

**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: 949 8097 4640, Password: 094017  
or Dial-in: (669) 900-6833, Meeting ID: 949 8097 4640

**Wednesday, October 13, 2021**

---

**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, October 13, 2021, beginning at 9:00 a.m., in the Board Room, Room 106, 1600 West 12<sup>th</sup> Avenue, Denver, Colorado and via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 949 8097 4640, Password: 094017 or via Dial-in: (669) 900-6833, Meeting ID: 949 8097 4640. Members of the Board present during the Regular Meeting were:

**Gary M. Reiff, President**  
**Craig Jones, First Vice President**  
**Stephanie Donner, Vice President**  
**Tyrone J. Gant, Vice President**  
**Dominique Gómez, Vice President**

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

J.S. Lochhead, CEO/Manager	C. Palmore, Division Analyst
J.A. Anderson, Chief of Staff	J. Park, IT Application Sr. Developer
A.C. Bricmont, Chief Financial Officer	N. Poncelet, Director Water Quality- Treatment
J. Brody, General Counsel	C. Proctor, Communications Sr. Specialist
B.D. Good, Chief Administrative Officer	K. Riegle, Attorney
D. Gorgemans, Chief Internal Auditor	

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

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



R. Mahoney, Chief Engineering Officer	J. Seagren, Distribution Relations Manager
R. Marsicek, Chief Water Resource Strategy Officer	U. Sharma, Treasurer
T.J. Roode, Chief Operations and Maintenance Officer	L. Southard, Administrative Sr. Assistant
E. Abbott, IT Program Manager	D. Tillman, IT Infrastructure Technician
S. Abram, Director Finance Plan & Performance	V. Verde, Engineer Associate
S. Adamkovics, Finance Sr. Analyst	J. Walter, Finance Analyst
B. Akins, Finance Analyst	P. Williams, Executive Assistant
R. Badger, Planning Manager	J. Wittler, Attorney
J. Bandy, Planning Manager	B. Archer, City of Arvada
S. Behunek, Public Affairs Manager	K. Balaod, Pageant Media
C. Brummitt, Attorney	O. Bannan, Western Resource Advocates
A. Cavallaro, Paralegal	L. Darling, South Metro Water Supply Authority
S. Chesney, Director Public Affairs	R. Descallar, Pageant Media
E. Cinchock, Division Sr. Analyst	L. Gillis, City of Arvada
F. Davis, Rates Manager	S. Israel, City of Arvada
R. Davis, Finance Analyst	E. Jorgensen, South Metro Water Supply Authority
J. Lorton, Director Accounting	C. Kampmann, City of Arvada
C. Mbakogu, Division Sr. Analyst	C. Lane, Platte Canyon Water and Sanitation District
J. Morales, Field Supervisor	M. Nelson
K. Oligney, Director IT Infrastructure	J. Rhoades, City of Arvada
I. Oliver, Director SOS	

## 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.

Mr. Lochhead stated that the Board received a letter from Mr. Lowe of Bancroft-Clover Water & Sanitation District, indicating distributor support for the rate schedule discussed at the September 22, 2021 Board Meeting. He noted that the distributors' Technical Advisory Committee (TAC) does not support the 19% multiplier cost allocation of the

Lead Reduction Program to Outside-of-City customer rates as an additional cost. On behalf of Denver Water staff, Mr. Lochhead thanked the TAC for their collaboration in developing an allocation model this year.

### **Ceremonies, Awards and Introductions**

Mr. Lochhead reported that Denver Water was awarded the 2021 Sustainable Water Utility Management Award from the Association of Metropolitan Water Agencies (AMWA) in recognition of its commitment to sustainable water management and continued excellence in the field of operations and sustainability. This is the second time Denver Water has received this award.

Mr. Good reported that the Denver Water Operations Complex Redevelopment (OCR) received the Urban Land Institute Colorado's 2021 IMPACT Chair's Award. He noted that this award recognizes specific building projects that make an impact on the community and express architectural and engineering innovation.

### **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 SEPTEMBER 8, 2021**

Approved the Minutes from the September 8, 2021 Board Meeting.

**2. ITEM II-A-2: MINUTES FROM SEPTEMBER 22, 2021**

Approved the Minutes from the September 22, 2021 Board Meeting.

**3. ITEM II-A-3: MINUTES FROM SEPTEMBER 27, 2021**

Approved the Minutes from the September 27, 2021 Special Board Meeting.

**4. ITEM II-A-4: PURCHASE OF STORAGE SPACE IN THE CHATFIELD STORAGE REALLOCATION PROJECT – CONTRACT 505013**

Approved Contract 505013 with the State of Colorado, Colorado Water Conservation Board for 1,635 acre-feet of storage space in the Chatfield Reallocation Storage Project, for a total contract amount of \$14,878,964 plus necessary closing costs.

Approved authorization of the CEO/Manager and staff to execute agreements and documents, as approved by the Office of General Counsel, to complete the transaction.

Approved delegation of authority to the CEO/Manager to expend annual Operation and Maintenance Expenses and Repair, Rehabilitation, Reconstruction and Replacement Costs each year, up to the current signing authority for the CEO/Manager.

**5. ITEM II-B-1: LEGAL REPRESENTATION FOR DENVER WATER EMPLOYEE AND COMMISSIONER IN SMALL CLAIMS MATTER**

Approved legal representation by the Office of General Counsel for Commissioner Reiff and Mr. Mezger and authorized indemnification for both individuals for any award of damages or costs in this matter, resulting from judgment or settlement.

Commissioner Reiff recused himself from discussion and voting on this agenda item.

**POLICY MATTERS**

**6. ITEM III-A: RAW WATER RATES**

Ms. Bricmont presented the Board with the Raw Water Rates, a copy of which is attached to and incorporated in these Minutes as Exhibit A. She reported that Denver Water has 37 raw water customers inside and outside the service area, with the top four customers accounting for 90% of annual raw water revenues. Raw water customers do not pay monthly service charges.

She explained that raw water rates were held constant during the COVID-19 pandemic and a rate increase is proposed due to continued investments in raw water infrastructure, increased operations spending on the raw water system, and increased inflation. The cost-of-service model dictates a 13% increase in rates. The recommended proposed adjusted 2022 raw water increase is 8%, which will require an additional increase in 2023 to return rates to full cost recovery.

Historically, raw water rates have been consistent with the national average and compared to water rates across the Front Range, Denver Water's proposed rates are reasonable.

The Board will have the opportunity to approve the raw water rate increases as part of the overall approval of water rates at the October 27, 2021 Board Meeting.

**7. ITEM III-B: NATIONAL WESTERN PROJECT OVERVIEW AND UPDATE**

Ms. Poncelet presented the Board with the National Western Project Update, a copy of which is attached to and incorporated in these Minutes as Exhibit B. She provided an overview of the project's history, highlighting the construction progress, budget, and SPUR program.

She explained that Denver Water's new water quality laboratory, which will replace an aging lab at the Marston Treatment Plant, will be housed in the Hydro Building, which is one of three new buildings that make up Colorado State University (CSU) System's Spur campus. The Hydro building, along with the other two buildings, the Terra and the Vida, are in various states of construction, with the Hydro building slightly behind due to a foundation obstruction from the former building on site. The new lab will provide more room for research and collaboration and also space for youth education and room to grow.

Ms. Poncelet reported that the project cost for this facility is estimated at \$24 million, which is a significant cost savings over constructing a separate building apart from collaboration with CSU. Overall, the project is well within budget with \$18.4 million committed and 12% of the budget remaining.

She added that upgrades to the Quivas Building, which will house the water quality and water operations teams, and the Lead Program management staff, are on schedule and nearing completion with an anticipated move in date of November 2021.

**EXECUTIVE UPDATE**

**8. ITEM IV-A: CEO UPDATE**

Mr. Lochhead provided a brief update on his recent attendance at two conferences. The 2021 Executive Management Conference held by the Association of Metropolitan Water Agencies (AMWA), involved discussions pertaining to water utility management practices. The conference with Forest Trends involved a broad range of issues related to the challenges of forest health, watersheds, sustainable supply chains, and funding for conservation.

Mr. Lochhead also noted continuous discussions held with Denver City Council Members and Mayor Hancock regarding updates to Denver Water operations, the Lead Reduction Program, and proposed water rates.

**9. ITEM IV-C: OPERATIONS UPDATE**

Ms. Anderson reported that Denver Water has achieved 100% compliance with the City and County of Denver’s public health order, which mandates vaccines for all city employees and contractors to limit the spread of COVID-19. She stated that Denver Water has now shifted its focus to staffs’ return to the office on November 15, 2021 and will continue placing the health and safety of its’ employees first.

Mr. Mahoney reported that the COVID-19 pandemic is posing some supply chain challenges, creating project delays and rising costs. Longer lead times are expected, especially for specialized equipment.

**ADJOURNMENT**

No further business appearing, the Board voted unanimously to adjourn into an Executive Meeting at approximately 9:40 a.m.

DocuSigned by:  
*Jim Lochhead*  
DEDE0A34B77B484...  
Secretary

DocuSigned by:  
*Gary M. Reiff*  
964769B3F85A4EA...  
President