

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

CSU SPUR Campus
Hydro Building
4817 National Western Drive
Denver, CO
Conference Room NWC309

Video Conference: Microsoft Teams, Meeting ID: 288 035 542 399,
Passcode: pSkYwc or Dial-in: (720) 647-5730, Phone Conference ID: 184 150 537#

Wednesday, May 10, 2023

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, May 10, 2023, beginning at 9:00 a.m. in Multipurpose Room 309 and via Microsoft Teams Video Conference, Meeting ID: 288 035 542 399, Passcode: pSkYwc or Dial-in: (720) 647-5730, Phone Conference ID: 184 150 537#. Members of the Board present during the Regular Meeting were:

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

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

J.S. Lochhead, CEO/Manager	A. Joseph, Attorney Sr.
J.A. Anderson, Chief of Staff	A. Gonzales, Water Quality & Treatment Manager
A. Bricmont, Chief Financial Officer	A. Heidema, Director Engineering – Property
J. Brody, General Counsel	J. Langlois, Water Quality Tech LTE
B.D. Good, Chief Administrative Officer	D. Lopez, IT Support Sr. Specialist
D. Gorgemans, Chief Internal Auditor	D. Martinelli, Finance Analyst
R. Mahoney, Chief Engineering Officer	A. Rettig, Finance Supervisor
R. Marsicek, Chief Water Resource Strategy Officer	

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

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



T.J. Roode, Chief Operations and
Maintenance Officer
S. Abram, Director Finance Plan &
Performance
A. Aslamy, Risk Sr. Analyst
L. Bissey, Paralegal
A. Cavallaro, Paralegal Sr.
N. Elder, Planning Manager
C. Fikan, Finance Associate Analyst
A. Hill, Government Relations Liaison

K. Riegler, Attorney Sr.
C. Roadcap, Water Quality Sr. Tech
C. Rosenkrance, Water Quality
Supervisor
U. Sharma, Treasurer
D. Bookhardt, Butler Snow, LLP
B. Henry, Marsh McLennan
J. Hittle, CSU Assistant Vice Chancellor
D. Kelley, Butler Snow, LLP
K. Koepke, Marsh McLennan

INTRODUCTORY BUSINESS

Commissioner Jones called the meeting to order at 9:03 a.m.

Public Comment and Communications

Commissioner Jones issued an invitation to members of the public to comment to the Board on any matters not included in the meeting Agenda. There was no public comment.

Ceremonies, Awards, and Introductions

Mr. Roode introduced Mr. Gonzalez, a Water Quality & Treatment Manager at Denver Water, who thanked the Board, Denver Water, and Ms. Hittle for making the investment in the Hydro Building.

Ms. Hittle extended a warm welcome to the Board, thanking the entire Denver Water team for supporting such an amazing collaborative space at CSU Spur Campus and furthering the unique collaboration between a university and water utility.

Mr. Lochhead stated, on behalf of the Board and Denver Water, that everyone is excited to be in the Hydro Building and appreciates the tremendous collaboration potential. He thanked Ms. Hittle for her support and partnership.

Legislative Update

Mr. Hill reported that the General Assembly adjourned late Monday evening and provided a brief update on bills that passed, stating that a more thorough update will be provided at the June 14th Board meeting.

Mr. Hill was available to answer questions regarding the legislative update. 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: MINUTES FROM APRIL 12, 2023

Approved the Minutes from the April 12, 2023 Board Meeting.

2. ITEM II-A-2: MINUTES FROM APRIL 26, 2023

Approved the Minutes from the April 26, 2023 Board Meeting.

3. ITEM II-A-3: INTERGOVERNMENTAL AGREEMENTS FOR EXPERT SUPPORT TO EVALUATE PROPOSED MOLYBDENUM STANDARD CONTRACTS 505711 AND 505712

Approved Contracts 505711 and 505712 with the Northwest Colorado Council of Governments and other parties to share costs of technical experts, for the contract period from April 5, 2023 to August 1, 2024, for a total combined contract amount not to exceed \$20,000.

4. ITEM II-A-4: AUTHORIZATION FOR ADDITIONAL CONTRACT FUNDS FOR TEMPORARY STAFFING CONTRACTS 504266, 504261, AND 504264

Approved additional contract funds for Contract 504266 in the amount of \$92,000, for a total contract amount of \$2,822,000; Contract 504261 in the amount of \$70,000, for a total contract amount of \$816,000; and Contract 504264 in the amount of \$74,800, for a total contract amount of \$1,640,083.

5. ITEM II-A-5: TEMPORARY STAFFING SERVICES CONTRACTS 505696, 505694, AND 505493

Approved Contract 505696 with Colorado Network Staffing, Inc. for temporary staffing services, for the contract period from June 1, 2023 to June 1, 2026, for the amount of \$3,200,000.

Approved Contract 505694 with Compri Consulting, Inc. for temporary staffing services, for the contract period from June 1, 2023 to June 1, 2026, for the amount of \$835,000.

Approved Contract 505493 with The Doyle Group, LLC for temporary staffing services, for the contract period from June 1, 2023 to June 1, 2026, for the amount of \$1,800,000.

6. ITEM II-B-1: 2023 PNC LINE OF CREDIT RESOLUTION

Ms. Sharma presented the Board with the Resolution Authorizing the First Amendment to Credit Facility Agreement with PNC Bank as Lender, a copy of which is attached to and incorporated in these Minutes as Exhibit A. She explained that the current line of credit (LOC) has been in place since January 2019 and will need to be amended and renewed as the current benchmark index rate, London Interbank Offered Rate (LIBOR), will cease to exist as of June 30, 2023. The new benchmark, Secured Overnight Financing Rate (SOFR), is considered a more accurate and secure pricing benchmark according to the Federal Reserve Board. The Credit Facility is in the amount of \$60,000,000, with an uncommitted \$40,000,000 accordion if needed. The Credit Facility has an effective date of May 31, 2023, with a maturity date of May 31, 2024 and funds drawn from the LOC will be used as interim financing for capital improvements.

Approved and adopted the 2023 Line of Credit Resolution authorizing the amendment of the Revolving Line of Credit Agreement between the Board and PNC Bank, N.A.

Approved delegation authority to execute certain related documents to the Chief Finance Officer and the Treasurer.

POLICY MATTERS

7. ITEM III-A: WATER SUPPLY UPDATE

Mr. Elder 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 the snowpack for the Colorado River Watershed peaked at 96% of normal, approximately 10% above last year. The snowpack for the South Platte River Watershed peaked at 81% of normal, which is also about 10% above last year.

Mr. Elder stated that Denver Water's reservoir storage is currently 81% of full, which is typical for this time of year, and with normal future weather, peak storage is anticipated to reach 97% of full. The weather will remain in a cool pattern for the next 8 to 14 days, with above-average precipitation expected. Future weather is looking favorable, although becoming harder to forecast. The inflow forecast for Lake Powell is 151% of average peak with an expected three million acre-feet gain.

8. ITEM III-B: 2023 INSURANCE PROGRAM

Ms. Henry and Ms. Koepke of Marsh McLennan presented the Board with Denver Water's 2023 Insurance Program, a copy of which is attached to and incorporated in these Minutes as Exhibit C. They provided a market update, discussing current insurance policies, trends in the markets, anticipated changes to pricing and coverage, and renewal strategy.

Ms. Henry reported on the state of the insurance market, including trends in property, excess liability, management liability, and cyber rates. She discussed Denver Water's current insurance program and the 2023 recommended renewal program. Ms. Koepke provided a benchmark overview and comparison of Denver Water to its peers, noting that the program is favorable when benchmarked against other peer groups. She also reported on property program highlights, providing additional policy information as it relates to property coverage limitations, and noting trends and changes in the insurance marketplace.

9. ITEM III-C: Q1 PERFORMANCE REPORT

Ms. Abram presented the Board with the First Quarter Performance Report, a copy of which is attached to and incorporated in these Minutes as Exhibit D. She provided an overview of the organizational scorecard metrics and highlighted portions of the Denver Water 2023 Business Plan, which has been updated to reflect the priorities for the current year. She noted that the brand engagement is slightly below target, mostly due to limited contact with the public during the initial start to the year, and the team plans to be more engaged moving forward.

She reported that Revenue was \$10.8 million over budget, \$4.0 million of which is an offset for additional program spending in 2023. System Development Charges were favorable through the first quarter. Total operating costs without operating projects were \$2.4 million over budget. Professional and Purchased Services were \$1.5 million over budget; Materials, Supplies, and Chemicals were \$1.0 million over budget; and Construction and Field Services continue to see

increased costs for hauling and trucking, paving, and fuel. Operating and Capital Projects were \$3.8 million over budget.

EXECUTIVE UPDATE

10. ITEM IV-A: CEO UPDATE

Mr. Lochhead reported that the executive team intends to discuss aspects of Denver Water's refreshed Strategic Plan with the Board to obtain its input on direction and timing. The plan is not only intended to address Denver Water's enhanced values, expanded focus on sustainability, and commitment to the community, but also future challenges in the areas of climate change and an increasing population.

Mr. Lochhead emphasized that it is Denver Water's role to continue to steward water resources in Denver and the mountain communities and maintain water supplies as a legacy for the future. The implementation of the refreshed plan will be used to inform the 2024 Annual Business Plan, which will be presented to the Board in July.


BRIEFING PAPERS & REPORTS

11. ITEM V-A-1: BRIEFING PAPER FOR INSURANCE STRATEGY


The Board received a Briefing Paper for Insurance Strategy, a copy of which is incorporated and attached to these Minutes as Exhibit E.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 9:55 a.m.

DocuSigned by:


Jim Lochhead
Secretary

DocuSigned by:


Craig Jones
President