

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

Video Conference: <http://zoom.us/join>, Meeting ID: 918 2005 1960, Password: 934401
or Dial-in: (669) 900-6833, Meeting ID: 918 2005 1960

Wednesday, May 26, 2021

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, May 26, 2021, beginning at 9:00 a.m. via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 918 2005 1960, Password: 934401 or via Dial-in: (669) 900-6833, Meeting ID: 918 2005 1960. 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	P. McCormick, Project Engineer
J.A. Anderson, Chief of Staff	M. McDonald, Watershed Planner
A.C. Bricmont, Chief Financial Officer	L. Morales, Community Relations Sr. Specialist
J. Brody, General Counsel	E. Newton, Law Clerk
B.D. Good, Chief Administrative Officer	K. Oligney, Director IT Infrastructure
D. Gorgemans, Chief Internal Auditor	I. Oliver, Director SOS
M. King, Chief External Affairs Officer	J. O'Reilly, IT Support Sr. Specialist
R. Mahoney, Chief Engineering Officer	J. Park, IT Application Sr. Developer
T.J. Roode, Chief Operations and Maintenance Officer	B. Peterson, Finance Supervisor
E. Abbott, IT Program Manager	K. Petrik, Director Engineering – Construction
S. Abram, Director Finance Plan & Performance	C. Proctor, Communication Sr. Specialist
S. Adamkovics, Finance Sr. Analyst	A. Rettig, Finance Supervisor
B. Akins, Finance Analyst	L. Schulz, Customer Relations Manager

D. Arnold, Attorney	J. Seagren, Distribution Relations Manager
A. Aslamy, Finance Sr. Analyst	U. Sharma, Treasurer
M. Barela, Finance Supervisor	R. Stitt, Planning Manager
J. Bogner, Finance Sr. Analyst	J. Taussig, Director EMSS
C. Burri, Lead Scientist	R. Walsh, Engineering Manager
D. Castaneda, Engineer	J. Walter, Finance Analyst
A. Cavallaro, Paralegal	P. Williams, Executive Assistant
S. Chesney, Director Public Affairs	A. Witheridge, Lead Scientist
J. Christensen, Contract Specialist	L. Albanese, Financial Investment News
J. Daly, Finance Sr. Analyst	F. Beum, USFS Region 2
M. Davies, Engineer	J. Crockett, Jacobs
C. Davis, Engineering Specialist	P. Fitzgerald, Platte Canyon Water and Sanitation District
D. Fiorucci, IT Support Sr. Specialist	G. McCarthy, Portfolio Evaluations, Inc.
P. Freeman, Business Operations Manager	T. Neel, USFS Region 2
J. Light, Engineer Sr.	P. Niedermuller, CliftonLarsenAllen
D. Lopez, IT Support Specialist	J. Ostroski, CliftonLarsenAllen
J. Lorton, Director Accounting	L. Suer, Jacobs
A. Mays, Finance Supervisor	T. Timberlake, USFS Region 2
C. Mbakogu, Division Sr. Analyst	

INTRODUCTORY BUSINESS

Commissioner Reiff called the meeting to order at 9:00 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.

Ceremonies, Awards, and Introductions

Mr. Lochhead introduced Mr. Beum, the New Regional Forester of the USDA Forest Service Rocky Mountain Region 2 (USFS), and noted the work accomplished on many projects with the USFS, particularly the From Forests to Faucets Partnership. Mr. Beum explained that he started his new position seven weeks ago and appreciates being back in Colorado where he started his career. He stated that the USFS was founded on protecting watersheds, which remains an important issue, and he looks forward to continuing to work with Denver Water into the future.

Commissioner Reiff added that Denver Water looks forward to continuing this relationship under Mr. Beum's tenure.

Mr. Lochhead also recognized the retirement of Patrick Fitzgerald of Platte Canyon Water and Sanitation District, thanking him for his 46 years of leadership and advocacy, both of which have been critical in solidifying relationships between distributors and Denver Water. Mr. Fitzgerald thanked the Board and Mr. Lochhead for their collaborative partnership, stating that he is honored to be a member of the Denver Water team and expects that Denver Water will continue to be an innovative leader in providing clean water.

The Board thanked Mr. Fitzgerald for his many years of service, noting that he has been an enormously effective advocate in an extraordinary fashion, and his retirement is a loss to Denver Water.

Legislative Update

Ms. Morales presented the Board with a legislative update, stating that Denver Water staff has been working to amend two bills. The first bill, SB 21-176, is focused on providing broad protections against workplace discrimination, but it also lowers the standard for harassment claims to be brought against employers, which could lead to more litigation. This bill will be heard by the full Colorado Senate today. Another bill on which Denver Water has taken an amend position is SB 21-190, which creates new data privacy rights for consumers. This bill targets commercial entities that sell personal data as opposed to governmental entities that provide essential services. Denver Water has been working with Colorado Springs Utilities and the Colorado Municipal League to secure an amendment that will exempt public utilities. This bill is expected to be heard by the House Committee on Business Affairs and Labor tomorrow.

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: DENVER INTERNATIONAL AIRPORT VAULT AND CATHODIC PROTECTION IMPROVEMENTS – CONTRACT 504627

Approved Contract 504627 with IHC Scott, Inc. dba Interstate Highway

May 26, 2021

Construction, Inc. for the DIA 2021 Vault and Cathodic Protection Improvements for the contract period from May 26, 2021 to November 19, 2021, for a total contract amount not to exceed \$1,376,424.

**2. ITEM II-A-2: THIRD AMENDMENT WITH VELOCITY
CONSTRUCTORS INC. FOR FOOTHILLS TREATMENT PLANT FILTER
MEDIA REPLACEMENT – CONTRACT 503793**

Approved Third Amendment to Contract 503793 with Velocity Constructors, Inc. for the Foothills Treatment Plant Filter Media Replacement through April 15, 2023 for an additional \$2,483,642, for a total amended contract amount not to exceed \$4,902,765.

**3. ITEM II-A-3: NON-POTABLE WATER LEASE AGREEMENT WITH
BLUFF LAKE NATURE CENTER – CONTRACT 504864**

Approved the Non-Potable Water Lease Agreement with the Bluff Lake Nature Center for lease of sixty (60) acre-feet of non-potable raw water annually.

**4. ITEM II-A-4: INTERGOVERNMENTAL AGREEMENT AND
TEMPORARY AMENDMENT OF THE MARCH 3, 1987 ROCK CREEK LEASE
AGREEMENT AS PREVIOUSLY MODIFIED – CONTRACT 504884**

Approved Contract No. 504884 with the Colorado River Water Conservation District for Denver Water's portion of Wolford operation, maintenance, and rehabilitation costs during calendar year 2021, for a total contract amount not to exceed \$603,240.

Approved delegation of authority to CEO/Manager to approve any amendments that do not exceed 10% or \$5,000, whichever is greater for any individual item, and that cumulatively do not exceed 10% of the overall budget.

**5. ITEM II-A-5: PROPERTY, CASUALTY, AND CYBER INSURANCE
POLICY RENEWALS/PURCHASES**

Approved the 2021-2022 insurance strategy and delegated renewal of the agreements for property and equipment, excess liability, fiduciary, crime, cyber, terrorism, and malicious attack insurance to the CEO to bind annual coverage. The total amount of this renewal is \$951,118.

6. ITEM II-B-1: THE U.S. FOREST SERVICE 2021 COLLECTION AGREEMENT FROM FORESTS TO FAUCETS PARTNERSHIP – CONTRACT 504858

Ms. Burri presented the Board with the From Forests to Faucets Partnership Update, a copy of which is attached to and incorporated in these Minutes as Exhibit A. She reported that since 2010, the From Forests to Faucets Partnership (Partnership) has been a successful collaborative between Denver Water and the U.S. Forest Service (USFS). She highlighted a few of the success stories attributable to the Partnership, touching on the importance of continued collaborative efforts into the future, including continued implementation of forest and watershed health projects to reduce the risk of catastrophic wildfires, restoration of forests impacted by wildfire events, and addressing barriers to accelerate the pace and scale of treatments.

Ms. Burri recognized Denver Water staff for their contributions and the Board's commitment to the Partnership.

Approved and adopted Contract 504858 with the U.S. Forest Service for forest health and wildfire risk reduction for the contract period from May 26, 2021 to May 26, 2026, for a total contract amount of \$1,866,227.

7. ITEM II-B-2: INTERGOVERNMENTAL AGREEMENT FOR LEAD SERVICE LINE REPLACEMENTS WITH THE CITY OF EDGEWATER – CONTRACT 504886

Mr. Arnold reported that the City of Edgewater (Edgewater) is a Denver Water master meter distributor and a part of Denver Water's integrated system. Edgewater has approximately 150 partial lead service lines (LSLs), which are a special concern because of the resulting elevated lead levels at the customers' tap. Edgewater plans to replace these LSLs and Denver Water will provide reimbursement based upon a unit cost of \$4,200 per partial LSL. This partnership with Edgewater will allow Denver Water to explore how best to partner with other distributors to remove LSLs as part of the Lead Reduction Program (LRP).

In response to a question from Commissioner Austin, Mr. Arnold explained that, generally, master meter distributors are responsible for water system costs within their service area, however the LRP is a unique program into which both inside City and outside City customers contribute. Mr. Lochhead added that the program was originally conceived and approved by the Environmental Protection

Agency (EPA) as an alternative treatment technique for the entire system, offset through water rates charged by Denver Water.

Approved Contract 504866 with the City of Edgewater for lead service line replacements for the contract period extending to December 31, 2022, for a total contract amount not to exceed \$630,000.

8. ITEM II-B-3: 2020 AUDITED FINANCIAL STATEMENTS

Mr. Paul Niedermuller of CliftonLarsenAllen, LLP (CLA) provided the Board with the 2020 Comprehensive Annual Financial Report, a copy of which is attached to and incorporated in these Minutes as Exhibit B. He reported that Denver Water's external auditors conducted an audit of the financial statements in accordance with Generally Accepted Auditing Standards resulting in an unmodified (clean) opinion. Summarizing the audit findings, Mr. Niedermuller noted that the audit scope for the Comprehensive Annual Financial Report encompassed Denver Water's financial statements and retirements plans, and a few changes implemented this year, including unique financial statement items for 2020. CLA encountered no difficulties in performing the audit, no corrected misstatements, no disagreements with management, no significant issues to discuss with management, and found no material weaknesses.

Mr. Neidermuller thanked Denver Water management and staff for their cooperation throughout the entire process. Ms. Bricmont noted the challenging year due to the remote work environment and thanked Mr. Neidermuller for the process and partnership.

Accepted the 2020 Comprehensive Annual Financial Report for Denver Water.

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, recessed into the Trustee/Plan Sponsor Meeting on Wednesday, May 26, 2021, at 9:32 a.m., via Video Conference. The Minutes of the Trustee Meeting/Plan Sponsor are maintained separately. At 9:38 am, the Board voted unanimously to adjourn back into the Regular Meeting.

POLICY MATTERS

9. 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 C. He reported on the progress of construction in the field, providing updates on the Filter, Chemical, Floc/Sed, Administration, and Electrical Buildings. He stated that the concrete pour for the first clearwell base slab was installed two weeks ago and required 1500 yards of concrete, with a truck arriving every four minutes, to complete. The project schedule continues to meet critical path deadlines despite continued weather delays.

He highlighted that the project achieved \$400,000 in minority and women-owned enterprise (MWBE) participation expenditures last month and is on track to exceed the original 8% participation goal. There are no adjustments to the total project cost curve, which is about \$223 million, and no adjustments to the estimate at completion (EAC), which is \$512 million. The project forecast remains at \$7.5 million below budget with 37% of construction complete. He stated that this year will be one of the busiest years for construction with \$125 million slated for delivery. The project team remains heavily focused on safety, especially with more overhead work and a larger number of people on site.

In response to a question from Commissioner Lucero, Mr. McCormick stated that there has been no financial impact on the project from rising material costs and, overall, the project has realized a cost savings.

EXECUTIVE UPDATE

10. ITEM IV-A: CEO UPDATE

Mr. Lochhead reported that the Lead Reduction Dashboard will be presented to the Board quarterly and updated reports will be provided on a monthly basis going forward. He stated that Denver Water staff will be returning to the office environment on a voluntary basis on June 1, 2021, with early September remaining the target date for an organization-wide return to the office. He recognized the contributions of employees working daily in the field to collect, treat, and deliver water to our customers, and also those employees that have faced the challenges of working remotely. Overall, Denver Water has continued to perform and meet metrics, and deliver clean, safe water to our customers.

Mr. Lochhead noted that the Board will return to in-person Board meetings in June with the Board, executive team, and presenters appearing in person. The Board meetings will continue to be accessible online for the public and other attendees.

11.ITEM IV-B: CFO UPDATE

Ms. Bricmont reported that the April Financial Report has been prepared for the Board's review, a copy of which is attached to and incorporated in these Minutes as Exhibit D. She noted that the financial performance measures are within the metrics for overall operating revenues and capital projects and doing well through April.

BRIEFING PAPERS & REPORTS

12.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 E.

13.ITEM V-A-2: BRIEFING PAPER FOR PROJECT COMPLETION FOR FOOTHILLS TREATMENT PLANT PROCESS MECHANICAL PROJECT

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

14.ITEM V-A-3: BRIEFING PAPER FOR SUSTAINABILITY UPDATE

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

15.ITEM V-B-1: REPORT FOR LEAD REDUCTION PROGRAM DASHBOARD

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 10:11 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, May 26, 2021, commencing at 10:12 a.m., via Video Conference. The Minutes of the Trustee Meeting/Plan Sponsor are maintained separately. The Trustee/Plan Sponsor Meeting concluded at 10:25 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

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Gary M. Reiff
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President