

AGENDA

Denver Board of Water Commissioners

Denver Water Board Room, 1600 W 12th Avenue, Denver, CO 80204 and

Video Conference: <http://zoom.us/join>, Meeting ID: 870 7406 7947- Passcode: 213041 or

Dial in (719) 359-4580 - Meeting ID: 870 7406 7947- Passcode: 213041

Wednesday, April 8, 2026 9:00 a.m.

Board Breakfast 8:30 a.m.

I. INTRODUCTORY BUSINESS

A. Call to Order and Determination of Quorum

B. Public Comment and Communications

At this point in the agenda, the Board may allow members of the public to address the Board on any item of interest within the jurisdiction of the Board, and not on the agenda for action. Speakers wishing to address a specific Action Item will be invited to address the Board when the item is being considered. Three minutes are allowed for each person unless the President determines otherwise.

1. Distributor Communications
2. Citizen Advisory Committee Communications

C. Ceremonies, Awards, and Introductions

D. Legislative Update	Andrew Hill	5 minutes
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II. ACTION ITEMS

A. Consent Items

Items listed below are considered routine and may be enacted by one motion and vote. If any Board member desires discussion beyond explanatory questions, or corrections to the Minutes, the President may order that item to be considered in a separate motion and vote.

1. Minutes from March 11, 2026
2. Minutes from March 25, 2026
3. Specialized Mains Evans Ave. From S. Josephine St. to S. Milwaukee St. - Contract 506433

4. Approval of the Water Quality Reinspection Penalty Fee

B. Individual Approval Items

- | | | |
|---|---|------------|
| 1. Board Resolution for Approval of Drought Pricing | Nathan Elder, Fletcher Davis, Stacy Chesney | 10 minutes |
|---|---|------------|

III. POLICY MATTERS

IV. EXECUTIVE UPDATE

A. CEO Update

B. CFO Update

C. Operations Update

V. BRIEFING PAPERS & REPORTS

A. Briefing Paper

1. Legislative Update

B. Report

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

VIII. EXECUTIVE SESSION

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by D.R.M.C Sec. 2-34.

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 8, 2026

Board item: II-A-3

Specialized Mains Evans Ave. From S. Josephine St. to S. Milwaukee St. Contract 506433

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to seek approval for Contract 506433 with T. Lowell Construction, Inc. to replace 1,600 linear feet of 6-inch cast iron main with 8-inch PVC main in Evans Avenue. The existing main, installed in 1912, has experienced repeated leaks and no longer meets system capacity needs. This section of Evans Avenue is paved with concrete making surface restoration significantly more expensive than asphalt, so a trenchless installation option was included to help reduce overall project costs. As part of the bid, contractors were able to propose either open-cut replacement or pipe bursting methods. Pipe bursting was the apparent low bid replacement method and is proposed for award.

Budget and Schedule:

The total amount of this contract is \$1,180,000 and the term of the contract is April 8, 2026 through March 26, 2027. Funds for this contract will come from the 2026 budget for the Specialized Mains, which has sufficient funds to pay the \$1,010,000 estimated to be needed in 2026. The remaining \$170,000 will be budgeted in 2027.

Selection of Business Partner:

Denver Water solicited bids from three general contractors listed on the restricted prequalified contractor list under the Civil Pipelines discipline. On March 18, 2026, bids were received from three general contractors. T. Lowell Construction, Inc. was selected based on the lowest cost bid.

Recommendation:

Staff recommends that the Board approve Contract 506433 with T. Lowell Construction, Inc. for Specialized Mains Evans Avenue from S. Josephine Street to S. Milwaukee Street for the contract period April 8, 2026 through March 26, 2027 for a total contract amount not to exceed \$1,180,000.

Approvals

- | | |
|---|---|
| <input checked="" type="checkbox"/> Alan Salazar, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input checked="" type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 25, 2026

Board item: II-A-3

Approval of the Water Quality Reinspection Penalty Fee

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to seek approval of a new Water Quality Reinspection Penalty Fee of \$1,500 per reinspection, which would apply after the third inspection. Installation of transmission and distribution lines by third parties often results in multiple reinspections of the lines to ensure water quality standards are met before a line is placed into service. Reinspections cause a significant workload for Water Quality staff, as well as pose a risk to public health if standards are not met.

This penalty fee is intended to motivate contractors to take corrective action and to meet quality requirements within three inspections and is not designed to recover costs, as this fee would apply in addition to cost-of-service fees. Other utilities require removal and replacement of the line after a third failed water quality test, which can cost as much as \$80,000. Staff believes the proposed fee offers a less costly incentive to encourage compliance.

Penalty fees for health, fire, building or food inspection commonly range from \$500 to \$2,000. While not directly comparable, these examples demonstrate that fees of this magnitude are routinely imposed for violations posing risks to public health. The effectiveness of the proposed penalty fee will be monitored, and staff will propose adjustments if the penalty fee does not adequately promote compliance.

Budget and Schedule:

Based on a three-year average of 16 inspections per year occurring after the third inspection, the proposed fee is expected to generate approximately \$24,000 in annual revenue. However, the primary goal of the fee is to reduce the number of reinspections beyond the third inspection to zero.

Recommendation:

Staff recommends that the Board approve the \$1,500 water quality reinspection penalty fee to incentivize corrective actions that result in passing water quality tests within three inspections.

Approvals

Alan Salazar, CEO/Manager

Julie Anderson, Chief of Staff

Jessica R. Brody, General Counsel

Angela C. Bricmont, Chief Finance Officer

Brian D. Good, Chief Administrative Officer

Richard B. Marsicek, Chief Water Resource Strategy Officer

Robert J. Mahoney, Chief Engineering Officer

Thomas J. Roode, Chief Operations Officer

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 8, 2026

Board item: II-B-1

Approval of 2026 Drought Pricing Resolution #003-2026

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to seek approval of the 2026 Drought Pricing Resolution. Drought pricing reinforces a 20% water use reduction target established in Resolution # 002-2026 implementing a Stage 1 Drought Response. Drought pricing is proposed to be in effect on bills dated on or after June 1 until April 30, 2027, or until further action by the Board.

The proposed drought pricing is intended to encourage customers to conserve water. Tiered pricing ensures that higher-usage customers pay more, thus incentivizing water use reductions. Drought pricing will not apply to residential essential water use or commercial winter water use and will only apply to outdoor watering in Tiers 2 and 3. Neighboring water providers have already implemented, or signaled plans to implement, water-use restrictions in conjunction with drought pricing for the upcoming irrigation season.

The proposed drought charges for residential customers are as follows:

Residential Drought Charge	Drought Charge \$/1,000 gallons
Tier 1: Avg Winter Consumption (AWC)	\$0.00
Tier 2: AWC + 15,000 gallons	\$1.10
Tier 3: Greater than AWC + 15,000 gals.	\$2.20

The proposed drought charges for all other customer classes are as follows:

Rate Class	Drought Charge \$/1,000 gallons
Nonresidential	Tier 2: \$1.10 Tier 3: \$2.20
Irrigation	Winter: \$1.10 Summer: \$2.20
Wholesale Treated	\$1.65 on demand over winter average
Raw Water	\$0.25
City and County of Denver Domestic	\$0.55 on demand over winter average
City and County of Denver Irrigation	\$0.55 on summer irrigation

Drought charges will be added to existing rates and apply to the entire service area, inside and outside the City and County of Denver.

As part of preparing customers for this potential change, staff have proactively engaged key stakeholders. We have offered meetings to all and met with most Denver City Council offices, as well as large outdoor water users managing multiple properties, such as schools and parks. During these discussions, staff provided updates on current water supply conditions, the likelihood of implementing drought restrictions as early as March and the potential for drought pricing. In addition, staff presented

to distributors on water supply conditions and drought pricing and sent letters to master meter districts that included estimated bill impacts.

Budget and Schedule:

Water use reductions, which are necessary to preserve reservoir storage, result in lower water sales revenue. Denver Water has taken proactive steps to begin reducing its operating costs. While the goal of drought pricing is to incentivize water conservation, drought pricing is estimated to generate approximately \$29 million in revenues. This is based upon prior experience during droughts and could be higher or lower as customer demands evolve over time.

Recommendation:

Staff recommends the Board adopt the resolution to implement Drought Pricing effective on bills dated June 1, 2026, through April 30, 2027.

Approvals

- | | |
|---|--|
| <input checked="" type="checkbox"/> Alan Salazar, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input checked="" type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input checked="" type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

TITLE: DROUGHT PRICING

ADOPTED AND APPROVED ON APRIL 8, 2026 BY THE CITY AND COUNTY OF DENVER ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

Tyrone Gant Board President

Alan Salazar, CEO/Manager

The Board of Water Commissioners finds that:

- A. On March 25, 2026, the Board adopted Resolution #002-2026, declaring a Stage 1 Drought and implementing certain actions designed to achieve water savings of 20%, effective from March 25, 2026 through April 30, 2027 or until further action by the Board. The Board's findings in Resolution #002-2026 are incorporated herein.
- B. Drought pricing on irrigation and other nonessential water usage encourages customers to be judicious in their use of water for these purposes while maintaining the affordability of essential, indoor water use.
- C. Tiered pricing ensures that higher-usage customers pay more, thus incentivizing water use reductions.

Based on the foregoing findings and pursuant to Article X of the Charter of the City and County of Denver and Denver Water Operating Rules, the Board adopts drought pricing as follows, effective for bills dated June 1, 2026 through April 30, 2027, or until further action by the Board:

1. For residential customers (both inside and outside the City and County of Denver) the Board adopts the following drought charges based on usage above the average winter consumption (AWC):

Residential Drought Charge	Drought Charge \$/1,000 gallons
Tier 1: Avg Winter Consumption (AWC)	\$0.00
Tier 2: AWC + 15,000 gallons	\$1.10
Tier 3: Greater than AWC + 15,000 gals.	\$2.20

2. For all other customer classes, the Board adopts the following drought charges:

Rate Class	Drought Charge \$/1,000 gallons
Nonresidential	Tier 2: \$1.10 Tier 3: \$2.20
Irrigation	Winter: \$1.10 Summer: \$2.20
Wholesale Treated	\$1.65 on demand over winter average
Raw Water	\$0.25
City and County of Denver Domestic	\$0.55 on demand over winter average
City and County of Denver Irrigation	\$0.55 on summer irrigation

3. Drought charges will be added to the customer's existing rate. Examples of rates including the drought charge are shown in Exhibit A.

Exhibit A
2026 Drought Pricing
Comparison of existing rates and rates with drought charges
Surcharge effective on bills on or after June 1

Description	2026 Rates	2026 Rates + Drought Charge	Drought Charge
	\$	\$	\$
Fixed Charge			
3/4"	20.91	20.91	\$0.00
1"	31.30	31.30	\$0.00
1 1/2"	60.88	60.88	\$0.00
2"	102.31	102.31	\$0.00
Treated Retail: Inside City			
Single Family Residential			
Block 1	3.02	3.02	\$0.00
Block 2	5.44	6.54	\$1.10
Block 3	7.25	9.45	\$2.20
Nonresidential			
Block 1	3.55	3.55	\$0.00
Block 2	4.97	6.07	\$1.10
Block 3	5.68	7.88	\$2.20
Irrigation Only			
Winter	1.85	2.95	\$1.10
Summer	7.40	9.60	\$2.20
Treated Outside: Read and Bill			
Single Family Residential			
Block 1	3.03	3.03	\$0.00
Block 2	5.45	6.55	\$1.10
Block 3	7.26	9.46	\$2.20
Nonresidential			
Block 1	3.72	3.72	\$0.00
Block 2	5.21	6.31	\$1.10
Block 3	5.95	8.15	\$2.20
Irrigation Only			
Winter	1.67	2.77	\$1.10
Summer	6.68	8.88	\$2.20

Exhibit A
2026 Drought Pricing
Comparison of existing rates and rates with drought charges
Surcharge effective on bills on or after June 1

Description	2026 Rates	2026 Rates +	Drought Charge
	\$	\$	\$
Fixed Charge			
3/4"	20.91	20.91	\$0.00
1"	31.30	31.30	\$0.00
1 1/2"	60.88	60.88	\$0.00
2"	102.31	102.31	\$0.00
Treated Outside: Total Service			
Single Family Residential			
Block 1	4.37	4.37	\$0.00
Block 2	7.87	8.97	\$1.10
Block 3	10.49	12.69	\$2.20
Nonresidential			
Block 1	5.11	5.11	\$0.00
Block 2	7.15	8.25	\$1.10
Block 3	8.18	10.38	\$2.20
Irrigation Only			
Winter	2.47	3.57	\$1.10
Summer	9.88	12.08	\$2.20
Treated Wholesale			
Master Meter - AWC	5.30	5.30	\$0.00
Master Meter - Over AWC	5.30	6.95	\$1.65

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 8, 2026

Board item: V-A-1

Briefing Paper for Legislative Strategy

Summary

As of April 3, 2026, there are approximately 560 bills under consideration. The Joint Budget Committee wrapped up its attempt to address a roughly \$1.5 billion shortfall, introducing numerous bills that cut funding in a variety of areas, including Medicaid, healthcare spending, and other programs. Since the last Board meeting, HB26-1310 Wildfire Resiliency Grant Money was postponed indefinitely, and SB26-025 Monument Records Placement Submission Maintenance, which Denver Water supported, passed both chambers.

Background

The following are summaries of notable bills that Denver Water staff are reviewing and tracking. A complete list of relevant legislation is attached to this briefing paper.

HB26-1340 Revegetate or Dry Farm Formerly Irrigated Agricultural Land. This bill requires that Division 2 buyers of irrigated agricultural water rights revegetate the previously irrigated land when changing the water right to another beneficial use. The bill requires that the water court appoint a third-party expert to conduct annual field reviews and issue reports concerning the success of the revegetation plan; limits the percentage of water that can be used of the new beneficial use; and allows the water court to order additional maintenance periods if the court determines that the revegetation was not successful. This bill does not affect Denver Water's water court jurisdictions (Divisions 1 and 5), and Denver Water does not typically engage in these types of water right transactions.

Recommended position: Monitor.

HB26-1338 2026 Water Projects Bill. For Fiscal Year 2025-26, the bill appropriates \$748,592 to the Department of Natural Resources (DNR), including \$550,000 from the Turf Replacement Fund. For Fiscal Year 2026-27, the bill appropriates \$49.6 million to DNR, including \$11.9 million from the CWCB Construction Fund and \$37.7 million from the Water Plan Implementation Fund. **Currently under review.**

Owner

Andrew Hill, Office of People and Strategy

Attachments

Summary Table – 2026 Legislation

Respectfully submitted,

Andrew Hill, Government Affairs Liaison

Julie Anderson, Chief of Staff

**Summary Table – 2026 Legislation
As of April 3, 2026**

Bill #	Title	Position	Status	Next Action Date	Review Status
HB26-1005	Worker Protection Collective Bargaining	Monitor	Referred Unamended to Senate Appropriations	TBD	Complete
HB26-1008	Colorado Outdoor Opportunities Act	Monitor	Referred Amended to Senate Appropriations	TBD	Complete
HB26-1013	Ratio Utility Billing Systems	Monitor	Governor Signed	N/A	Complete
HB26-1030	Data Center & Utility Modernization	Monitor	Introduced in House - Assigned to Energy & Environment	TBD	Complete
HB26-1034	Modifications to Standards for Irrigation Equipment	Monitor	Bill Passed	N/A	Complete
HB26-1037	Ban Government Purchase of Personal Data from Third Party	Monitor	House Committee on Judiciary Witness Testimony and/or Committee Discussion Only	TBD	Complete
HB26-1054	Protections for Worker Safety	Monitor	Referred Amended to Appropriations	TBD	Complete
HB26-1101	Criminal Offenses Related to Critical Infrastructure Metals	Monitor	Referred Unamended to Senate COW	4/6/26	Complete
HB26-1112	Regulation of Underground Injection Control Wells	Monitor	Referred Amended to Appropriations	TBD	Complete
HB26-1121	Public Accessibility of Emissions Records	Monitor	Postponed Indefinitely	N/A	Complete
HB26-1145	Mobile Home Park Water Quality	Monitor	Bill Passed	TBD	Complete
HB26-1205	Colorado State Forest Service Good Neighbor Authority	Monitor	Bill Passed	TBD	Complete
HB26-1272	Extreme Temperatures Worker Protections	Monitor	Referred Amended to Appropriations	TBD	Complete
HB26-1279	Public Utility Notice to Real Property Owner	Oppose	Postponed Indefinitely	N/A	Complete
HB26-1308	Lot Splitting Approval by Subject Jurisdictions	Monitor	Passed House; Introduced in Senate – Assigned to Local Government & Housing	N/A	Complete
HB26-1310	Wildfire Resiliency Grant Money	Oppose	Postponed Indefinitely	N/A	Complete

HB26-1319	Right to Be Out at Work	Monitor	Introduced in House - Assigned to Business Affairs & Labor	TBD	Complete
HB26-1323	Wildfire Resiliency Prohibiting Taking of Beavers	Monitor	Postponed Indefinitely	N/A	Complete
HB26-1334	Modify Standards of Wildfire Resiliency Code Board	Monitor	Introduced In House - Assigned to Transportation, Housing & Local Government	4/7/27	Complete
HB26-1338	2026 Water Projects Bill	TBD	Referred Unamended to Appropriations	TBD	Under Review
HB26-1340	Revegetate or Dry Farm Formerly Irrigated Agricultural Land	Monitor	Introduced In House - Assigned to Agriculture, Water & Natural Resources	4/13/26	Complete
SB26-016	Prohibit Discharge Preproduction Plastic Materials	Monitor	Bill Passed	N/A	Complete
SB26-024	State & Local Unmanned Aircraft Regulation	Monitor	Postponed Indefinitely	N/A	Complete
SB26-025	Monument Records Placement Submission Maintenance	Support	Bill Passed	N/A	Complete
SB26-070	Ban Government Access Historical Location Information Database	Amend	Referred Amended to Appropriations	TBD	Complete
SB26-090	Exempt Critical Infrastructure from Right to Repair	Monitor	Referred Unamended to Senate COW	4/7/26	Complete
SB26-093	Workers Compensation Verification	Monitor	Referred Amended Appropriations	TBD	Complete
SB26-102	Large Load Data Centers	Monitor	Laid Over Unamended	TBD	Complete
SB26-107	Modify Colorado Open Records Act	Monitor	Postponed Indefinitely	TBD	Complete
SB26-131	Sports Betting Protections	Monitor	Referred Amended to Appropriations	TBD	Complete