

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

Video Conference: <http://zoom.us/join>, Meeting ID: 915 2578 5536, Password: 032447
or Dial-in: (669) 900-6833, Meeting ID: 915 2578 5536

Wednesday, May 13, 2020

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, May 13, 2020, beginning at 9:00 a.m. via Zoom Video Conference: <http://zoom.us/join>, Meeting ID: 915 2578 5536, Password: 023447 or via Dial-in: (669) 900-6833, Meeting ID: 915 2578 5536. 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. Martin, Project Engineer
J.A. Anderson, Chief of Staff	C. Mbakogu, Division Sr. Analyst
A.C. Bricmont, Chief Financial Officer	K. Oligney, Director IT Infrastructure
J. Brody, General Counsel	P. Peloquin, Interagency Project Manager
B.D. Good, Chief Administrative Officer	K. Petrik, Director Engineering – Construction
D. Gorgemans, Chief Internal Auditor	B. Piede, Engineer
M. King, Chief External Affairs Officer	B. Raso, Contract Specialist
R. Mahoney, Chief Engineering Officer	A. Rettig, Finance Supervisor
T.J. Roode, Chief Operations and Maintenance Officer	V. Roberts, Director Enterprise IT
S. Adamkovics, Finance Sr. Analyst	L. Southard, Administrative Sr. Assistant
A. Andrews, Finance Sr. Analyst	U. Sharma, Treasurer
D. Arnold, Attorney	J. Shaw, Community Relations Sr. Specialist
A. Aslamy, Finance Sr. Analyst	
R. Badger, Planning Manager	

C. Bramon, Purchasing Supervisor
A. Cavallaro, Paralegal
S. Chesney, Director Public Affairs
E. Cinchok, Division Sr. Analyst
J. Christensen, Contract Specialist
A. Dobson, Support Services Specialist
C. Fransen, Contract Specialist
P. Freeman, Business Operations
Manager
B. Gogas, Environmental Sr. Scientist
S. Hansz, Engineer Sr.
A. Joseph, Attorney
A. Krcmarik, Community Relations Sr.
Specialist
R. Kuhn, Finance Supervisor
D. Lopez, IT Support Specialist

R. Stitt, Planning Manager
M. Thomas, Director IT Operational
Tech
A. Turney, Director Engineering –
Property
B. Wedll, Purchasing Specialist
J. Wittler, Attorney
O. Bannon, Western Resource
Advocates
A. Glover-Rendahl, Marsh & McLennan
K. Lammers, City of Edgewater
C. Lane, Platte Canyon Water and
Sanitation District
J. Lorenz, Marsh & McLennan
F. Watkins, Marsh & McLennan

INTRODUCTORY BUSINESS

Commissioner Austin called the meeting to order at 9:07 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.

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 APRIL 8, 2020

Approved the Minutes from the April 8, 2020 Board Meeting.

2. ITEM II-A-2: MINUTES FROM APRIL 22, 2020

Approved the Minutes from the April 22, 2020 Board Meeting.

3. ITEM II-A-3: MEMORANDUM OF AGREEMENT WITH U.S. ARMY CORPS OF ENGINEERS CONCERNING THE ELEVEN MILE FLUME REPLACEMENT PROJECT – USACE FILE NUMBER NWO-2020-004360-DEN

Approved the Memorandum of Agreement (USACE file number NWO-2020-00436-DEN) with the U.S. Army Corps of Engineers and the State Historic Preservation Officer for the construction of the Eleven Mile Flume Replacement Project on Denver Water property in Park County, Colorado.

4. ITEM II-A-4: ELEVEN MILE RESERVOIR OUTFLOW FLUME REPLACEMENT – CONTRACT 50799

Approved Contract 503799 with Tezak Heavy Equipment for the Eleven Mile Reservoir Outflow Flume Replacement project for the contract period from May 13, 2020 to December 18, 2020, for a total contract amount not to exceed \$779,810.

5. INTERGOVERNMENTAL AGREEMENT WITH THE CITY AND COUNTY OF DENVER FOR 16TH STREET MALL RECONSTRUCTION – CONTRACT 504447

Approved Contract 504447 with the City and County of Denver for pipe replacement related to the 16th Street Mall Reconstruction for the contract period from July 1, 2020 to December 31, 2023, for a total contract amount not to exceed \$5,454,776.

6. ITEM II-B-1: RESOLUTION AUTHORIZING ACQUISITION OF EASEMENT VIA EMINENT DOMAIN FOR THE LUPTON LAKES INLET/OUTLET FACILITY AT THE INTERSECTION OF WELD COUNTY ROAD 8 AND HIGHWAY 85

Ms. Turney provided the Board with the Resolution Authorizing Acquisition of Easement via Eminent Domain for the Lupton Lakes Inlet/Outlet Facility at the Intersection of Weld County Road 8 and Highway 85, a copy of which is attached to and incorporated in these Minutes as Exhibit A.

She explained that Lupton Lakes is Denver Water's northernmost downstream facility. An inlet/outlet facility is required from the storage cells to the South Platte River, which requires the acquisition of private property interests, potentially using eminent domain. These property needs are at approximately Weld County Road 8 running from Highway 85 to the South Platte River. Staff is requesting

May 13, 2020

approval from the Board to move forward with property negotiations and/or legal proceeding authority to obtain the necessary land for the facility.

In response to a question from Commissioner Lucero, Ms. Turney noted that this is a valuable easement with considerable savings.

Adopted the Resolution authorizing Acquisition of Easement for the Lupton Lakes Inlet/Outlet Facility at the Intersection of Weld County Road 8 and Highway 85.

POLICY MATTERS

7. ITEM III-A: IT STRATEGY UPDATE

Ms. Roberts presented the Board with the IT Strategy Update, consistent with its Briefing Paper for IT Strategy Update. She reported that IT support has been heavily engaged in Denver Water's response to COVID-19, which includes assisting Customer Care operations, mobilizing videoconferencing tools, monitoring network connectivity and performance, assisting employees with telework arrangements, and adjusting staff schedules with social distancing protocols. IT support will continue to remain flexible throughout the year in its response to COVID-19. Despite the added workload, the IT Leadership Team has made progress on the prioritized focus areas introduced during its last update on February 26, 2020.

8. ITEM III-B: INSURANCE STRATEGY

Ms. Glover-Rendahl of Marsh & McLennan presented the Board with Denver Water's 2020 Insurance Program, a copy of which is attached to and incorporated in these Minutes as Exhibit B. She explained that Denver Water's strategy is primarily focused on renewal of Denver Water's property and liability policy and providing new coverage recommendations for terrorism and cyber security. Marsh's strategy is to market programs every 3-5 years for diligence purposes and in accordance with fluctuating market conditions. Staff expects to present the proposed policies for approval on May 27, 2020.

Ms. Glover-Rendahl provided details about the proposed policy renewal structure with incumbent carriers for property and equipment, excess liability, crime, fiduciary exposures and accidental death and disability insurance for its employees. Ms. Watkins provided a summary of the limits and premiums for cyber and stand-alone terrorism coverage, noting that the additions of cyber and stand-alone terrorism insurance will protect Denver Water from losses due to

cyber-attacks and broaden terrorism coverage to include certified and non-certified acts of terrorism.

In response to questions from the Board, Ms. Watkins clarified that cyber security coverage mitigates loss tied to any business interruptions related to a security breach. The cyber program contemplates the use of different devices by employees, and coverage extends to all employees using Denver Water's network.

EXECUTIVE UPDATE

9. ITEM IV-A: CEO REPORT

Mr. Lochhead reported that in response to COVID-19, the executive team is monitoring leading indicators for the Denver region and developing various scenarios, which include rate analysis and potential operational adjustments. An overview of operations will be provided at the next board meeting.

Currently, total water usage is down 3%, which is an upward trend from the 6% recorded previously. April started wet and cold and ended dry, with an increase in residential water use. Outdoor irrigation continues to be monitored, as well as customer bill payments, in the face of the economic slowdown.

Mr. Lochhead noted that Denver Water will not mandate a return to work in the Administration Building or Denver West before August 31, 2020. This is a target date for planning purposes as the situation continues to be evaluated and adjusted in accordance with COVID-19-related government orders. Depending on how conditions unfold, Denver Water will consider easing back to work as appropriate, taking into account specific work groups that can't work remotely. Current operations continue in the telework environment and capital projects are moving forward relatively normally.

10. ITEM IV-B: CFO REPORT

Ms. Bricmont reported that the Board will be receiving the First Quarter Performance Report with an update to follow at the next board meeting.

Ms. Sharma reported that Denver Water completed the bond sale on May 6, 2020. The sale was highly successful, especially considering the volatility in the bond market. There was an overwhelming demand from the investor community for the outstanding bond series, which were sold at historically low interest rates:

Series 2020A Bonds at 3.02% and Series 2020B Bonds at 2.09%. The low interest rates on the bonds will save Denver Water and its customers repayment costs. The refinanced bonds are expected to provide \$17.5 million in savings due to lower interest rates.

Ms. Bricmont recognized the Finance Team and the Office of General Counsel for their work, which culminated in a very successful sale.

Commissioner Austin thanked the team for their good work and the wonderful result.

BRIEFING PAPERS & REPORTS

11. ITEM V-A-1: 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 C.


12. ITEM V-A-2: BRIEFING PAPER FOR INSURANCE STRATEGY

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

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 9:43 a.m. Commissioner Reiff recused himself from portions of the Executive Session discussion.

DocuSigned by:

DEDE0A34B77B464...
Secretary

DocuSigned by:

44266A886895454...
President