

**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: 994 9121 2503, Password: 472474  
or Dial-in: (669) 900-6833, Meeting ID: 994 9121 2503

**Wednesday, September 8, 2021**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, September 8, 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: 994 9121 2503, Password: 472474 or via Dial-in: (669) 900-6833, Meeting ID: 994 9121 2503. Members of the Board present during the Regular Meeting were:

**Craig Jones, First Vice President**  
**Stephanie Donner, Vice President**  
**Tyrone J. Gant, Vice President**

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

J.S. Lochhead, CEO/Manager	K. Forbes, Director Human Resources
J.A. Anderson, Chief of Staff	A. Joseph, Attorney
A.C. Bricmont, Chief Financial Officer	D. Lopez, IT Support Specialist
J. Brody, General Counsel	J. Lorton, Director Accounting
B.D. Good, Chief Administrative Officer	C. Mbakogu, Division Sr. Analyst
D. Gorgemans, Chief Internal Auditor	L. Morales, Community Relations Sr. Specialist
R. Mahoney, Chief Engineering Officer	K. Oligney, Director IT Infrastructure
R. Marsicek, Chief Water Resource Strategy Officer	C. Palmore, Division Analyst
T.J. Roode, Chief Operations and Maintenance Officer	J. Park, IT Application Sr. Developer
	R. Pence, Engineer

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

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



E. Abbott, IT Program Manager	R. Peters, Engineer Sr.
S. Abram, Director Finance Plan & Performance	C. Proctor, Communications Sr. Specialist
S. Adamkovics, Finance Sr. Analyst	L. Quintana, Administrative Sr. Assistant
B. Akins, Finance Analyst	A. Rettig, Finance Supervisor
D. Arnold, Attorney	K. Riegle, Attorney
A. Aslamy, Finance Sr. Analyst	P. Ries, Engineer Sr.
R. Badger, Planning Manager	U. Sharma, Treasurer
J. Bandy, Planning Manager	J. Shaw, Community Relations Sr. Specialist
J. Barbier, Engineer Sr.	G. Thompson, Engineer
S. Behunek, Public Affairs Manager	J. Walter, Finance Analyst
R. Carlyle, Organizational Improvement Facilitator	K. Balaod, Pageant Media
A. Cavallaro, Paralegal	C. Garcia, Citizens Advisory Committee
E. Cinchock, Division Sr. Analyst	E. Jorgensen, South Metro Water Supply Authority
F. Davis, Rates Manager	C. Lane, Platte Canyon Water and Sanitation District
R. Davis, Finance Analyst	M. Nelson
A. Denault, Community Relations Sr. Specialist	

## INTRODUCTORY BUSINESS

Commissioner Jones called the meeting to order at 9:01 a.m. Upon motion regularly made, seconded and unanimously carried, Commissioners Reiff and Gómez were found to be absent for good cause and were excused.

### 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 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-A-1: MINUTES FROM AUGUST 11, 2021

Approved the Minutes from the August 11, 2021 Board Meeting.

**2. ITEM II-A-2: MINUTES FROM AUGUST 25, 2021**

Approved the Minutes from the August 25, 2021 Board Meeting.

**3. ITEM II-A-3: IDENTIFICATION OF DISCRETIONARY POSITIONS**

Approved updates to the list of discretionary positions due to a reorganization in late 2019 and the elimination of the Division of External Affairs.

**4. ITEM II-A-4: VAULT MODIFICATIONS 2021/2022 – CONTRACT 504773**

Approved Contract 504773 with BT Construction, Inc. for the Vault Modifications 2021/2022 project for the contract period from September 8, 2021 to July 15, 2022, for a total contract amount not to exceed \$3,402,225.

**5. ITEM II-A-5: CONDUIT NO. 12 VALVE VAULT REHAB AT LORETTO HEIGHTS – CONTRACT 504783**

Approved Contract 504783 with BT Construction, Inc. for the Conduit No. 12 Valve Vault Rehab at Loretto Heights for the contract period from September 8, 2021 to April 15, 2022, for a total contract amount not to exceed \$1,252,700.

**6. ITEM II-B-1: APPOINTMENTS TO THE CITIZENS ADVISORY COMMITTEE – DENVER CITIZENS REPRESENTATIVE**

Ms. Denault explained that Denver Water's Citizens Advisory Committee (CAC) is comprised of ten volunteer members who advise Denver Water staff and the Board on a variety of issues. The CAC holds monthly meetings that are open to the public and committee members may serve up to two consecutive three-year terms. The CAC recommends that the Board appoint Lisa Mathai and James Berkeley to the two open Denver citizen representative positions.

Approved the appointment of Lisa Mathai and James Berkeley for three-year terms for the Denver citizen representative positions on the CAC.

**POLICY MATTERS****7. ITEM III-A: FINANCIAL PLAN, LONG-TERM FORECAST AND RATES**

Mr. Lochhead presented the Board with the Financial Plan, Long-Term Forecast and Rates, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He reported on the 2022 financial planning scenarios, noting the

scenarios reflect a 20-year capital planning projection, which is revised on a yearly basis. The three scenarios include cost escalation on existing projects and costs for new business cases. The assumptions in the financial plan and long-term forecast include normal inflation on maintenance costs, operating costs and salaries, and annual business plan priorities. Excluded from the assumptions are unpredictable events such as multi-year drought, wildfires, above normal inflation or increases to costs.

He explained that of the three scenarios presented, budget reductions would be required under the proposed 3.5% rate increase scenario. The optimal plan will take into account the economic conditions impacting Denver Water and its customers while maintaining financial flexibility for an uncertain future.

Mr. Lochhead noted that additional time would be provided for the Board to review the rate setting and timeline implementation options.

In response to questions from the Board, Mr. Lochhead and Ms. Bricmont explained that outside the 1.5% rate adjustment implemented in 2021 during the onset of the pandemic, rate increases have been steady at approximately 3% per year for the past several years. If rates were increased by 4% next year, the typical in-city customer would see a minimal increase of about \$2.49 to their annual bill. This incremental increase in revenue would cover a number of economic uncertainties in the coming year.

## EXECUTIVE UPDATE

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

Mr. Lochhead acknowledged the Finance Division and the Office of General Counsel for their involvement and contributions to the recently achieved IRS private letter ruling. As described in the Briefing Paper for Private Letter Ruling, this interpretation from the IRS will allow Denver Water to fund the Lead Reduction Program with tax exempt bonds.

## BRIEFING PAPERS & REPORTS

### 9. ITEM V-A-1: BRIEFING PAPER FOR PRIVATE LETTER RULING

The Board received a Briefing Paper for Private Letter Ruling, a copy of which is incorporated and attached to these Minutes as Exhibit B.

## ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into an Executive Meeting at approximately 9:35 a.m.

DocuSigned by:  
*Jim Lochhead*  
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Secretary

DocuSigned by:  
*Gary M. Reiff*  
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President