

**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

**Wednesday, March 11, 2020**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, March 11, 2020, beginning at 9:00 a.m. in the Board Room, Room 106, 1600 West 12<sup>th</sup> Avenue, Denver, Colorado. 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	C. Mbakogu, Division Sr. Analyst
J.A. Anderson, Chief of Staff	A. Menefee, Community Relations Sr. Specialist
A.C. Bricmont, Chief Financial Officer	L. Morales, Community Relations Sr. Specialist
C. Funk, <i>Acting</i> General Counsel	K. Oligney, Director IT Infrastructure
B.D. Good, Chief Administrative Officer	C. Piper, Government Relations Manager
D. Gorgemans, Chief Internal Auditor	B. Ransom, Recreation Manager
M. King, Chief External Affairs Officer	U. Sharma, Treasurer
R. Mahoney, Chief Engineering Officer	L. Schulz, Customer Relations Manager
T.J. Roode, Chief Operations and Maintenance Officer	J. Stokes, Director Enterprise Project Management
S. Abram, Budget Manager	J. Taussig, Director EMSS
M. Aragon, Director Customer Relations	
C. Bramon, Purchasing Supervisor	
A. Cavallaro, Paralegal	

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

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



S. Chesney, Director Public Affairs  
J. Christensen, Contract Specialist  
M. Decker, Contract Specialist  
N. DiMascio, Attorney  
R. Davis, Finance Analyst  
J. Hubbard, Quality Assurance  
Technician  
A. Ingram, Contract Supervisor  
M. Iverson, Business Operations  
Manager  
A. Joseph, Attorney  
J. Kearns, Contract Specialist

M. Thomas, Director IT Operational  
Technician  
A. Turney, Director Engineering  
D. Bookhardt, Butler Snow  
K. Crawford, Butler Snow  
C. Lane, Platte Canyon Water and  
Sanitation District  
M. Hinojosa, Butler Snow  
R. Moore, Stifel  
S. Segerstrom, Colorado Youth Corps  
Association  
G. Wroble, public comment  
S. Wroble, public comment

## INTRODUCTORY BUSINESS

Commissioner Austin called the meeting to order at 9:16 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.

Ms. Wroble addressed the Board regarding the possible long-term effects of increased water pH levels on soil and trees. She requested that Denver Water consider a monitoring program in order to track the impact on the urban forest and submitted a flyer, a copy of which is attached to and incorporated in these Minutes as Exhibit A. She thanked Denver Water for being a leader in water quality. Commissioner Austin thanked Ms. Wroble for her remarks.

### Ceremonies, Awards, and Introductions

Ms. Anderson introduced and welcomed Jennifer Stokes as the Director of Enterprise Project Management. Ms. Stokes has a background in financial services and in the energy sector. She will be working with the leadership team to identify, plan, and execute projects.

### Legislative Update

Mr. Piper informed the Board there are currently 519 bills that have been introduced in

the legislature with 68 days to go in the legislative session. He reported that there is a new draft of the FAML bill, which is moving back in the direction of the original bill. Mr. Piper 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: MINUTES FROM FEBRUARY 12, 2020**

Approved the Minutes from the February 12, 2020 Board Meeting.

**2. ITEM II-A-2: MINUTES FROM FEBRUARY 26, 2020**

Approved the Minutes from the February 26, 2020 Board Meeting.

**3. ITEM II-A-3: FIFTH AMENDMENT FOR TIME AND MAINTENANCE – CONTRACT 500524**

Approved the Fifth Amendment to Contract 500524 with Dice Communications, Inc. for time and maintenance services for an extension of the contract period through December 31, 2022 and for an addition of \$221,400, for a total amended contract amount not to exceed \$528,451.

**4. ITEM II-A-4: CROWELL & MORING LLP – CONTRACT 504398**

Approved Contract 504398 with Crowell & Moring LLP for the Gross Reservoir Expansion Project litigation for the contract period from March 11, 2020 through resolution of litigation, for a total contract amount not to exceed \$500,000.

**5. ITEM II-B-1: REVISIONS TO THE OPERATING RULES**

Mr. Aragon provided the Board with the Revisions to the Operating Rules, a copy of which is attached to and incorporated in these Minutes as Exhibit B. He noted that in addition to non-substantive revisions, staff is recommending limitations on the amount of time to challenge rates and charges.

Approved the revisions to the Operating Rules.

March 11, 2020

## POLICY MATTERS

### 6. ITEM III-A: 2020 BOND ISSUANCE

Ms. Moore provided the Board with the 2020 Bond Issuance presentation, a copy of which is attached to and incorporated in these Minutes as Exhibit C. She reported that Denver Water anticipates funding its \$1.5 billion capital plan over the next five years with a combination of debt and cash. The plan is to fund 40-70% of capital expenditures with debt, offset by SDC revenues and participation.

Ms. Moore explained that the 2020 financing plan includes taking advantage of refunding opportunities with bonds divided into Series 2020A Bonds (new money) and Series 2020B Bonds (refunding). Series 2020A Bond proceeds will be used for capital project construction in 2019 and 2020 with final maturity in 2049. She also provided a summary of outstanding bonds and estimated aggregate debt service after the 2020 bonds, showing how the debt structure will meet the needs of the capital program. Denver Water will keep the same straight-forward financing plan going forward. Ms. Bricmont noted that this is a conservative way to issue debt, because Denver Water is looking at its capital needs over a 20-year period, which provides capacity for unplanned projects.

Ms. Moore reported that the U.S. economy and municipal bond market are fluctuating daily and could face a more sustained recession. Over the past two weeks, global concern regarding the coronavirus has resulted in significant volatility in both the equity and debt markets. The bond market continues to experience record supply and demand. Bonds will be sold competitively when the market is no longer expressing uncertainty.

### 7. ITEM III-B: YOUTH CORPS UPDATE

Mr. Segerstrom presented the Board with the Youth Corps Update, a copy of which is attached to and incorporated in these Minutes as Exhibit D.

As Executive Director of the Colorado Youth Corps Association, Mr. Segerstrom reported there are 1600 members a year that come through Youth Corps, which includes a wide range of age groups, from young to old. About 40% identify as low-income, 29% belong to an ethnic minority, and 24% have had no prior work experience. The Youth Corps provides an important service to clients while also imprinting lives with essential life experiences. When Denver Water invests money in the Youth Corps, it is sending people to college and providing

vulnerable populations with work experience and launching the next generation into a better life. To date, Denver Water has created 42 jobs for the most vulnerable population of Denver.

Mr. King noted that Denver Water's involvement is part of its strategic plan in the community and currently in its second year, concluding that Denver Water is proud of its involvement with the Youth Corps.

Commissioner Austin commended the Youth Corps for the accomplishments of the program and its involvement in the community.

#### **8. ITEM III-C: SUPPLIER DIVERSITY UPDATE**

Ms. Menefee presented the Board with the Supplier Diversity update, a copy of which is attached to and incorporated in these Minutes as Exhibit E. She reported that one of the hallmarks of the supplier diversity program is to increase diversity through advancing small business and Minority/Women-owned Business Enterprise (MWBE) participation. Standard operating procedures have been created. The focus this year will continue to be on policy and procedures as well as tracking spend and programmatic goals, to further build the program. As the supplier diversity program matures, more time will be spent on expert supplier diversity trends. The 2020 program performance categories include: 1) O&M Construction; 2) Engineering; 3) Covered Goods and Services; and 4) Operational Procurements.

Ms. Menefee is hopeful that as the program progresses, it will not only increase participation, but also hit its projected goals.

### **EXECUTIVE UPDATE**

#### **9. ITEM IV-A: CEO REPORT**

Mr. Lochhead reported that as an organization, Denver Water's top priority is to keep its employees, partners, contractors, and vendors safe and healthy in order to continue to serve its customers. It is important that everyone do their part to stay healthy and keep colleagues and friends safe. Denver Water will continue to prepare and respond to COVID-19 as necessary to help manage and minimize its effects.

**10.ITEM IV-B: CFO REPORT**

Ms. Bricmont reported that a financial update and amended budget will be forthcoming for the Board’s review and approval.

**11.ITEM IV-C: OPERATIONS REPORT**

Ms. Anderson reported that the Executive Team completed their annual Strategic Planning exercise early this week looking ahead to 2021-2023 to identify organizational priorities that will help move closer to achieving their Strategic Plan goals and objectives. This exercise will culminate in the Draft 2021 Annual Business Plan, which will come to the Board in early July.

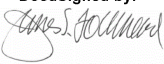
**BRIEFING PAPERS & REPORTS**

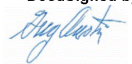
**12.ITEM V-A-1: BRIEFING PAPER FOR LEGISLATIVE UPDATE**

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

**ADJOURNMENT**

No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 10:10 a.m.

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Secretary

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President