

**RECORD OF PROCEEDINGS  
MINUTES  
of the  
Board of Water Commissioners**

Video Conference: <http://zoom.us/join>, Meeting ID: 922 0745 7751, Password: 367275  
or Dial-in: (669) 900-6833, Meeting ID: 922 0745 7751

**Wednesday, January 13, 2021**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, January 13, 2021, beginning at 9:00 a.m. via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 922 0745 7751, Password: 367275 or via Dial-in: (669) 900-6833, Meeting ID: 922 0745 7751. Consistent with the Supplemental Public Securities Act, the designated meeting area was accessible to the public. Members of the Board present during the Regular Meeting were:

**Gary M. Reiff, President  
H. Gregory Austin, Vice President  
Paula Herzmark, Vice President  
John R. Lucero, Vice President**

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

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| J.S. Lochhead, CEO/Manager                           | C. Lamacraft, Environmental Sr. Scientist      |
| J.A. Anderson, Chief of Staff                        | D. Lopez, IT Support Specialist                |
| A.C. Bricmont, Chief Financial Officer               | R. Marsicek, Planning Manager                  |
| J. Brody, General Counsel                            | J. Martin, Project Engineer                    |
| B.D. Good, Chief Administrative Officer              | C. Mbakogu, Division Sr. Analyst               |
| D. Gorgemans, Chief Internal Auditor                 | M. McGavin, Engineer                           |
| M. King, Chief External Affairs Officer              | L. Morales, Community Relations Sr. Specialist |
| R. Mahoney, Chief Engineering Officer                | K. Oligney, Director IT Infrastructure         |
| T.J. Roode, Chief Operations and Maintenance Officer | K. Petrik, Director Engineering-Construction   |
| S. Adamkovics, Finance Sr. Analyst                   | N. Poncelet, Director Water Quality-Treatment  |
| T. Agrafas, IT Support Sr. Specialist                | C. Proctor, Communication Sr. Specialist       |
| J. Alexander, Environmental Lead Scientist           | B. Ransom, Recreation Manager                  |
| A. Andrews, Finance Sr. Analyst                      |  |

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

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



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|---|--|
| D. Arnold, Attorney                             | A. Rettig, Finance Supervisor                        |
| D. Babyak, Construction Project Manager         | K. Riegle, Attorney                                  |
| R. Badger, Planning Manager                     | U. Sharma, Treasurer                                 |
| D. Bennett, Director Water Resources Strategy   | C. Shaw, Division Analyst                            |
| A. Cavallaro, Paralegal                         | J. Shaw, Community Relations Sr. Specialist          |
| S. Chesney, Director Public Affairs             | R. Slade, Planner Lead                               |
| E. Cinchock, Division Sr. Analyst               | L. Southard, Administrative Sr. Assistant            |
| F. Davis, Rates Manager                         | R. Stitt, Planning Manager                           |
| N. Elder, Planning Manager                      | R. Walsh, Engineering Manager                        |
| J. Finehout, Community Relations Sr. Specialist | P. Williams, Executive Assistant                     |
| A. Hyre, Engineer Associate                     | J. Wittler, Attorney                                 |
| A. Joseph, Attorney                             | C. Lane, Platte Canyon Water and Sanitation District |
| J. Kearns, Contract Specialist                  |  |

## INTRODUCTORY BUSINESS

Commissioner Reiff called the meeting to order at 9:03 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 Agenda for the meeting. 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 DECEMBER 2, 2020**

Approved the Minutes from the December 2, 2020 Board Meeting.

**2. ITEM II-A-2: MINUTES FROM DECEMBER 16, 2020**

Approved the Minutes from the December 16, 2020 Board Meeting.

**3. ITEM II-A-3: CLARKSON PUMP STATION RENOVATION –  
CONTRACT 504358**

Approved Contract 504358 with Moltz Construction, Inc. for the Clarkson Pump Station Renovation project for the contract period from January 13, 2021 to May 12, 2022, for a total contract amount not to exceed \$4,480,588.

**4. ITEM II-A-4: FOOTHILLS TREATMENT PLANT CONVERSION TO LAS  
AND HYDRO DC SYSTEM – CONTRACT 504339**

Approved Contract 504339 with Glacier Construction Company, Inc. for construction of the Foothills Treatment Plant Conversion to LAS and Hydro DC System for the contract period from January 13, 2021 to November 5, 2021, for a total contract amount not to exceed \$1,538,800.

**5. ITEM II-A-5: DILLON MARINA LEASE WITH TOWN OF DILLON –  
CONTRACT 504740**

Approved Contract 504740 for the Dillon Marina lease agreement with the Town of Dillon.

**6. ITEM II-B-1: HAZELTINE RESERVOIR MATERIAL REMOVAL –  
CONTRACTS 504745 and 503956**

Mr. Stitt presented the Board with the Hazeltine Reservoir Material Removal update, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He reported that Hazeltine Reservoir is located in Denver Water's North Complex, East of the South Platte River. The North Complex has been jointly developed and operated by South Adams County Water and Sanitation District (SACWSD) and Denver Water. To date, SACWSD has paid \$25.5 million to develop the North Complex. The total buildout cost is estimated at \$200 million, with \$140 million spent to date. The goal is to complete the North Complex in 2027.

Mr. Stitt stated that, as part of the SACWSD Intergovernmental Agreement (Contract 504745), SACWSD will pay the costs associated with the removal of additional common fill material from the Hazeltine Reservoir, up to 800,000 cubic yards (CY), thereby enlarging the reservoir and providing 500 acre-feet of additional storage for its use. The completion of a majority of the final floor grading will be a key benefit to Denver Water, saving it an estimated \$500,000.

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The original budget included \$5 million for the final grading project, which has been reduced over time.

In response to a question from Commissioner Austin, Mr. Stitt indicated that the goal for the program has been to achieve 30,000 acre-feet of storage for use by Denver Water and that current modeling still supports that number. Current estimates identify that the 30,000 acre-feet of storage will be realized upon completion of the Lupton Lakes Complex.

Approved the Intergovernmental Agreement Contract 504745 with South Adams County Water and Sanitation District for the removal of up to 800,000 CY of excess material, for the period from January 1, 2021 to September 30, 2024.

Approved the Fourth Amendment to Contract 503956 with CEI to execute the removal of up to 800,000 CY of excess material and to complete the final grade of Hazeltine Reservoir, not to exceed \$4,222,850, which will be paid by South Adams County Water and Sanitation District via reimbursement to Denver Water.

## POLICY MATTERS

### 7. ITEM III-A: WATER SUPPLY UPDATE

Mr. Finehout presented the Board with the Water Supply Update, a copy of which is attached to and incorporated in these Minutes as Exhibit B. He reported that Denver Water's reservoir storage is currently at 78%, which is slightly below normal for this time of year, but not yet at an action level. It is still too soon to make any determination about potential spring and summer water use guidance or restrictions. Denver Water's Water Shortage Preparedness Committee continues to prepare internally and externally with distributors, stakeholders, other utilities, and state and federal agencies for possible drought scenarios in 2021.

Water use is currently slightly below average, which is due in part to customer conservation efforts. There have been no major changes in total use due to COVID-19. Current snowpack is below average, but it is still very early in the snow season and future conditions remain uncertain. October through December is only one third of our snowpack for an average year, so there is still time for a turnaround.

Denver Water's public affairs team continues to communicate with customers

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about the increasingly dry conditions and how customers can reduce their water use. Likewise, the finance team continues to plan for multiple drought scenarios and prepare for any potential revenue impacts. Going forward, staff will provide additional messaging regarding possible implementation of mandatory drought restrictions in the long-term.

**8. ITEM III-B:                   FOUR MILE CREEK FEN WETLAND MITIGATION BANK UPDATE**

Ms. Alexander presented the Board with the Four Mile Creek Fen Wetland Mitigation Bank Update, a copy of which is attached to and incorporated in these Minutes as Exhibit C. She reported that Denver Water is an industry leader in its ownership and management of a certified wetland mitigation bank. At the end of 2020, the Four Mile Creek Fen Wetland Mitigation Bank (Bank) was certified by the U.S. Army Corps of Engineers (USACE), which was a huge milestone that took nearly 17 years to complete.

The Bank is located in South Park, north of Antero Reservoir on the historical Four Mile Creek Ranch owned by Denver Water and is comprised of wetlands adjacent to Four Mile Creek. Denver Water's Bank is the only fen wetland bank approved by the USACE in the United States to date. Fens are unique habitats that support a variety of rare plants and provide benefits to water quality and consist of peat soils that take thousands of years to accumulate. The full extent of the wetland restoration to establish the Bank exceeded the original estimate by ten credits, resulting in an award total of 64.1 mitigation credits. She noted that while it is difficult to estimate the value of the Bank's credits since it is not a commercial bank, the closest approximation is \$100,000 per credit, placing the total value of the Bank's 64.1 credits at roughly \$64.1 million.

In response to questions from the Board, Ms. Alexander explained that the wetland banking process is regulated by the USACE. Although crediting varies among wetland banks, one restored wetland acre is loosely equivalent to one credit. While there are no planned projects at this time, the opportunity exists for Denver Water to offset future projects with the available credits at the Bank.

**EXECUTIVE UPDATE**

**9. ITEM IV-B:                   CFO REPORT**

Ms. Bricmont reported that Denver Water's bond resolution will be presented to

the Board at the next Board meeting. Staff has consulted with Denver Water’s financial advisor and would like to reduce its credit rating agencies from three down to two. Ms. Bricmont noted that three ratings are not required, and most of Denver Water’s peers use only two rating agencies. This reduction would save approximately \$100,000 while reducing the internal effort required to obtain ratings for the bond issuance.

**10.ITEM IV-C: OPERATIONS REPORT**

Mr. King announced a new approach to reporting the legislative process and introduced Ms. Morales who will take over as the new internal legislative lead and handle all internal reviews and coordination related to proposed legislation at Denver Water. Ms. Morales has been with Denver Water since 2019 and has extensive state legislative experience. She will be working in conjunction with the new external consultant PoliticalWorks, which has a strong reputation.

Commissioners Lucero and Reiff extended their support for this new approach, and Ms. Morales stated that she is excited for this opportunity to report to the Board.

**BRIEFING PAPERS & REPORTS**

**11.ITEM V-A-1: BRIEFING PAPER FOR FOUR MILE CREEK FEN WETLAND MITIGATION BANK**

The Board received a Briefing Paper for Four Mile Creek Fen Wetland Mitigation Bank, 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 an Executive Session at approximately 9:49 a.m.

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*Jim Lockhead*  
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Secretary  
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DocuSigned by:  
*Gary M. Reiff*  
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President  
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