

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

Video Conference: <http://zoom.us/join>, Meeting ID: 430 110 582, Password: 043827  
or Dial-in: (669) 900-6833, Meeting ID: 430 110 582

**Wednesday, April 8, 2020**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, April 8, 2020, beginning at 9:00 a.m. via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 430 110 582, Password: 043827 or via Dial-in: (669) 900-6833, Meeting ID: 430 110 582. Consistent with the Supplemental Public Securities Act, the designated meeting area was accessible to the public. 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:

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| J.S. Lochhead, CEO/Manager                           | C. Mbakogu, Division Sr. Analyst               |
| J.A. Anderson, Chief of Staff                        | P. McCormick, Project Engineer                 |
| A.C. Bricmont, Chief Financial Officer               | A. Menefee, Community Relations Sr. Specialist |
| J. Brody, General Counsel                            | L. Morales, Community Relations Sr. Specialist |
| B.D. Good, Chief Administrative Officer              | K. Oligney, Director IT Infrastructure         |
| D. Gorgemans, Chief Internal Auditor                 | K. Petrik, Director Engineering - Construction |
| M. King, Chief External Affairs Officer              | C. Piper, Government Relations Manager         |
| R. Mahoney, Chief Engineering Officer                | K. Reigle, Attorney                            |
| T.J. Roode, Chief Operations and Maintenance Officer | A. Rettig, Finance Supervisor                  |
| S. Abram, Budget Manager                             | U. Sharma, Treasurer                           |
| B. Akins, Finance Analyst                            |  |
| R. Badger, Planning Manager                          |  |
| C. Burri, Environmental Lead Scientist               |  |

A. Cavallaro, Paralegal  
S. Chesney, Director Public Affairs  
E. Cinchock, Division Sr. Analyst  
J. Daly, Finance Sr. Analyst  
M. Decker, Contract Specialist  
K. Dudas, Public Affairs Manager  
G. Fisher, Demand Planning Manager  
P. Freeman, Business Operations Manager  
K. Greenleaf, Administrative Sr. Assistant  
Y. Her, Procurement Manager  
A. Joseph, Attorney  
J. Kearns, Contract Specialist  
J. Martin, Project Engineer

J. Shaw, Community Relations Sr. Specialist  
A. Witheridge, Environmental Lead Scientist  
D. Bookhardt, Butler Snow, LLP  
K. Crawford, Butler Snow, LLP  
J. Crockett, Jacobs  
C. Lane, Platte Canyon Water and Sanitation District  
M. McDonald, Staffing Agency Temporary  
R. Moore, Butler Snow, LLP  
S. Shaver, Stradling Yocca Carlson & Rauth, P.C.  
L. Suer, Jacobs

## INTRODUCTORY BUSINESS

Commissioner Austin called the meeting to order at 9:06 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. Joseph noted the boardroom was open to the public and that no one from the public was present. There was no public comment.

### Legislative Update

Mr. Piper noted that the legislature is currently contemplating reconvening in May to complete work on must-pass legislation. He 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 MARCH 11, 2020

Approved the Minutes from the March 11, 2020 Board Meeting.

**2. ITEM II-A-2: MINUTES FROM MARCH 25, 2020**

Approved the Minutes from the March 25, 2020 Board Meeting.

**3. ITEM II-A-3: THE U.S. FOREST SERVICE 2020 COLLECTION AGREEMENT FROM FORESTS TO FAUCETS PARTNERSHIP – CONTRACT 504420**

Approved From Forests to Faucets Partnership Contract 504420 with the U.S. Forest Service for forest health and wildfire risk reduction for the contract period from April 8, 2020 to March 31, 2025, for a total contract amount of \$755,000.

**4. ITEM II-A-4: THIRD AMENDMENT FOR PRINTING SERVICES – CONTRACT 501292**

Approved the third amendment to Contract 501292 for printing and mail fulfillment services for an additional \$200,000, for a total amended contract amount not to exceed \$942,212.

**5. ITEM II-B-1: SERIES 2020A-B SUPPLEMENTAL BOND RESOLUTION**

Ms. Bricmont presented the Series 2020A-B Supplemental Bond Resolution to the Board for consideration. In response to a question from Commissioner Reiff, Ms. Bricmont clarified that the Supplemental Bond Resolution authorizes the Chief Finance Officer and the Treasurer to proceed with either a competitive or negotiated sale, depending on what is in the best interest of Denver Water. The Board's approval for a negotiated sale is being sought in the event Denver Water needs to go in that direction due to the unusual market conditions related to COVID-19, but it is Denver Water's intent to hold a competitive sale if the market allows.

Adopted the Series 2020A-B Supplemental Bond Resolution to authorize the Chief Finance Officer and/or the Treasurer to complete the planned sale of a maximum of \$305 million of Water Revenue Bonds, Series 2020A-B.

**POLICY MATTERS****6. ITEM III-A: NORTHWATER TREATMENT PLANT UPDATE**

Mr. Mahoney reported to the Board that the specifics on the Northwater treatment Plant's (NTP) Total Construction Cost (TCC) contract will be presented

during the April 22<sup>nd</sup> Board Meeting for the Board's approval.

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 A. He reported that the NTP TCC Amendment would close out the open GMP Contracts and consolidate remaining work under a single GMP (GMP 10) for the remaining NTP construction work.

He explained that a key reason for this proposed amendment is the ability to eliminate duplicative GMP contract requirements and remove contractual barriers between the GMPs. The amendment also provides for cost certainty by locking certain costs for construction, bringing costs close to \$9 million under budget, including full owner contingency.

Mr. McCormick noted that the consolidation from 16 GMPs to one GMP would change how milestones and progress on different categories of work is reported in NTP updates going forward. He explained that based upon recommended changes, the Estimate at Completion (EAC) reporting will change as revisions occur, which will be for the remaining single GMP TCC Projection. The transition to a single GMP allows for more discrete reporting by cost category and can significantly reduce the amount of contractor contingency. Labor costs and rates would be fixed for the duration of the project. Shifting these two cost categories to one lump sum will further reduce Denver Water's risk profile and assist with driving cost efficiencies. Additional MWBE participation is anticipated as remaining scopes of work are negotiated.

In response to questions from the Board, Mr. McCormick confirmed that both material budgetary line items and labor rates for Kiewit staff would be locked into one lump sum, based upon established blue book or fixed labor rates, and would not change for the duration of the project. Any anomalies that may occur within the combined GMP will remain trackable. In terms of staffing and subcontractor performance, the risk will be shifted to Kiewit, as well as costs associated with equipment and fuel consumption.

## EXECUTIVE UPDATE

### 7. ITEM IV-A: CEO REPORT

Mr. Lochhead reported that in response to the COVID-19 pandemic, Denver Water began enterprise-wide telework on March 12<sup>th</sup>, and the process has gone very well. Three weeks ago, employees driving Denver Water vehicles were

limited to one person per vehicle with sanitizing between uses. No one has contracted work-related COVID-19 at Denver Water and no facilities have required closure. Additionally, a voluntary effort has been launched for employees to make masks from Denver Water t-shirts and biodegradable plastics made with 3D printers.

In terms of water use, the impact of COVID-19 will be better known after completing a billing cycle. Currently, water usage for the downtown area is down 42%, commercial use is down 27%, single family residential use is up 13% and multi-family residential use is up 11%. Overall, Denver Water has not experienced much impact, but outdoor watering needs during the upcoming irrigation season may further impact revenues and expenses.

First quarter revenues are down about 2% and operating costs are down about 1%. The executive team continues to move forward with its scenario planning exercise as it pertains to the potential impacts of COVID-19, and in order to develop a solution set responsive to various key indicators through 2021.

The Accelerated Lead Service Line Replacement program (ALSLR) continues to focus on potholing and obtaining consent forms, creating a pool of properties ready for replacement work to move forward when home entry can resume. The project team is also focusing on schools and businesses that are currently closed in order to keep moving forward with lead line replacements. Communication efforts have been altered to include a more virtual outreach while filter distribution continues as planned and on schedule.

Historically, Denver Water has been flexible with non-payment penalties and will continue to suspend all shutoffs while communities deal with these challenging times. Due to the stay-at-home order, most routine maintenance has been suspended on work that impacts more than one residence, and ongoing projects with contractors and developers are going forward on a case-by-case basis. Denver Water has been working with the City and County of Denver to give contractors and developers some flexibility on outages in order to allow their projects to keep going and help the economy. In the case of shutoffs due to outage or emergency, residents will be provided with bottled water.

Due to high recreation volume, Denver Water is following the lead of Colorado Parks and Wildlife and has closed camping facilities at Antero and Williams Fork reservoirs to maintain social distancing protocols.

Construction work is proceeding on schedule with minimal field staff, and engineering teams are making the transition to working from home for design and other support work. Non-essential maintenance has been reduced, and treatment plants are operating with limited personnel practicing social distancing. Staff anticipates a backlog of preventative maintenance activities with an expected surge once operations resume. The warehouse and procurement are identifying and resolving any shortages and supply chain issues. Employee morale continues to be high and daily email updates to employees, advising them of the most current situation and safety measures regarding COVID-19 are ongoing.

Commissioner Austin thanked Mr. Lochhead and staff for their contributions despite the many challenges presented by COVID-19 to our community and workforce.

#### **8. ITEM IV-B: CFO REPORT**

Ms. Bricmont reported that Denver Water's financial situation is currently strong and that the Finance team is beginning the forecasting process for first quarter operations.


### **BRIEFING PAPERS & REPORTS**


#### **9. 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 B.

### **ADJOURNMENT**

No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 9:40 a.m.

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Secretary

DocuSigned by:  
  
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President