

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

Video Conference: <http://zoom.us/join>, Meeting ID: 947 1361 1721, Password: 943357  
or Dial-in: (669) 900-6833, Meeting ID: 947 1361 1721

**Wednesday, January 27, 2021**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, January 27, 2021, beginning at 9:00 a.m. via Video Conference: <http://zoom.us/join>, Meeting ID: 947 1361 1721, Password: 943357 or via Dial-in: (669) 900-6833, Meeting ID: 947 1361 1721. 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  
Craig Jones, First Vice 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:

J.S. Lochhead, CEO/Manager	K. Oligney, Director IT Infrastructure
J.A. Anderson, Chief of Staff	N. Poncelet, Director Water Quality-Treatment
A.C. Bricmont, Chief Financial Officer	C. Proctor, Communication Sr. Specialist
J. Brody, General Counsel	A. Rettig, Finance Supervisor
B.D. Good, Chief Administrative Officer	K. Riegle, Attorney
D. Gorgemans, Chief Internal Auditor	U. Sharma, Treasurer
M. King, Chief External Affairs Officer	C. Shaw, Division Analyst
R. Mahoney, Chief Engineering Officer	J. Shaw, Community Relations Sr. Specialist
T.J. Roode, Chief Operations and Maintenance Officer	L. Southard, Administrative Sr. Assistant
E. Abbott, IT Program Manager	J. Walter, Finance Analyst
S. Adamkovics, Finance Sr. Analyst	P. Williams, Executive Assistant
B. Akins, Finance Analyst	

A. Andrews, Finance Sr. Analyst  
D. Arnold, Attorney  
R. Badger, Planning Manager  
J. Bogner, Finance Analyst  
A. Cavallaro, Paralegal  
S. Chesney, Director Public Affairs  
E. Cinchock, Division Sr. Analyst  
J. Daly, Finance Sr. Analyst  
P. Freeman, Business Operations  
Manager  
A. Joseph, Attorney  
J. Kearns, Contract Specialist  
D. Lopez, IT Support Specialist  
J. Martin, Project Engineer  
C. Mbakogu, Division Sr. Analyst  
P. McCormick, Project Engineer  
L. Morales, Community Relations Sr.  
Specialist

A. Woodrow, Community Relations Sr.  
Specialist  
L. Albanese, Financial Investment News  
S. Berlinger, Stifel Nicolaus  
D. Bookhardt, Butler Snow, LLP  
A. Browning, Callan  
K. Crawford, Butler Snow, LLP  
J. Crockett, Jacobs  
C. Lane, Platte Canyon Water and  
Sanitation District  
R. Moore, Butler Snow, LLP  
S. Ravel, Mott MacDonald  
L. Suer, Jacobs  
S. Thornton-White  
P. Wood, Gabriel, Roeder, Smith &  
Company

## 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-B-1: 2021 FINANCING STRATEGY

Ms. Sharma and Ms. Moore presented the Board with the Capital Plan Financing Strategy and Series 2021A update, a copy of which is attached to and incorporated in these Minutes as Exhibit A. Ms. Moore reported that multiple

funding sources will be utilized to fund Denver Water's \$1.5 billion capital plan over the next five years. Approximately 60% of the total capital cost will be funded with debt. The funding mix of cash, debt, and SDC revenues and participation is balanced to leave debt capacity for future capital projects.

Ms. Moore highlighted the Series 2021A Bonds' parameters, noting that the current plan is to sell these bonds on a competitive sale basis, with final maturity in 2050. The resolution authorizes a true interest cost not to exceed 3.5%. The Series 2021A Bond proceeds of \$350 million is anticipated to fund a portion of 2021 and 2022 capital costs for larger projects underway, including the Northwater Treatment Plant, Conduit 16, the Lead Reduction Program, and the Gross Reservoir Expansion.

Ms. Moore reported that it's been a very active year in the municipal bond market. Despite the initial impacts of the COVID-19 pandemic, investor demand exceeded supply throughout 2020, resulting in interest rates remaining near record lows set in August. The bond market also experienced record supply in 2020 and has remained strong. Overall, the market is in a good place and no significant changes are expected in the near future.

Adopted the Series 2021A Supplemental Bond Resolution, attached as Exhibit B, authorizing the Chief Finance Officer and/or the Treasurer to complete the planned sale of a maximum of \$350 million of Water Revenue Bonds, Series 2021A.

## **2. ITEM II-B-2: LEAD REDUCTION PROGRAM UPDATE**

Ms. Woodrow presented the Board with an update on the Lead Reduction Program (LRP), a copy of which is attached to and incorporated in these Minutes as Exhibit C. She highlighted the program's 2020 achievements and provided a summary of the year in review. She reported that water sampling done in compliance with the Environmental Protection Agency's Lead and Copper Rule, registered a significant decrease in lead levels from the last several years due to the pH adjustment performance and Denver Water staff's ability to maintain that stability of pH throughout the water distribution system.

Ms. Woodrow also reported that the team exceeded its regulatory target of 4,477 lead service line (LSL) replacements, totaling 5,287 replacements (118% of the program's year-end target). The team completed initial filter distribution on schedule, and replacement filters continue to be provided every six months to

customers enrolled in the program. The overall filter adoption rate for drinking water, cooking, and baby formula preparation is approximately 80%. The program's community outreach and education efforts reached a variety of communities, through in-person and virtual events, in multiple languages. This approach is expected to continue in 2021.

The year-end financials for the LRP were approximately \$2 million under the approved budget, primarily due to the lower number of reimbursements and reduced program costs. The COVID-19 pandemic resulted in construction delays and therefore a shorter timeframe to meet replacement targets. In addition, the variability in the number of actual lead lines confirmed and the necessary use of more expensive contractors to meet the replacement goal resulted in an increased cost of \$1,299,652. Going forward, staff will monitor task order overages more closely and seek adjustments to the budget, if and as needed.

Ratified the cost exceedance for the Accelerated Lead Service Line Replacement for the Lead Reduction Program in the amount of \$1,299,652, for a total LSL replacement amount of \$48,299,652 across Contracts 504293, 504294, 504295, 504296, and 504297.

## POLICY MATTERS

### 3. ITEM III-A: WATER QUALITY TREATMENT UPDATE

Ms. Poncelet presented the Board with the Water Quality Treatment update, a copy of which is attached to and incorporated in these Minutes as Exhibit D. She reported that 2020 was a great year to test resiliency, emphasizing that water quality treatment is dedicated to furthering water quality science and operating practices, and focused on future challenges.

Ms. Poncelet explained that one accomplishment of 2020 was the implementation of pH corrosion control treatment, which reduced lead levels in the water distribution system by 65% over the course of 12 months. This endeavor took roughly 18 months of preparation and entailed scrutinizing pH trends, training operators, standardizing instrumentation maintenance and installation, control system programming, implementation planning, and startup and commissioning plans. This implementation resulted in tighter control of pH levels and building confidence with the Colorado Department of Public Health and Environment and the Environmental Protection Agency.

Another accomplishment of 2020 was the reorganization of Water Quality and Treatment during the pandemic. This reorganization formed cohesive teams within the department, creating resiliency, standardization, efficiency, flexibility, and opportunity in order to produce high quality water. Despite the ongoing pandemic, these cross-functional teams assisted in resolving issues related to the impacts of the pandemic, completed all regulatory commitments, assisted the Lead Reduction Program with lead sampling and analysis requirements, while continuing to monitor water supplies and protect water quality. The over 130 team members remain committed to producing and protecting high quality water for their customers.

Commissioner Herzmark remarked that she was impressed with the quality of work being performed by Denver Water as compared to ten years ago and congratulated the team on their amazing work.

#### **4. ITEM III-B: NORTHWATER TREATMENT PLANT**

Mr. McCormick presented the Board with the Northwater Treatment Plant Update, a copy of which is attached to and incorporated in these Minutes as Exhibit E. He reported that progress continues to be made on the project despite the remote work environment. There are currently 16 buildings under construction on site, and the project is quickly approaching one million man-hours.

Mr. McCormick reported there are no major adjustments to the project cost curve, which is just shy of \$193 million in total spend. There are also no changes to minority and women-owned business enterprise (MWBE) spending, which is averaging over \$500,000 in MWBE spending to the community every month. The project is currently in a very strong position as it relates to the owner contingency budget. The project forecast remains at \$7.5 million below budget with 31% of construction complete. Work Package 8 is the only work yet to be committed through subcontracts.

The team remains focused on safety and COVID-19 protocols, including PPE and COVID-19 testing, and also focused on the quality of installation and quality of workflow in the year ahead.

Commissioner Reiff thanked Mr. McCormick for the great work and the Denver Water team's contribution of time and staff resources to the Children's Hospital.

**EXECUTIVE UPDATE****5. ITEM IV-A: CEO REPORT**

Mr. Lochhead reported that he joined a group of water managers from across the state of Colorado using water from the Colorado River Basin in an op-ed submitted to the Colorado Sun, in which they expressed support for a state approach to managing demands for the benefit of the Colorado River in compliance with the Colorado River Compact. They also expressed the belief that the private sector has no role in managing water on an interstate basis nor in having private accounts in federal reservoirs.

He also announced that the Operations Complex received final LEED certification confirmation, indicating that the Administration Building received a LEED Platinum rating level, the Three Stones and Distribution buildings received LEED Silver, and all the other buildings received LEED Gold. He thanked the entire team for their efforts, including Mr. Ross and Mr. Good, noting that this accomplishment reflects Denver Water's vision for the Operations Complex.

**ADJOURNMENT**

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 9:58 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, January 27, 2021, commencing at 9:59 a.m., via Video Conference. The Minutes of the Trustee Meeting/Plan Sponsor are maintained separately. The Trustee/Plan Sponsor Meeting concluded at 10:10 a.m., at which time the Board voted unanimously to adjourn into the meeting of the Board of Water Commissioners and into Executive Session.

DocuSigned by:  
*Jim Lochhead*  
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Secretary

DocuSigned by:  
*Gary M. Reiff*  
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PRESIDENT

January 27, 2021