

# AGENDA

## Denver Board of Water Commissioners

Denver Water Board Room, 1600 W 12<sup>th</sup> Avenue, Denver, CO 80204 and

Video Conference: <http://zoom.us/join>, Meeting ID: 882 3417 6376 - Passcode: 600590 or

Dial in (669) 900-6833 - Meeting ID: 882 3417 6376 - Passcode: 600590

Members of the public are welcome to attend either in person or by video conference

**Wednesday, June 26, 2024 – 9:00 a.m.**

---

### I. INTRODUCTORY BUSINESS

#### A. Call to Order and Determination of Quorum

#### B. Public Comment and Communications

At this point in the agenda, the Board may allow members of the public to address the Board on any item of interest within the jurisdiction of the Board, and not on the agenda for action. Speakers wishing to address a specific Action Item will be invited to address the Board when the item is being considered. Three minutes are allowed for each person unless the President determines otherwise.

1. Distributor Communications
2. Citizen Advisory Committee Communications

#### C. Ceremonies, Awards, and Introductions

### II. ACTION ITEMS

#### A. Consent Items

Items listed below are considered routine and may be enacted by one motion and vote. If any Board member desires discussion beyond explanatory questions, or corrections to the Minutes, the President may order that item to be considered in a separate motion and vote.

1. 2024 Conduit Valve Replacements – Contract 505878

#### B. Individual Approval Items

- |                                      |              |            |
|--------------------------------------|--------------|------------|
| 1. 2023 Audited Financial Statements | Julie Lorton | 10 minutes |
|--------------------------------------|--------------|------------|

### III. POLICY MATTERS

*Our vision is to sustain vibrant communities that value water for future generations.*

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



#### **IV. EXECUTIVE UPDATE**

##### **A. CEO Update**

##### **B. CFO Update**

1. Monthly Financial Report – May 31, 2024

##### **C. Operations Update**

#### **V. BRIEFING PAPERS & REPORTS**

##### **A. Briefing Paper**

##### **B. Report**

#### **VI. ADJOURNMENT**

#### **VII. TRUSTEE MATTERS**

#### **VIII. EXECUTIVE SESSION**

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by D.R.M.C Sec. 2-34.

##### **A. Confidential Report**

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 26, 2024

Board Item: II-A-1

## 2024 Conduit Valve Replacements Contract 505878

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to approve Contract 505878 for the Conduit Valve Replacements project. The Water Distribution section has identified four manually operated valves that are no longer operable. To maintain control, operational flexibility, and minimize the impacts of leaks, it is critical that these valves be replaced. All valves in this project will remain manually operated, so no electrical upgrades are required. Additionally, various conduit appurtenances (air release valves, blowoffs, cathodic protection) will be replaced as part of routine maintenance.

### **Budget and Schedule:**

The total amount of this contract is \$1,967,000 and the term of the contract is June 26, 2024, through May 16, 2025. Funds for this contract will come from the 2024 budget for Conduit Valve Replacement business unit, which has sufficient funds to pay the \$1,000,000 estimated to be needed in 2024. The remaining \$967,000 will be budgeted in 2025.

### **Selection of Business Partner:**

Denver Water solicited bids from four General Contractors listed on the prequalified contractor list under the Civil - Pipelines discipline. This contract was a restricted bid process using invitations to bid on the QuestCDN platform. On June 6, 2024, bids were received from four contractors. T. Lowell Construction, Inc. of Colorado was selected based on the lowest cost bid.

### **S/MWBE Information:**

The Small, Minority and Women-owned Business Enterprise goal established for this project is 5% participation. T. Lowell Construction, Inc. has proposed 5% participation.

### **Recommendation:**

Staff recommends that the Board approve Contract 505878 with T. Lowell Construction, Inc. for the 2024 Conduit Valve Replacement project for the contract period June 26, 2024 through May 16, 2025 for a total contract amount not to exceed \$1,967,000.

### **Approvals**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Alan Salazar, CEO/Manager                 | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer                |
| <input type="checkbox"/> Julie Anderson, Chief of Staff                       | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel                    | <input checked="" type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer    |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer                  |

*Our vision is to sustain vibrant communities that value water for future generations.*

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



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 26, 2024

Board Item: II-B-1

## 2023 Audited Financial Statements

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to present Denver Water's audited financial statements for the Board's acceptance. CliftonLarsenAllen, LLP (CLA), Denver Water's external auditors, conducted an audit of the financial statements in accordance with Generally Accepted Government Auditing Standards resulting in an unmodified (clean) opinion. CLA also performed a Single Audit for federal funding in accordance with Generally Accepted Government Auditing Standards resulting in an unmodified (clean) opinion.

The audited financial statements being provided to the Board are included in the Annual Comprehensive Financial Report (ACFR), including the Single Audit Report for Denver Water. The audit opinion is incorporated into the financial statements as the "Independent Auditors' Report." Upon the Board's acceptance, the ACFR is posted to both the internal and external Denver Water websites, and the Electronic Municipal Market Access (EMMA) website in compliance with SEC regulations. Additionally, we are required to submit the Single Audit Report to the Federal Audit Clearinghouse.

Below are some highlights:

Denver Water's ACFR shows a positive financial position at the end of 2023, with an overall increase in net position of over \$46 million, of which approximately \$59 million derived from capital contributions, offset by a net loss before capital contributions of \$13 million. Operating income decreased primarily due to a decrease in water sales and an increase in operating expenses.

Capital assets grew approximately \$362 million in 2023. The three largest additions were the Gross Reservoir Expansion in the amount of \$117 million, Regulated Assets, or the Lead Reduction Program, at \$85 million, and Distribution Mains and Hydrants at \$58 million.

Denver Water established a 5-year commercial paper program to provide financing for various capital projects. The program allows Denver Water to sell up to \$300 million of subordinate lien capital improvement notes with a maximum maturity date not to exceed 270 days. Of the \$300 million in commercial paper, Denver Water issued \$100 million in 2023.

Denver Water implemented GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. As a result of this implementation, Denver Water's liabilities increased by approximately \$3 million.

The Employees' Retirement Plan (pension) is reported as a Fiduciary Pension Trust Fund and is incorporated in Denver Water's basic financial statements.

The Single Audit Report shows the Independent Auditors' Reports, the Schedule of Expenditures of Federal Awards (SEFA), Notes to the SEFA, and Schedule of Findings and Questioned Costs. The funds received from the federal government are for qualifying Lead Reduction Program costs.

### **Budget and Schedule:**

There is no budgetary impact for this item.

*Our vision is to sustain vibrant communities that value water for future generations.*

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



**Recommendation:**

Staff recommends that the Board accept the 2023 Annual Comprehensive Financial Report for Denver Water.

**Approvals**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Alan Salazar, CEO/Manager                 | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer                |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff            | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel                    | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer               |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer                  |