second and third phases of the foundation project with work continuing on the left abutment excavation and moving to the center excavation in the next couple of weeks. The team has started utilizing the quarry rock to produce aggregate for the concrete, consolidation grouting is on schedule, and curtain grouting is slightly ahead of schedule. Construction challenges are being met with a collaborative effort to mitigate effects on the construction schedule in preparation for the anticipated dam raise in May 2024.

He stated that construction billing through June is approximately \$120 million, slightly less than this year's program estimate of \$137 million, and does not impact the overall financial schedule. Public outreach is ongoing, and the team remains focused on communication and community feedback.

6. ITEM III-B: FIRST READING OF THE PROPOSED 2024 RATES

Ms. Bricmont and Mr. Davis presented the Board with the First Reading of the Proposed 2024 Rates, a copy of which is incorporated in these Minutes as Exhibit B. Ms. Bricmont stated that the 2024 annual adjustment proposal includes revenues to meet financial targets, manage inflation, and sustain debt capacity for the future. In 2016, the rate structure was amended at the Board's direction, taking into account customer feedback and input from various stakeholders. The goal was to improve revenue stability, encourage conservation at all consumption levels, and keep essential water use affordable. She stated that staff continues to endeavor to balance these goals and remains open to exploring additional options.

Mr. Davis reported that the First Reading of the 2024 proposed water rates reflects a 5% revenue adjustment. He provided an overview of annual residential bill impacts for single family residential and multi-family residential under the proposed rates. The average monthly increase for single family would be \$1.69 for Total Service, \$2.29 for In-City customers, and \$1.63 for Read and Bill customers. He noted that Denver Water has a streamlined customer assistance

program. A metro survey comparison of 2024 rates to 2023 rates showed that Denver Water trended just below the overall increase in the last six years.

Mr. Davis stated that the Second Reading of the rates will occur on October 11. If approved by the Board, rate adjustments will be implemented starting January 1, 2024 after the required 60-day waiting period.

The Board recommended that staff explore a more proactive approach to its communication outreach strategy and consider alternative means of reaching customers and targeting specific communities. The Board also requested additional information regarding cost service analysis for inside city versus outside city water rates.

7. ITEM III-C: COMMERCIAL PAPER PROGRAM UPDATE

Mr. Aslamy presented the Board with the Commercial Paper Program Update, a copy of which is attached to and incorporated in these Minutes as Exhibit C. He discussed the background, key elements, and current status of the Commercial Paper program, highlighting the program's advantages and risks. He stated that the notes are short-term maturity, variable, determined by the market, and require a liquidity facility to support the notes for paying principle in the event of a failed remarketing. Staff will request final approval of the Commercial Paper Note Authorizing Resolution at the September 13, 2023 Board meeting.

EXECUTIVE UPDATE

8. ITEM IV-A: CEO UPDATE

Mr. Salazar joined the Board meeting from the Colorado Water Congress Summer Conference in Steamboat Springs, which meets semi-annually to advance programs that protect the water resources of Colorado. Participants include federal and state lawmakers and water managers from across the state. Mr. Salazar stated that in the past few weeks, he has toured the Strontia Springs and Cheesman facilities and the Foothills Water Treatment Plant. He has spent time in every division, meeting with dozens of teams and continues to be impressed by the depth of expertise, the pride exhibited, and the sense of commitment imbedded in Denver Water's culture. He is looking forward to the journey ahead and finding ways to contribute to Denver Water's mission.

9. ITEM IV-B: CFO UPDATE

Ms. Bricmont reported that the July 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.

BRIEFING PAPERS & REPORTS

10. ITEM V-A-1: LEAD REDUCTION PROGRAM REPORT

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

11. ITEM V-B-2: NORTHWATER TREATMENT PLANT REPORT

The Board received a Report for the Northwater Treatment Plant, a copy of which is incorporated and attached to these Minutes as Exhibit F.

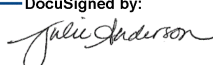
ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 9:48 a.m.

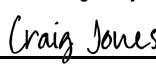
Trustee/Plan Sponsor Meeting

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, August 23, 2023, commencing at 9:49 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 10:03 a.m.

DocuSigned by:


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Secretary

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President