

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

Denver Water Administration Building
1600 West 12th Avenue
Denver, CO
Board Room, Third Floor

Wednesday July 13, 2016

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday July 13, 2016, beginning at 8:48 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

Penfield W. Tate, III, President
John R. Lucero, First Vice President
Thomas A. Gougeon, Vice President
Paula Herzmark, Vice President
H. Gregory Austin, Vice President

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

J.A. Anderson, Chief of Staff	M. King, Chief Planning Officer
A.C. Bricmont, Chief Financial Officer	J.S. Lochhead, CEO/Manager
G. Cagle, Chief Human Resources Officer	T.J. Roode, Chief Operations and Maintenance Officer
S. Covington, Chief Public Affairs Officer	A. Turney, <i>Acting</i> Chief Engineering Officer
C.R. Dermody, Chief Information Officer	P.L. Wells, General Counsel
B.D. Good, Chief Administrative Services Officer	L. Kaatz, Environmental Lead Scientist
B. Balley, Engineer Sr.	L. Likes, Appraiser
B. Bates, Planning Manager	J. Lorton, Accounting Manager
K. Bates, Attorney	E. Martinez, Director H.R. –Total Rewards
J. Barbier, Engineer Sr.	B. Maulis, Contract Specialist
T. Bray, Environmental Scientist Supervisor	K. Moe, Field Supervisor
T. Bryant, Controller	S. Nelson, Real Estate Specialist
P. Carey, Purchasing & Contract Manager	M. Price, Director Business Operations
R. Cocazzella, Electrician Shop Supervisor	L. Schulz, Customer Relations Manager

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

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



P.B. Coleman, Chief Internal Auditor
P. Daukas, Planning Manager
S. Dominick, Engineer Sr.
M. Elliott, Director Stakeholder Relations
C. Fikan, Finance Technician
G. Fisher, Demand Planning Manager
S. Franey, Internal Sr. Auditor
Y. Her, Contract Supervisor

P. Segura, Division Sr. Analyst
J. Spitze, IT Sr. Project Manager
J. Tejral, Public Affairs Manager
M. Waage, Planning Manager
S. Coffin, GBSM
C. Dietrich, Dietrich & Co. Consulting
K. Meyer, CH2M Hill
E. Rojhani, Grant Thornton

I. INTRODUCTORY BUSINESS

Commissioner Lucero called the meeting to order at 8:48 a.m.

Public Comment and Communications

Commissioner Lucero 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 comment.

II. 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 OF JUNE 8, 2016

The reading of the Minutes of the Regular Meeting of June 8, 2016 was dispensed with and such Minutes were approved.

2. ITEM II-A-2: MINUTES OF JUNE 22, 2016

The reading of the Minutes of the Regular Meeting of June 22, 2016 was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of June 22, 2016 were approved.

3. ITEM II-A-3: CONSTRUCTION AND MAINTENANCE CONTRACTS FOR NON-OPERATING, OUTLYING AREAS - CONTRACTS 16672A, 16672B, 16672C, 16672D, 16672E, 16672F, 16672G, 16672H AND 16672I

Approved Contract 16672A, and Contract 16672B with Agisi Environmental Services, LLC, Contract 16672C with City lock Solutions, LLC, Contract 16672D with Colorado Premier Restoration Inc., Contract 16672E with Concrete Stabilization Technologies Inc., Contract 16672F with Elk Creek Sand & Gravel, LLC, Contract 16672G with Habcon Services Inc., Contract 16672H with Latcon Corp., and Contract 16672I with Loewen Construction Inc. for construction and maintenance services for the contract period July 13, 2016 through June 30, 2019, for a total contract amount not to exceed \$300,000.00.

4. ITEM II-A-4: SALE OF WYNETKA RESERVOIR PROPERTY TO BOWMAR VILLAS, LLC - AGREEMENT 16779A

Approved Contract 16779A with Bowmar Villas, LLC for the conveyance of vacant land, for a contract price of \$2,500,000.00, less closing costs and reimbursement of survey costs.

5. ITEM II-A-5 TABULATION OF PROPOSALS FOR THE FOOTHILLS TREATMENT PLANT ALUM SOLIDS LANDFILL CAP – CONTRACT 16744A

Awarded Contract 16744A to R.E. Monks Construction Company, LLC for the Foothills Treatment Plant Alum Solids Landfill Cap Project for the contract period July 13, 2016 through November 14, 2016, for a total contract amount not to exceed \$231,649.00. The tabulation of proposals is attached to and incorporated in these Minutes as Exhibit A.

6. ITEM II-A-6: TABULATION OF PROPOSALS FOR THE DESIGN SERVICES FOR THE FOOTHILLS WTP UNIT SUBSTATION 1,2,3,4 AND SOURCE WATER VFDs REPLACEMENT PROJECT – CONTRACT 16737A

Awarded Contract 16737A to CH2M Hill Engineers Inc. for design services for the Foothills Water Treatment Plant Unit Substation 1,2,3,4 and Service Water VFDs Replacement Project for the contract period July 13, 2016 through December 31, 2016, for a total contract amount not to exceed \$126,858.00. The tabulation of proposals is attached to and incorporated in these Minutes as Exhibit B.

7. ITEM II-A-7: TABULATION OF PROPOSALS FOR THE FOOTHILLS TREATMENT PLANT DRYING BED DECANT AND HEADWORKS MODIFICATIONS – CONTRACT 16524A

Awarded Contract 16524A to Garney Companies Inc. for the Foothills Treatment Plant Drying Bed Decant and Headworks Modifications Project for the contract period July 13, 2016 through April 7, 2017, for a total contract amount not to exceed \$1,457,000.00. The tabulation of proposals is attached to and incorporated in these Minutes as Exhibit C.

8. ITEM II-A-8: TABULATION OF PROPOSALS FOR THE CONDUIT NO. 20 OUTLET STRUCTURE MODIFICATIONS AND CHATFIELD PUMP STATION MODIFICATION PROJECTS – CONTRACT 16808A

Awarded contract 16695A to CH2M Hill Engineers Inc. for Conduit No. 20 Outlet Structure Modifications and Chatfield Pump Station Modifications Projects for the contract period July 13, 2016 through January 31, 2017, for a total contract amount not to exceed \$106,956.00. The tabulation of proposals is attached to and incorporated in these Minutes as Exhibit D.

9. ITEM II-A-9: TABULATION OF PROPOSALS FOR CONDUIT NO. 12 ISOLATION VALVES AND INTERNAL JOINT SEALS – CONTRACT 16695A

Awarded Contract 16458A to T. Lowell Construction Inc., for Conduit No. 12 Isolation Valves and Internal Joint Seals for the contract period July 13, 2016 through January 2, 2017, for a total contract amount not to exceed \$1,080,000.00. The tabulation of proposals is attached to and incorporated in these Minutes as Exhibit E.

10. ITEM II-A-10: TABULATION OF PROPOSALS FOR THE VAULT MODIFICATIONS 2016/2017 – CONTRACT 16458A

Awarded Contract 16458A with Concrete Works of Colorado Inc. for the Vault Modifications 2016/2017 for the contract period July 13, 2016 through June 30, 2017, for a total contract amount not to exceed \$3,846,000.00. The tabulation of proposals is attached to and incorporated in these Minutes as Exhibit F.

11. ITEM II-A-11: AMENDMENT NO. 1 WITH BROWN & CALDWELL FOR HILLCREST PUMP STATION REPLACEMENT PROJECT – CONTRACT 16652A

Approved the First Amendment to Contract 16652A with Brown & Caldwell, OZ Architecture and Shannon & Wilson for the final design of the Hillcrest Pump

Station Replacement Project. The amendment extends the contract period through June 2018 and adds \$664,867.00, for a total amended contract amount not to exceed \$820,435.00.

12. ITEM II-A-12: AMENDMENT NO. 1 WITH JACOBS ENGINEERING GROUP, INC. FOR NORTH SYSTEM RENEWAL WATER TREATMENT PLANT (NSRWTP) OWNER'S REPRESENTATIVE SERVICES – CONTRACT 16676A

Approved the First Amendment to Contract 16676A with Jacobs Engineering Group Inc. for the NSRWTP OR Task 3 – Preliminary Design Phase Services. The amendment extends the contract period through February 28, 2017 and adds \$2,712,196.00, for a total amended contract amount not to exceed \$3,452,196.00.

13. ITEM II-A-13: FIRE ALARM & BACKFLOW INSPECTIONS, PREVENTATIVE MAINTENANCE AND REPAIRS – CONTRACT 16720A

Approved Contract 16720A with Bronco Fire Alarm Systems Inc. for fire alarm inspections, maintenance and repair and Morrison Backflow Testing for backflow testing, maintenance and repairs for the contract period July 1, 2016 through June 30, 2019, for a total contract amount not to exceed \$115,269.00.

14. ITEM II-A-14: RATIFICATION OF AMENDMENTS TO NON-CONSTRUCTION CONTRACTS/AGREEMENTS – CONTRACTS 14656A, 16344A, 14510A, 13557A, 15398B, 13795A, 15911A AND 14064B

Ratified Construction Contract Change Orders, Amendments, and Amendments to Agreements authorized in May and June, 2016 as follows:

Second Amendment to Contract 14656A with American Datapath;

First Amendment to Contract 16344A with Flexera Software, LLC;

Fourth Amendment to Contract 14510A with Hogan Lovells US, LLP;

Fifth Amendment to Contract 13557A with NAPA Auto Parts, Genuine Parts Company;

Sixth Amendment to Contract 13557A with NAPA Auto Parts, Genuine Parts Company;

First Amendment to Contract 15398B with Independent Gas Company,
d/b/a Independent Propane Company;

Fourth Amendment to Contract 13795A with Grand River Consulting;

Third Amendment to Contract 15911A with Leonard Rice Engineers Inc.;

and

Fourth Authorization of Funds to Contract 14064B with Information &
Computing Services Inc.,

all as more particularly described in the attachment to Agenda Item ITEM II-A-14.

**15. ITEM II-A-15: RATIFICATION OF CONSTRUCTION CONTRACTS,
CHANGE ORDERS AND AMENDMENTS TO CONTRACTS/AGREEMENTS**

Ratified Construction Contract Change Orders, Amendments, and Amendments to Agreements authorized in May and June, 2016 as follows:

Change Order No. 1 to Contract 15780A with SEMA Construction Inc. for Antero Dam Rehabilitation Phase III;

Change Order No. 1 to Contract 15871A with T. Lowell Construction Inc. for Conduit Nos. 12 and 72 Rectifier and Groundbed Installations;

Change Order No. 2 to Contract 16152A with Flynn Southwest, LP for 2015 Roof Replacements;

Change Order No. 1 to Contract 16485A with T. Lowell Construction Inc. for Upper Long Lake Emergency Repair of Outlet Works; and

Change Order No. 1 to Contract 16638A with Global Underground Corp. for 8-inch Main Replacement at S. University Blvd and E. Vassar Ave.

all as more particularly described in the attachment to Agenda Item ITEM II-A-15.

**17. ITEM II-B-1: PERSONNEL POLICIES, RECOMMENDED REVISIONS
RELATED TO ADOPTION OF A PTO PROGRAM**

Approved revisions to Chapters 1, 2, 11 and 14 of Denver Water's Personnel Policies. A copy of these revised policies is attached to and incorporated in these Minutes as Exhibit G.

18. ITEM II-B-2: IT STRATEGY REVIEW CONSULTANT

Mr. Coleman introduced Mr. Rojhani, from Grant Thornton, and Ms. Dietrich, from Dietrich Co. Consulting, explaining that Ms. Dietrich's involvement with the IT Strategy Review helped it to achieve a 30% MWBE participation rate. He presented the Board with the three-phased approach for the IT Strategy Review. During phase one, the consultant will review the current state of the IT Division and propose a target state. This will involve review of five key areas: 1) IT spend against industry research; 2) the portfolio of applications; 3) new application approach; 4) infrastructure strategy; and 5) the governance process for controlling IT investment. During phase two, the consultant will provide any recommended changes that may be necessary to build a road map to achieve the target state. Phase three will involve implementation. A copy of the presentation is attached to and incorporated in these Minutes as Exhibit H.

Commissioner Tate joined the meeting at 9:00 a.m.

19. ITEM II-B-3: REVISIONS TO OPERATING RULES – SERVICE LINES

Ms. Wells presented the Board with revisions to Sections 9.04 of Denver Water's Operating Rules, which clarify that third parties should replace service lines due to construction on licensed premises. The purpose of these changes is to help ensure that when construction by a third party occurs on an existing property, and any lead service line is found to be present, that lead service line will be replaced. A copy of the proposed changes is attached to and incorporated in these Minutes as Exhibit I

III. POLICY PRESENTATIONS**20. ITEM III-A: IRP**

Mr. Waage addressed the Board with a presentation of the current IRP process. A copy of the presentation is attached to and incorporated in these Minutes as Exhibit J. He stated that the key action items from the 2011 IRP were: 1) evaluate acquiring land for an off-stream reservoir; 2) start an aquifer storage pilot project; 3) renegotiate the 1940 agreement; 4) develop a conceptual design of Lower South Platte Supply Project and identify water and land options to preserve; 5) investigate options for a West Slope water bank; 6) pursue

legislation for state-wide plumbing fixture standards; 7) implement operating rules/ordinances for new homes; and 8) start a gray water pilot project.

Ms. Dominick discussed the current state of the supply-side and watershed initiatives that developed from the 2011 IRP. She noted that staff continues to monitor and research various options to respond to the key action items. Mr. Fisher discussed the current state of the demand-supply and conservation initiatives that resulted from the 2011 IRP.

Ms. Dominick introduced Ms. Meyer, from CH2M Hill, and Mr. Coffin, from GBSM, and explained the Board's involvement in the current IRP process. She said that a web-based portal will be created so that the Board can observe progress. The next major steps are to work on the current system assessment, develop service level goals, build future scenarios with Board input, analyze gaps and opportunities to build a tool box of solutions, build portfolios, draft a Board policy statement, and create an adaptive plan to be adopted by the Board.

IV. BRIEFING PAPERS & REPORTS

21. ITEM IV-A: CEO REPORT

Mr. Lochhead recognized the ORCA team for its successful implementation of the system on July 5, 2016. He noted that employees are engaged in training and user acceptability has been very high.

He stated that Denver Water has received some complaints from neighbors near the Botanical Gardens and that Denver Water crews have been deployed to do clean-up work. We have developed a partnership with the Botanic Gardens, whereby they will send a landscape architect with our crews to discuss improvements.

Employee appreciation events are occurring at Antero, Marston, the Reuse Plant and Dillon.

Concrete walls will be placed at the new Meter Shop for the OCR project. There will be intermittent closures of Seminole Road while these placements occur.

22. ITEM IV-B: CFO REPORT

Ms. Bricmont reported that revenues have increased since May, her staff will present the Board with a rate structure briefing paper soon, and they are finalizing the process for the 2017 Budget.

23. ITEM IV-C: OPERATIONS REPORT

Mr. Roode reported that fire season has begun, with the Cold Spring Fire near Gross Reservoir. In anticipation that the fire could cross onto the property, Gross Reservoir was closed to the public briefly. Denver Water now has strike teams, approved by the Forest Service, to be able to operate facilities in the event of a fire and employee evacuations.

V. INFORMATION ITEMS**24. ITEM V-A: PROPERTY MANAGEMENT LEASING PROGRAM**

The Board received a Briefing Paper on the Property Management Leasing Program. A copy of the paper is attached to and incorporated in these Minutes as Exhibit K.

25. ITEM V-B: WATER EFFICIENCY WORKING GROUP

The Board received a Briefing Paper on the Water Efficiency Working Group. A copy of the paper is attached to and incorporated in these Minutes as Exhibit L.

VI. ADJOURNMENT

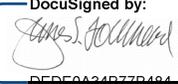
No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 10:18 a.m.

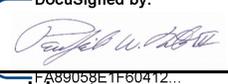
EXECUTIVE SESSION

On Wednesday July 13, 2016, commencing approximately at 10:18 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matters, which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34, were discussed during the Executive Session:

1. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:43 a.m.

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Secretary

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President