

**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, August 9, 2023**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, August 9, 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	M. Flores, Community Relations Specialist
J.A. Anderson, Chief of Staff	P. Freeman, Business Operations Manager
J. Bandy, <i>Acting</i> Chief Water Resource Strategy Officer	C. Gonzales, Internal Sr. Auditor
A. Bricmont, Chief Financial Officer	D. Herrera, IT Solution Lead
J. Brody, General Counsel	D. Jabin, Engineer Sr.
B.D. Good, Chief Administrative Officer	A. Joseph, Attorney Sr.
D. Gorgemans, Chief Internal Auditor	J. Lorton, Director Financial Reporting &
R. Mahoney, Chief Engineering Officer	

***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  
S. Abram, Director Financial Planning & Performance  
S. Adamkovics, Finance Sr. Analyst  
B. Akins, Finance Sr. Analyst  
D. Arnold, Attorney  
R. Badger, Planning Manager  
L. Bissey, Paralegal  
J. Bowers, Distribution Relations Manager  
L. Brown, Strategic Sourcing Specialist  
A. Cavallaro, Paralegal Sr.  
S. Chesney, Director Public Affairs  
F. Davis, Rates Manager  
R. Davis, Engineer  
A. Denault, Community Relations Sr. Specialist  
L. Duffy, Finance Sr. Analyst  
C. Fikan, Finance Associate Analyst

Assurance  
J. Martin, Project Engineer  
D. Martinelli, Finance Associate Analyst  
J. Mellette, Organization Improvement Sr. Facilitator  
J. Mitchell, Financial Planning and Performance Manager  
K. Oligney, Director IT Infrastructure  
J. Potts, Finance Analyst  
L. Quintana, Administrative Sr. Assistant  
K. Riegle, Attorney Sr.  
E. Salgado, Intern  
J. Spitze, Director IT PMO & Enterprise Projects  
J. Walter, Finance Analyst  
P. Williams, Executive Assistant  
C. Gray, City of Arvada  
C. Lane, Platte Canyon Water and Sanitation District  
Z. Parker, CAC

## INTRODUCTORY BUSINESS

Commissioner Jones called the meeting to order at 9:04 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.

Commissioner Jones welcomed incoming Denver Water CEO/Manager, Alan Salazar.

## 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 12, 2023

Approved the Minutes from the July 12, 2023 Board Meeting.

**2. ITEM II-A-2: MINUTES FROM JULY 26, 2023**

Approved the Minutes from the July 26, 2023 Board Meeting.

**3. ITEM II-A-3: ELEVEN MILE RESERVOIR ELECTRICAL SERVICE UPGRADES – CONTRACT 505496**

Approved Contract 505496 with Intermountain Electric, Inc. for Eleven Mile Reservoir Electrical Service Upgrades for the contract period from August 9, 2023 to December 5, 2025, for a total contract amount not to exceed \$3,655,545.

**4. ITEM II-A-4: SIXTH AMENDMENT TO CONTRACT WITH INTERA INCORPORATED – CONTRACT 504510**

Approved the Sixth Amendment to Contract 504510 with Intera Incorporated for an additional \$356,127, for a total amended contract amount not to exceed \$1,140,058.

**5. ITEM II-B-1: APPOINTMENT OF ALAN SALAZAR TO SERVE AS BOARD SECRETARY**

Ms. Brody stated that as the previous Secretary for the Board, Mr. Lochhead's departure creates a vacancy. The role of Secretary is distinct from the CEO/Manager position with its own duties in connection with Board proceedings. The Board's practice has been to appoint the CEO/Manager to serve in the position of Secretary. We currently have six assistant secretaries per the Board's bylaws.

Given this vacancy, the recommendation is that the Board follow its customary practice and appoint Alan Salazar, Denver Water's CEO/Manager, to the role of Secretary, effective until the next annual meeting when the Board appoints new officers.

Appointed CEO/Manager Alan Salazar to serve as Board Secretary until the next annual meeting.

**6. ITEM II-B-2: CITIZENS ADVISORY COMMITTEE APPOINTMENTS**

Ms. Denault stated that Ms. Shipman has served a three-year term on the Citizens Advisory Committee (CAC) as the public interest group representative.

The CAC voted unanimously to recommend Ms. Shipman for a second term, lasting through July 2026.

In response to questions from the Board, Ms. Denault stated that CAC positions on the Western Slope have been a challenge to fill but she is optimistic that changes in advertising will recruit more applicants. She also noted that each CAC member is appointed for one three-year term, with the opportunity to serve a second three-year term if recommended by the CAC and approved by the Board.

Ms. Denault reported that Mr. Berkeley's resignation in March 2023 created a vacancy for one of three Denver citizen representative positions. The CAC advertised the position and voted upon Mr. Parker for the position.

Approved the appointment of Nona Shipman for a second, three-year term for the Public Interest Group representative position on the Citizens Advisory Committee (CAC).

Approved the appointment of Zach Parker for one, two-year term for the Denver Citizen representative position on the Citizens Advisory Committee, previously held by Jim Berkeley.

## 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 A. She provided an overview of the organizational scorecard metrics and highlighted portions of the 2023 Financial Report, noting no significant changes from the First Quarter Performance Report.

She reported that Revenue was \$27 million under budget with a projection of \$33.5 million under budget in water sales. Water demands were approximately 20% below expected usage for Q2 due to wetter weather in the summer months, and lower demands are anticipated to continue into August.

Total Operating Costs without operating projects was \$3.9 million over budget. Salaries and Benefits were \$0.1 million over budget. Professional and Purchased Services were \$3.5 million over budget with higher costs for natural gas, electricity, and power purchased for pumping. Construction and Field Services

have seen higher than expected increased costs in Water Distribution for paving, barricades, and signage. Materials and Supplies continue to see cost increases. Chemical costs have decreased due to reduced inflationary pressure on key chemicals, in addition to less water treated in Q2 due to lower demand. Operating and Capital Projects were \$3.5 million over budget.

## **8. ITEM III-B: PRELIMINARY FINANCIAL PLAN**

Ms. Bricmont presented the Board with the Preliminary Financial Plan, a copy of which is attached to and incorporated in these Minutes as Exhibit B. She provided the Board with an overview of the preliminary near-term and long-range financial plans, presenting revenue adjustment scenarios and discussing projected funding needs over the next ten years. She stated that strategic projects and maintenance are 79% of spend over the next five years. The following five years will be a return to maintaining the system with capital costs coming down. Debt is the largest component of the financing strategy in the early years of the plan, and she underscored the importance of balancing revenue with affordability and the ability to adapt to future unknowns.

The Board expressed its preference to explore more innovative ideas, including looking beyond the standard water utility rate structure, in the approach to rate-setting, the funding policy for the organization, and potentially other resources for operating and maintaining the system. Ms. Bricmont thanked the Board for its input and offered to explore these questions and options with the Board in future meetings.

The first reading of the rates will occur August 23, 2023, with revenue adjustment scenarios for 2024 only. The final reading of the rates with Board approval is scheduled to occur October 11, 2023, and implementation of the approved rates will occur on January 1, 2024.

## **EXECUTIVE UPDATE**

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

Mr. Salazar stated that it is clear Mr. Lochhead and the Board have a legacy of excellent people working at Denver Water and he intends to spend more time nurturing internal and external relationships. He thanked the Board and the executive team for vesting their confidence in him, stating that he is focused on getting up to speed and excited for the challenges ahead.

**10. ITEM IV-B: CFO UPDATE**

Ms. Bricmont reported that the draft resolution for the commercial paper program will come before the Board at the next Board meeting.

**ADJOURNMENT**

No further business appearing, the Board voted unanimously to adjourn at approximately 9:58 a.m.

DocuSigned by:  
*Julie Anderson*  
959AD7BA67F747E...  
Secretary

DocuSigned by:  
*Craig Jones*  
6963021DBFEB4D7...  
Chairman