

**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, September 14, 2016

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, September 14, 2016, beginning at 9:45 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
Thomas A. Gougeon, Vice President
Paula Herzmark, Vice President

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

J.A. Anderson, Chief of Staff	B. Gogas, Environmental Sr. Scientist
A.C. Bricmont, Chief Financial Officer	D. Hamm, Division Analyst
G. Cagle, Chief Human Resources Officer	L. Likes, Appraiser
C.R. Dermody, Chief Information Officer	J. Light, Engineer Sr.
B.D. Good, Chief Administrative Services Officer	J. Martin, Engineer Sr.
M. King, Chief Planning Officer	E. Martinez, Director HR – Total Rewards
J.S. Lochhead, CEO/Manager	S. Miller, Health Services Manager
R.J. Mahoney, Chief Engineering Officer	C. Piper, Public Affairs Manager
T.J. Roode, Chief Operations and Maintenance Officer	S. Price, Engineering Manager
P.L. Wells, General Counsel	A. Rettig, Finance Supervisor
D. Arnold, Attorney	G. Rosenschein, Attorney
K. Bates, Attorney	J. Seagren, Community Relations Sr. Specialist
J. Bogner, Finance Analyst	L. Schulz, Customer Relations Manager
T. Bray, Environmental Scientist Supervisor	U. Sharma, Treasurer
S. Chesney, Public Affairs Manager	S. Snyder, Communication Sr. Specialist
	H. Stauffer, Community Relations Specialist

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
V. Gaiter, Sales Supervisor
M. Garfield, Customer Relations Manager

D. Wyman, Distribution Coordinator
A. Browning, Callan
T. Lewis, Denver Urban Renewal Authority
P. Rose, Davis, Graham & Stubbs

I. INTRODUCTORY BUSINESS

Commissioner Tate called the meeting to order at 9:45 a.m.

Commissioner Gougeon was present by telephone.

Upon motion regularly made, seconded and unanimously carried, Commissioners Lucero and Austin were found to be absent for substantial cause and were excused.

Public Comment and Communications

Commissioner Tate 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 response.

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 AUGUST 10, 2016

The Minutes of the Regular Session of August 10, 2016 were approved.

The Minutes of the Executive Session of August 10, 2016, were approved.

2. ITEM II-A-2: MINUTES OF AUGUST 19, 2016

The Minutes of the Executive Session of August 19, 2016, were approved.

3. ITEM II-A-3: MINUTES OF AUGUST 14, 2016

The Minutes of the Regular Session of August 14, 2016 were approved.

The Minutes of the Executive Session of August 10, 2016, were approved.

4. ITEM II-A-4: PERSONNEL POLICIES – RECOMMENDED REVISIONS RELATED TO THE DISABILITY REVIEW PROCESS

Approved revisions to Chapters 3, 4, 8, 11 and 13 of Denver Water's Personnel Policies. A copy of these revised policies is attached to and incorporated in these Minutes as Exhibit A.

5. ITEM II-A-5: PERSONNEL POLICY – RECOMMENDED REVISIONS RELATED TO THE VETERAN'S PREFERENCE IN COMPETITIVE EXAMINATIONS

Approved revisions to Chapter 4 of Denver Water's Personnel Policies. A copy of these revised policies is attached to and incorporated in these Minutes as Exhibit B.

6. ITEM II-A-6: FIRST CONTRACT AMENDMENT FOR SOLUFY PLANNING AND SCHEDULING TOOL – CONTRACT 16336A

Approved the First Amendment to Contract 16336A with Solufy for the Akwire upgrade. The Amendment adds \$67,850 for a total amended contract amount of \$117,100.

7. ITEM II-A-7: MEADOW CREEK DAM ISOLATION VALVE REPLACEMENTS – CONTRACT 16804A

Approved Contract 16804A with RN Civil Construction for the Meadow Creek Dam Isolation Valve Replacements for the contract period of September 14, 2016 through November 18, 2016, for a total contract amount not to exceed \$135,000.

8. ITEM II-A-8: CONDUIT NO. 20 AERIAL CROSSINGS LINING IN WATERTON CANYON – CONTRACT 16857A

Approved Contract 16857A with Coblaco Services, Inc. for Conduit No. 20 Aerial Crossings Lining in Waterton Canyon for the contract period of September 14, 2016 through November 17, 2016, for a total contract amount not to exceed \$352,848.

9. ITEM II-A-9: AMENDMENT NO. 3 WITH HDR-DEWBERRY WATER SUPPLY PARTNERS FOR CONDUIT NO. 16 REPLACEMENT AND CONDUIT NO. 22 ABANDONMENT – CONTRACT 14978A

Approved the Third Amendment to Contract 14978A with HDR-Dewberry Water Supply Partners. The Amendment adds \$135,056 for a total amended contract amount of \$5,662,048.

10. ITEM II-A-10: RATIFICATION OF CONSTRUCTION, CONTRACTS CHANGE ORDERS AND AMENDMENTS TO CONTRACTS/AGREEMENTS

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

Change Order No. 4 to Contract 14074A with Northwest Pipe Company for the Moffat Tunnel Collection System, Vasquez St. Louis Collection Conduit and Siphon No. 1 Pipe Procurement; and

Change Order No. 4 to Contract 14203A with Archer Western Construction for the Green Mountain Pump Station Renovation;

all as more particularly described in the attachment to Agenda Item II-A-11.

11. ITEM II-A-11: RETENTION AGREEMENT – CONTRACT 16588H

Approved Contract 16588H for the contract period of September 14, 2016 through September 15, 2021 for a total contract amount of \$337,720.72.

12. ITEM II-B-1: SETTLEMENT AGREEMENT AND PURCHASE OPTION AGREEMENT BETWEEN UNITED STATES FOREST SERVICE AND DENVER WATER – CONTRACTS 16893A AND 16893B

Approved Contracts 16893A and B, the Settlement Agreement, Purchase Option Agreement and Off-License Agreement with the Forest Service, and declared eleven parcels of land as surplus. The total estimated cost of the commitments provided under the Settlement Agreement is \$6,700,000, to be expended over several years.

Mr. Lochhead remarked that these agreements mark a major milestone in the permitting process for the expansion of Gross Reservoir, and he thanked the team, Paula Daukas, Travis Bray, Jeff Martin, Anne Sibree, Jessica Alexander and LaVon Likes and for their tremendous effort. Commissioners Tate and Herzmark expressed appreciation and remarked that these agreements

illustrate progress toward collaboration and a long term beneficial relationship with the Forest Service.

Commissioner Gougeon left the meeting at 9:53 a.m.

III. POLICY PRESENTATIONS

13. ITEM III-A: LEAD PROGRAM

Ms. Elliott presented the Board with an update on the proposed 2017 Pilot Lead Reduction Program and introduced Ms. Lewis from the Denver Urban Renewal Authority (DURA). A copy of the presentation is attached to and incorporated in these Minutes as Exhibit C.

Before describing the proposal, Ms. Elliott said that Denver Water's 2016 interim program has resulted in the replacement of 717 full lead service lines that were encountered during work on service line leaks, pipe replacement, pipe rehabilitation and research efforts. She expects that by the end of 2016, an additional 950 of the estimated 60,000 lead services lines in Denver Water's service area will have been replaced.

Denver Water has also offered water quality tests to residential customers, and has offered educational items and filters to those whose tests showed over 10 ppb.

The pilot program would involve a \$1,000,000 revolving loan fund (funding provided by Denver Water), administered by DURA, to ensure that low-income customers have the means to replace lead service lines, reduce costs to Denver Water, increase full replacements and provide a proven mechanism for funding.

There would be four scenarios in which service lines would be replaced: 1) during Denver Water construction; 2) during property modifications or certain City projects; 3) proactively by property owners; or 4) during service leaks. If Denver Water encounters a lead service line during its construction work, it will replace the total line at full cost. Customers would be responsible for paying for replacements when lead service lines are found during property modification or redevelopment, or if they desired to make the replacement for other reasons. Staff will continue discussions with City staff regarding the protocols for lead service lines encountered during City projects, such as street or stormwater projects.

If a lead service line is found during a service line leak, Denver Water would pay to replace the line from the main to the meter and the property owner would be responsible for the replacement from the meter to the home. Denver Water would give the property owners educational information and filters.

Staff has begun to develop a community task force, provide outreach to vulnerable populations and anticipates that all nine school districts within Denver Water's service area will complete testing by the end of 2017.

The proposed budget for the 2017 pilot program is \$5,150,000, with a goal of replacing 1000 service lines at approximately \$5000 each. This compares to the costs that will have been expended in 2016 during the interim program period.

Staff will endeavor to work on five legislative proposals with regard to lead, albeit from a health and human service standpoint rather than a water standpoint. These include disclosure requirements for housing sales and leases, mandatory testing for childcare facilities, creation of a low income assistance fund, plumber disclosure requirements and having lead in water added to the lead prevention act, which addresses other sources of lead in Colorado.

IV. EXECUTIVE UPDATE

14. ITEM IV-A: CEO REPORT

Mr. Lochhead reported that he met with Park County Commissioners and that Denver Water has entered into a memorandum of understanding with Park County regarding watershed protection.

15. ITEM IV-B: CFO REPORT

Ms. Bricmont reported that the Board will receive information next month that will assist them to understand Denver Water's new chart of accounts.

16. ITEM IV-C: OPERATIONS REPORT

Mr. Good reported that staff are in the process of conducting two exercises in resiliency. The exercises involve mock disasters and test Denver Water's alternate data center and continuity of operations.

V. BRIFING PAPERS & REPORTS

17. ITEM V-A: SETTLEMENT AGREEMENT AND PURCHASE OPTION AGREEMENT BETWEEN UNITED STATES FOREST SERVICE AND DENVER WATER – CONTRACTS 16893A AND 16893B

The Board received a Briefing Paper on the Settlement Agreement and Purchase Option Agreement between the United States Forest Service and Denver Water, a copy of which is attached to and incorporated in these Minutes as Exhibit D.

VI. ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 10:53 a.m.

TRUSTEE MEETING

The Board of Water Commissioners, serving in their capacity as Trustees of the Employees' Retirement Plan Trust Fund and as Sponsor of the Supplemental Retirement Savings Plan of the Board of Water Commissioners of the City and County of Denver, met on Wednesday, September 14, 2016 commencing at 10:53 a.m., in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. The Minutes of the Trustee Meeting are maintained separately. The Trustee Meeting concluded at 11:17 a.m.

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Secretary

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President