

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

Video Conference: <http://zoom.us/join>, Meeting ID: 990 4859 9168, Password: 585049  
or Dial-in: (669) 900-6833, Meeting ID: 990 4859 9168

**Wednesday, March 24, 2021**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, March 24, 2021, beginning at 9:00 a.m. via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 990 4859 9168, Password: 585049 or via Dial-in: (669) 900-6833, Meeting ID: 990 4859 9168. 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	A. Joseph, Attorney
J.A. Anderson, Chief of Staff	R. Kuhn, Finance Supervisor
A.C. Bricmont, Chief Financial Officer	D. Lopez, IT Support Specialist
J. Brody, General Counsel	R. Marsicek, Planning Manager
B.D. Good, Chief Administrative Officer	J. Martin, Project Engineer
D. Gorgemans, Chief Internal Auditor	C. Mbakogu, Division Sr. Analyst
M. King, Chief External Affairs Officer	P. McCormick, Project Engineer
R. Mahoney, Chief Engineering Officer	L. Morales, Community Relations Sr. Specialist
T.J. Roode, Chief Operations and Maintenance Officer	K. Oligney, Director IT Infrastructure
E. Abbott, IT Program Manager	C. Palmore, Division Analyst
S. Abram, Director Finance Plan & Performance	J. Park, IT Application Sr. Developer
S. Adamkovics, Finance Sr. Analyst	C. Proctor, Communication Sr. Specialist
B. Akins, Finance Analyst	A. Rettig, Finance Supervisor
	K. Riegle, Attorney

M. Aragon, Director Customer Relations	U. Sharma, Treasurer
J. Archer, Engineering Manager	J. Shaw, Community Relations Sr. Specialist
J. Bandy, Planning Manager	L. Southard, Administrative Sr. Assistant
D. Bennett, Director Water Resource Strategy	J. Stokes, Director Enterprise Project Management
C. Brady, Engineer Sr.	A. Woodrow, Community Relations Sr. Specialist
C. Bramon, Business Operations Sr. Support	C. Anstaett, Black & Veatch
K. Burgess, Director Human Resources	S. Berlinger, Stifel Nicolaus
A. Cavallaro, Paralegal	J. Crockett, Jacobs
S. Chesney, Director Public Affairs	T. Durbin, Black & Veatch
E. Cinchock, Division Sr. Analyst	P. Fitzgerald, Platte Canyon Water and Sanitation District
T. Cogan, Director Support Operations	C. Lane, Platte Canyon Water and Sanitation District
F. Davis, Rates Manager	S. Ravel, Mott MacDonald
R. Davis, Finance Analyst	S. Shaver, Stradling Yocca Carlson & Rauth
C. Dick, Engineer Sr.	J. Smith, Black & Veatch
N. DiMascio, Attorney	L. Suer, Jacobs
N. Elder, Planning Manager	G. Zamensky, Black & Veatch
J. Finehout, Community Relations Sr. Specialist	
P. Freeman, Business Operations Manager	
Y. Her, Procurement Manager	

## INTRODUCTORY BUSINESS

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

### **Legislative Update**

Ms. Morales informed the Board that Denver Water's position currently supports five bills, opposes two bills, and is monitoring 18 bills. She also reported that the Polis administration recently unveiled a statewide economic stimulus package for a variety of programs across the state, including water projects. This funding will be allocated

through a series of legislative bills in the coming weeks. The Speaker of the Colorado House of Representatives, Alec Garnett, anticipates about \$10-\$20 million being allocated to water-related priorities, the details of which are yet to be determined. Staff will continue to monitor developments related to this package and update the Board accordingly.

Ms. Morales was available to answer any questions regarding the Legislative Update Briefing Paper. The Board had no questions.

### **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: RALSTON DAM UPSTREAM CONTROL RENOVATION PROJECT INTERGOVERNMENTAL AGREEMENT 504796**

Approved Intergovernmental Agreement 504796 with the City of Arvada and North Table Mountain Water and Sanitation District for the contract period from March 24, 2021 to June 30, 2022, for a total contract amount not to exceed \$429,200.

**2. ITEM II-A-2: ADOPTION OF APPENDIX I TO GRAND COUNTY'S LOCAL ALL-HAZARD MITIGATION PLAN**

Approved and adopted the resolution approving Annex I of the Grand County All-Hazard Mitigation Plan.

**3. ITEM II-B-1: GROSS RESERVOIR EXPANSION PROJECT**

Mr. Martin presented the Board with an update on the Gross Reservoir Expansion Project, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He provided an overview of the three agreement amendments for the Board's approval, explaining that the purpose of the First Amendment to the Kiewit/Barnard Joint Venture agreement is to fund temporary construction activities and provide a time extension. This amendment assists Denver Water in meeting regulatory requirements and provides risk mitigation by transferring permitting and temporary facility design to the contractor.

The Fifth Amendment to the contract with Black & Veatch is for additional funds and an extension of time for the owner's representative and construction

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oversight of the Gross Reservoir Trashrack Modifications Project. This amendment will ensure continuation of management support services and construction oversight services, including oversight of daily onshore and diving activities, daily documentation of activities, and preparation of the completion report. In addition, the Ninth Amendment to the contract with Stantec/AECOM is for Engineer-of-Record services, which are a quality assurance and regulatory approval requirement. The Trashrack Modifications Project contains specific regulatory requirements for Design Engineer involvement, including certification that final installation meets the design intent.

Approved the First Amendment for Contract 504090 with Kiewit/Barnard Joint Venture for design progression services for an extension of the contract period through December 31, 2021, and for an additional \$2,500,000, for a total amended contract amount not to exceed \$7,000,000.

Approved the Fifth Amendment to Contract 501750 with Black & Veatch Corporation for owner's representative services and construction oversight services for an extension of the contract period through March 31, 2022 and for an additional \$1,845,000, for a total amended contract amount not to exceed \$11,639,777.

Approved the Ninth Amendment to Contract 503074 with Stantec Consulting Services, Inc. for Engineer of Record Services for an extension of the contract period through February 28, 2022, and for an additional \$245,135, for a total amended contract amount not to exceed \$18,113,917.

#### **4. ITEM II-B-2: RESOLUTION APPROVING FORM OF PRELIMINARY OFFICIAL STATEMENT**

Ms. Sharma presented the Board with the Resolution Approving Form of Preliminary Official Statement, a copy of which is attached to and incorporated in these Minutes as Exhibit B. She reported that the Resolution for approval relates to certain Water Revenue bonds, Series 2021A. The bond sale date is anticipated to occur on April 20, 2021 with closing on May 4, 2021. She thanked the Denver Water team for their contribution to preparing the Resolution.

Commissioner Reiff thanked the team for their hard work.

Approved and adopted the Resolution approving the form of the Preliminary Official Statement associated with the Series 2021A Bonds.

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## POLICY MATTERS

### 5. ITEM III-A: 2020 YEAR-END PERFORMANCE AND FINANCIAL UPDATE

Ms. Abram presented the Board with the 2020 Year-End Performance and Financial Update, a copy of which is attached to and incorporated in these Minutes as Exhibit C. She provided an overview of the organizational scorecard metrics and highlighted portions of the Denver Water 2020 Business Plan, noting no significant changes from the 3<sup>rd</sup> Quarter Performance Report. While 2020 was a challenging year, Denver Water was fortunate to experience minimal direct impact to revenue or expenditures as a result of COVID-19. Denver Water took several proactive measures to prepare for the financial impacts of the pandemic, which resulted in reduced spending for 2020.

She reported that revenue was \$35 million over budget, mostly driven by water sales, which were about \$37 million over budget. Water use through December was 10% higher than normal due to the extremely hot and dry year. System Development Charges (SDC) were under budget due to the uncertain economic conditions of COVID-19.

Total operating costs without operating projects were \$3.7 million over budget, and Salaries and Benefits were \$2.3 million over budget. Regular wages ended the year slightly lower than budget due to enacting a hiring freeze early in the year. Benefits have trended upward from the 2<sup>nd</sup> quarter with claims costs coming in slightly higher than budget due to some larger individual claims costs through-out the year. Professional and Purchased services were under budget by \$735,000 due to proactive spending reductions across the organization.

Materials and supplies for water distribution were higher than budgeted. Costs for chemicals used in water treatment were also higher than budget, which was mostly related to additional water usage in 2020. Travel and training ended the year with \$1 million under budget, with a majority of the actual spending going towards training and online conferences.

Mr. Mahoney provided a brief project budget update, explaining that the cumulative project budget for years 2015-2020 was slightly over \$1.2 billion, which was the amount spent. He thanked the Board for their continued support.

In response to a question from Commissioner Jones, Ms. Abram explained that in planning for the year ahead, staff is reviewing similar metrics and measures

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implemented in 2020, including potential drought scenarios and COVID-19 response measures.

## **6. ITEM III-B: LEAD REDUCTION PROGRAM**

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 D. She reported that the project team is continuing to meet all regulatory deadlines and project milestones. Overall program expenditures through the end of February are just over \$400,000. Denver Water crews and contractors continue to replace lead service lines (LSLs) and have exceeded planned replacement targets for both January and February despite delays due to recent wet weather. Filter distribution is ongoing, and new Brita filters are being delivered to customers enrolled in the program.

She stated that in 2020, there were over 22,000 customer contacts fielded by Customer Care related to the LRP, averaging about 500 calls and emails per week. In comparison, in 2021, Denver Water staff has received over 2,600 calls to date, roughly 330 calls and emails per week. In addition, 81 applications have been received for the LSL replacement partial reimbursement program with 14 reimbursements issued to date.

The program's community outreach efforts continue to raise program awareness and opportunities for customer engagement. Customers continue to provide positive feedback about the program and virtual community meetings continue to experience good attendance. Denver Water has also partnered with iNow to produce videos in order to reach a broad virtual community in multiple languages.

Commissioner Lucero thanked Ms. Woodrow for the great progress, noting the success of the virtual meeting outreach.

## **7. ITEM III-C: 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 highlighted the team's progress in the field, stating that the upper deck concrete for the Floc/Sed Building has been completed. The team is also making good progress on the Administration Building, which is anticipated to receive LEED Gold certification.

He reported no changes to the project construction schedule. Process equipment is expected to arrive within one month, and two warehouses have been constructed on site to mitigate any possible equipment supply chain issues. Construction milestones within the next couple of months are mostly concrete-related projects. Overall, the project is in the home stretch for building completion within the next 12 to 14 months.

The total project cost curve through February is just over \$205 million. The estimate at completion (EAC) is \$512 million with 33% of construction complete. The execution of work at the Moffat Treatment Plant will begin next month. There are no changes to minority and women-owned business enterprise (MWBE) spending, with over \$900,000 in billings last month, and no major changes to the contractor or owner construction contingency. The project team continues to focus on safety and quality in the field and remains heavily focused on COVID-19 protocols, anticipating a gradual return to normalcy as the vaccine rolls out.

Mr. McCormick thanked the team from Jacobs for their five years of service on the NTP project.

## **8. ITEM III-D: WATER SUPPLY UPDATE**

Mr. Elder and Mr. Finehout presented the Board with the Water Supply Update, a copy of which is attached to and incorporated in these Minutes as Exhibit F. Mr. Elder reported that February and March have been dominated by a storm year pattern, which has contributed to the increase in snowpack. The snowpack in the South Platte River Collection System is currently 101% of normal and 81% of normal peak. The Colorado River Collection System has improved to 95% of normal and 79% of normal peak. There has been two to three feet of snow at some reservoir facilities, which will serve to recharge the soil moisture.

Denver Water's reservoir storage is currently at 76% full, which is slightly below normal for this time of year. Looking ahead, based on the streamflow forecast, probable peak storage in July will be about 92% full. Overall, storage levels are trending in the right direction. Staff will continue to monitor conditions and provide additional updates.

Mr. Finehout reported that Denver Water's drought efforts are focused on outreach and education. Denver Water's public affairs team continues to communicate with customers about the increasingly dry conditions and how customers can reduce their water use. The team is also utilizing the TAP news site to share content through social media, bill inserts, and other outreach efforts.

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Denver Water's Water Shortage Preparedness Committee continues to plan both internally and externally with distributors, stakeholders, other utilities, and state and federal agencies for possible drought scenarios in 2021. The team has also taken the lead in creating two drought coordination groups, which include the Metro Drought Coordination Group and the Front Range Drought Coordination Group. Creating a local level network within the Denver Metro area and throughout the Front Range ensures the gathering of information from all levels in order to make informed decisions for customers.

In response to a question from Commissioner Austin, Mr. Elder explained that the Cheeseman Reservoir is filling slow now but it is anticipated that run off will increase this spring.

## EXECUTIVE UPDATE

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

Ms. Bricmont reported that the February Financial Report has been prepared for the Board's review, a copy of which is attached to and incorporated in these Minutes as Exhibit G. She noted that all revenues and expenses fall within variance tolerances. Water sales are down 7%, however revenues are generally lower this time of year through April. Overall, revenues are generally moving in the right direction.


## BRIEFING PAPERS & REPORTS

### 10. ITEM V-A-1: BRIEFING PAPER FOR LEGISLATIVE UPDATE

The Board received a Briefing Paper for Legislative Update, a copy of which is incorporated and attached to these Minutes as Exhibit H.

## ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 10:13 a.m.

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Secretary

DocuSigned by:  
  
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President

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