

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

Video Conference: <http://zoom.us/join>, Meeting ID: 955 6930 6066, Password: 122069
or Dial-in: (669) 900-6833, Meeting ID: 955 6930 6066

Wednesday, November 18, 2020

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, November 18, 2020, beginning at 9:00 a.m. via Video Conference: <http://zoom.us/join>, Meeting ID: 955 6930 6066, Password: 122069 or via Dial-in: (669) 900-6833, Meeting ID: 955 6930 6066. Members of the Board present during the Regular Meeting were:

H. Gregory Austin, President
Gary M. Reiff, First Vice President
Paula Herzmark, Vice President
Craig Jones, Vice President
John R. Lucero, Vice President

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

J.S. Lochhead, CEO/Manager	J. Mitchell, Finance Supervisor
J.A. Anderson, Chief of Staff	L. Morales, Community Relations Sr. Specialist
A. Bricmont, Chief Financial Officer	K. Oligney, Director IT Infrastructure
J. Brody, General Counsel	C. Palmore, Division Analyst
B.D. Good, Chief Administrative Officer	C. Proctor, Communication Sr. Specialist
D. Gorgemans, Chief Internal Auditor	S. Ravel, Independent Contractor
M. King, Chief External Affairs Officer	A. Rettig, Finance Supervisor
R. Mahoney, Chief Engineering Officer	K. Riegler, Attorney
T.J. Roode, Chief Operations and Maintenance Officer	V. Roberts, Director Enterprise IT
S. Adamkovics, Finance Sr. Analyst	J. Salas, Communication Specialist
B. Akins, Finance Analyst	U. Sharma, Treasurer
M. Aragon, Director Customer Relations	J. Shaw, Community Relations Sr. Specialist
D. Arnold, Attorney	J. Spitze, Director IT PMO & Enterprise
R. Badger, Planning Manager	

J. Bogner, Finance Sr. Analyst
 K. Burgess, Director Human Resources
 A. Cavallaro, Paralegal
 S. Chesney, Director Public Affairs
 E. Cinchock, Division Sr. Analyst
 K. Delynko, Communications Sr. Specialist
 P. Freeman, Business Operations Manager
 T. Hartman, Media Relations Sr. Coordinator
 A. Joseph, Attorney
 J. Martin, Project Engineer
 R. Marsicek, Planning Manager
 C. Mbakogu, Division Sr. Analyst
 P. McCormick, Project Engineer
 M. McDonald, Watershed Planner

Projects
 J. Stokes, Director Enterprise Project Management
 T. Thompson, Public Affairs Manager
 J. Walter, Finance Analyst
 P. Williams, Executive Assistant
 A. Witheridge, Environmental Lead Scientist
 A. Woodrow, Community Relations Sr. Specialist
 M. Yoder, Communication Specialist
 L. Albanese, Financial Investment News
 A. Browning, Callan
 J. Crockett, Jacobs
 C. Lane, Platte Canyon Water and Sanitation District
 L. Suer, Jacobs

INTRODUCTORY BUSINESS

Commissioner Austin called the meeting to order at 9:02 a.m.

Public Comment and Communications

Commissioner Austin 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.

Commissioner Austin expressed appreciation in receiving a letter from the Citizen's Advisory Committee (CAC), which thanked Denver Water for the recent opportunity to review and comment on the Water Shortage Response Implementation Plan.

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-B-1: LEAD REDUCTION PROGRAM UPDATE

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 A. She reported that overall financials are expected to be under budget this year and that the team continues to work to find efficiencies and reduce costs. The LRP remains on track to meet all project milestones and regulatory deadlines this year. Denver Water's fourth quarterly report is the next submission deadline as required under the Environmental Protection Agency (EPA) variance.

She stated that the team has met its annual target of 4,477 lead service line (LSL) replacements, which is a major milestone considering replacement activities were condensed into a six-month period due to COVID-19 delays. Filter distribution has been completed to all customers with known or suspected LSLs. Filter use surveys have gone out with a positive return rate, and the results are currently being compiled.

The team has reached out to a variety of communities with positive results and will continue working with partners to reach audiences in multiple languages. Media coverage of the LRP is ongoing and community outreach will continue in a remote environment into 2021. Ms. Woodrow also noted that staff is working to make maps of the 2021 proposed LSL work areas and main replacement areas available on Denver Water's website in the coming weeks.

In response to questions from the Board, Ms. Woodrow noted that the majority of customer concerns involve landscaping and the general nature of LSL replacements. Participation for small, minority, and women-owned businesses is anticipated to increase from this year to 22% in 2021. She also noted that customers are starting to utilize the lead service line reimbursement policy. Mr. Roode responded that current contractor pricing is better than the overall initial plan presented in 2020 and he anticipates that over time, pricing will improve.

Mr. Lochhead recognized the LSL team, employees, and contractors for their contribution to the coordinated LSL replacement effort, especially in the face of challenges created by the pandemic. He noted that their remarkable achievement has resulted in a better outcome than the proposed implementation of orthophosphate. Commissioner Austin, on behalf of the Board, joined Mr. Lochhead in his commendation of this accomplishment.

Approved Contracts 504686, 504687, and 504688 with contractors KR Swerdfeger Construction (504686), Global Underground (504687), and AGL Construction (504688) to achieve the Lead Reduction Program (LRP) replacement goal. Approved Contracts 504689, 504690, 504691, and 504692 with on-call contractors Mid City Corporation (504689), Apex Plumbing (504690),

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Iron Woman Construction (504691), and Reynolds Construction (504692) to provide flexibility for unforeseen challenges in meeting the LRP replacement goal.

Approved delegation of authority to CEO to award subsequent task orders to contractors throughout 2021 based on costs and contractors' capacity to perform replacements, up to the number of task orders needed to meet the replacement target and within the \$34,483,050 budget.

POLICY MATTERS

2. **ITEM III-A: 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 B. He reported that the team has experienced some recent slippage of certain non-critical work, which in turn is causing delay in minor project milestones. Overall, the project schedule continues to meet critical path deadlines. The project team remains heavily focused on COVID-19 protocols, and contact tracing has caused minimal disruption to work.

There are no major adjustments to the project cost curve, which is approaching \$175 million in total spending. Owner and contractor contingencies reflect an increase in adjustments due to the release of the Moffat Treatment Plant Work Package 9. Minority and women-owned business enterprise (MWBE) spending remains on track to achieve targeted participation of \$31.5 million. The project forecast is \$7 million below budget with 27% of construction complete.

3. **ITEM III-B: Q3 PERFORMANCE REPORT**

Mr. Mitchell presented the Board with the 2020 Q3 Performance Report, a copy of which is attached to and incorporated in these Minutes as Exhibit C. He provided an overview of the organizational scorecard metrics and highlighted portions of the Denver Water 2020 Business Plan, noting no significant changes from the 2nd to 3rd Quarter Performance Reports. Water use through September is 10% higher than normal due to the extremely hot and dry year. Revenue is anticipated to be about \$32 million over budget, which is mostly driven by water sales.

He reported that System Development Charges (SDC) are trending lower due to the uncertain economic conditions of COVID-19 and are projected under budget

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through year-end. Professional services are under budget by \$1.8 million due to proactive spending reductions across the organization. Materials and supplies for water distribution are higher than budgeted with an increased cost for chemicals used in water treatment. Total operating costs without operating projects remain within budget. Regular wages are just slightly under budget due to foresight in enacting a hiring freeze early in the year. Benefits have trended upward from the 2nd quarter with claim costs returning closer to normal in the 3rd quarter.

Overall, the operating budget remains on track, consistent with the past couple of months. Projects for 2020 continue to move forward as planned and on schedule without any significant COVID-19 related impacts. Mr. Mitchell noted that the project group has done a good job of completing work in challenging conditions.

**4. ITEM III-C: ENTERPRISE PROJECT MANAGEMENT OFFICE
STATUS UPDATE**

Ms. Stokes presented the Board with the Enterprise Project Management Office Status Update, a copy of which is attached to and incorporated in these Minutes as Exhibit D. She reported that the value of the Enterprise Project Management Office (EPMO) is that it will support Denver Water's project portfolio to ensure the right projects are selected and delivered at the right time, and right cost. The EPMO ensures accountability by delivering unified processes, transparent planning, and governance consistent with enterprise reporting.

She referenced both the current state and future state of Denver Water, explaining that the team has a strong organizational strategy that will ensure accountability at every step in the process. The implementation of this strategy is through the Organizational Change Management Strategic Plan (OCM), which will be executed using the ADKAR model, a leading industry methodology for organizational change. She added that there is a significant amount of work ahead and the team will be doing incremental delivery through 2021.

EXECUTIVE UPDATE

5. ITEM IV-A: CEO REPORT

Mr. Lochhead reported that the public art pieces commissioned for the Administration Building are in the process of final installation and look spectacular. He also reported on the results of the employee engagement survey, which have seen steady improvement since April 2018. Positive comments have been received on a number of topics, including leadership's

proactive response to COVID-19, the Total Rewards package, and increased work-life balance. Suggested improvements include pay, career path opportunities, and performance management.

In furtherance of creating a great work environment, the executive team continues to work on leadership as a key foundational element and has developed a comprehensive leadership guide in support of that goal. A team of employees will be providing recommendations to the executive team on a more simplified performance management system to be implemented in 2021. Mr. Lochhead also added that Denver Water is in the process of obtaining a diversity, equity and inclusion consultant to assist the executive team with identifying and enacting changes that will better support the diversity reflected at Denver Water.

Commissioner Austin commended the survey results and all the people who contributed to the remarkable improvement.

6. ITEM IV-B: CFO REPORT

Ms. Bricmont reported that the 2021 proposed budget is available for the Board's review.

BRIEFING PAPERS & REPORTS

7. ITEM V-A-1: BRIEFING PAPER FOR COMMUNICATIONS STRATEGY

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

8. ITEM V-A-2: BRIEFING PAPER FOR WATERSHED PLANNING ORGANIZATIONAL PROGRAM QUARTERLY UPDATE

The Board received a Briefing Paper for Watershed Planning Organizational Program Quarterly Update, a copy of which is incorporated and attached to these Minutes as Exhibit F.

9. ITEM V-A-3: BRIEFING PAPER FOR IT STRATEGY UPDATE

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

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 10:01 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, November 18, 2020, commencing at 10:02 a.m., via Video Conference. The Minutes of the Trustee Meeting/Plan Sponsor are maintained separately. The Trustee/Plan Sponsor Meeting concluded at 10:23 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

DocuSigned by:
Greg Austin
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President