

**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, February 8, 2017

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, February 8, 2017, beginning at 9:00 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

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

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

J.A. Anderson, Chief of Staff	P. Carey, Purchasing & Contract Manager
T. Bryant, <i>Acting</i> Chief Financial Officer	L. Cdebaca, Finance Supervisor
G. Cagle, Chief Human Resources Officer	A. Chotiner, Business Operations Manager
S. Chesney, <i>Acting</i> Chief Public Affairs Officer	P. Coleman, Chief Internal Auditor
C.R. Dermody, Chief Information Officer	F. Davis, Rates Manager
B.D. Good, Chief Administrative Services Officer	C. Fikan, Finance Tech
M. King, Chief Planning Officer	R. Franco, Emergency Management Manager
J.S. Lochhead, CEO/Manager	E. Gleason, Engineer Senior
R.J. Mahoney, Chief Engineering Officer	J. Lorton, Accounting Manager
T.J. Roode, Chief Operations and Maintenance Officer	E. Martinez, Director HR – Total Rewards
P.L. Wells, General Counsel	R. Martinez,
S. Abram, Budget Manager	P. McCormick, Engineer Senior
D. Arnold, Attorney	C. Piper, Public Affairs Manager
	M. Price, Director Business Operations
	S. Price, Engineering Manager

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

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



K. Bates, Attorney

S. Snyder, Communication Senior Specialist

INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:10 a.m.

Upon motion regularly made, seconded and unanimously carried, Commissioner Lucero was found to be absent for substantial cause and was excused.

Public Comment and Communications

Commissioner Herzmark 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.

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 JANUARY 11, 2017

The Minutes of the Regular Meeting of January 11, 2017 were approved.

The Minutes of the Executive Session of January 11, 2017 were approved.

2. ITEM II-A-2: MINUTES OF JANUARY 25, 2017

The Minutes of the Regular Meeting of January 25, 2017 were approved.

The Minutes of the Executive Session of January 25, 2017 were approved.

3. ITEM II-A-3: JEFFERSON COUNTY MULTI-HAZARD MITIGATION PLAN RESOLUTION TO ADOPT ANNEX I

Adopted a Resolution of the Board of Water commissioners Adopting Amended Annex I as Part of the Jefferson County Multi-Hazard Mitigation Plan. A copy of the Resolution is attached to and incorporated in these Minutes as Exhibit A.

4. ITEM II-A-4: CONTRACT 16912A AMENDMENT NO. 1 KIEWIT INFRASTRUCTURE CO. NORTHWATER TREATMENT PLAN CMAR DESIGN-PHASE SERVICES

Approved the First Amendment to Contract 16912A with Kiewit Infrastructure Co. for the Ralston Outlet Works Project CMAR design-phase services. The Amendment extends the contract period through May 20, 2017 and adds \$149,500, for a total amended contract amount not to exceed \$1,206,814.

5. ITEM II-A-5: CONTRACT 16264C AMENDMENT NO 1. WITH MWH AMERICAS FOR THE GROSS DAM SEISMIC HAZARD ASSESSMENT

Approved the First Amendment to Contract 16246C with MWH Americas for the Seismic Hazard Assessment for Gross Dam. The Amendment adds \$37,410, for a total amended contract amount not to exceed \$125,161.

6. ITEM II-A-6: RATIFICATION OF CONSTRUCTION CONTRACTS, CHANGE ORDERS AND AMENDMENTS TO CONTRACT/AGREEMENTS

Ratified Construction Contract Change Orders, Amendments, and Amendments to Agreements authorized in December, 2016 and January, 2017 as follows:

1. Second Amendment to Contract 15630B with Mortenson Construction for Construction of the Operations Complex Redevelopment Project Work Package NO. 1 – General Conditions and Site Work;
2. Change Order No. 1 to Contract 15630B with Mortenson Construction for Construction of the Operations Complex Redevelopment Project Work Package No. 1 – General Conditions and Site Work;
3. Change Order No. 4 to Contract 15736A with Concrete Works of Colorado, Inc. for Vault Modifications 2015/2016;
4. Change Order No. 1 to Contract 16695A with T. Lowell Construction, Inc. for Conduit No. 12 Isolation Valves and Internal Joints;
and

5. Change Order No. 1 to Contract 16857A with Coblaco Services, Inc. for Conduit No. 20 Aerial Crossing Lining in Waterton Canyon.

all as more particularly described in the attachment to Agenda Item ITEM II-A-6.

7. ITEM II-A-7: CONTRACT 17027A AGREEMENT FOR LEGAL SERVICES WITH LOWE, FELL & SKOGG, LLC

Approved Contract 17027A with Lowe, Fell & Skogg, LLC for legal services for the contract period of February 8, 2017 through February 8, 2020, for a total contract amount not to exceed \$200,000.

8. ITEM II-B-1: ADOPTION OF DENVER WATER'S STRATEGIC PLAN

Adopted Denver Water's revised Strategic Plan to be executed over the course of the next five years. A copy of the Plan is attached to and incorporated in these Minutes as Exhibit B. Mr. Lochhead remarked that the existing Plan will continue to guide Denver Water's priorities through 2017 and that the revised Plan, with its customer-centric focus, will guide priorities, projects and initiatives beginning in 2018.

Commissioner Austin commended the efforts of staff members who developed the revised Plan and stated that it is, in his opinion, outstanding.

9. ITEM II-B-2: THIRD AMENDMENT HIGH LINE CANAL CONSERVANCY CONTRACT 15951A

Approved the Third Amendment to Contract 15951A with the High Line Canal Conservancy. The Amendment adds \$100,000, for a total amended contract amount not to exceed \$330,000. Mr. Roode said that the Conservancy plans to present its vision plan to the Board on March 8, 2016. Additionally, Denver Water is actively working three potential projects with the City of Denver, Greenwood Village and with developers and Douglas County for the 9 Mile reach of the canal from the diversion structure to Plum Creek regarding how to use the reach for stormwater.

POLICY MATTERS

10. ITEM III-A-1: BUDGET REPORTING

Ms. Bryant presented the Board with an update on the ORCA project and explained how the chart of accounts and financial reports have changed. A copy of the presentation is attached to and incorporated in these Minutes as Exhibit C. She explained that ORCA allows for the budget and actual information to be integrated into one financial system, and allows reporting to be done on the full accrual (GAAP) basis. She shared samples of reports that permit end-users to see budget, actual and forecasting information side by side. Changes to the chart of account allow for more specificity, and permit end-users to see the full cost of staff, including salaries and associated benefits. The Finance and Human Resources will endeavor to have all relevant employees trained by mid-year.

Increment II of the Orca project will include an upgrade and enhancement of the Kronos system as well as an integration of salary and benefit data, procurement and accounts payable with the JDE financial system.

Commissioner Tate joined the meeting at 9:45 a.m.

EXECUTIVE UPDATE

11. ITEM IV-A: CEO REPORT

Mr. Lochhead reported that on February 7, 2017 the Front Range Water Council sponsored a lunch at the state capital. Mr. Piper said that approximately 25 legislators attended.

12. ITEM IV-B: CFO REPORT

Ms. Bryant reported that there have been no significant changes to Denver Water's finances since the last CFO report, and that revenues are approximately 5-7% over projected levels, operating expenses are 3% under projected levels and capital projects are within 3% of projected levels.

BRIEFING PAPERS & REPORTS

13. ITEM V-A: LEGISLATIVE UPDATE

The Board received a Legislative Update Briefing Paper, a copy of which is attached and incorporated into these Minutes as Exhibit D.

14. ITEM V-A: PENSION PLAN ADMINISTRATION

The Board received a Pension Plan Administration Briefing Paper, a copy of which is attached to and incorporated in these Minutes as Exhibit E.

1. ITEM V-B-1: FOURTH QUARTER 2017 BURDENS AND DISPOSALS

The Board received a report for the 4TH Quarter of 2016 actions taken by the CEO/Manager or his designees under the authority granted to him by the Board to burden or dispose of Board property or involve an expenditure of \$10,000.00 or more, a copy of which is attached to and incorporated in these Minutes as Exhibit F.

2. ITEM V-B-2: 2017 (“ON-CALL”) GENERAL ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES CONTRACTS

The Board received a tabulation of contracts entered into under On-Call General Engineering Design Services and Construction Management Services Contracts for the period of September, 2015 through December, 2016, a copy of which is attached to and incorporated in these Minutes as Exhibit G.

3. ITEM V-B-3: REPORTING OF STAFF-ADMINISTERED CONSTRUCTION CONTRACT CONTINGENCY AMOUNTS

The Board received the Project Contingency Report as follows:

1. Ashland Reservoir Replacement Project under Contract 14063B;
2. Conduit 16 Replacement & Conduit 22 Abandonment under Contract 14978A; and
3. Operations Complex Redevelopment under Contract 15630A

all as more particularly described in Exhibit H.

4. ITEM V-B-4: STATUS OF CONTRACT WORK AND CONSULTANT SERVICES

The Board received the reports “Status of Contract Work” and “Status of Consultant Services” dated 2/2/2017, copies of which are attached to and incorporated in these Minutes together as Exhibit I.

ADJOURNMENT

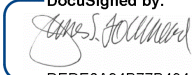
No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 10:10 a.m.

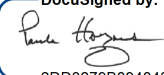
EXECUTIVE SESSION

On Wednesday February 8, 2017 , commencing approximately at 10:15 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 matter, which is authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34, was 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 11:37 a.m.

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Secretary

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President