

**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, March 22, 2017

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, March 22, 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:

**John R. Lucero, First Vice 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	A. Chotiner, Business Operations Manager
D. Bennett, <i>Acting</i> Chief Planning Officer	F. Davis, Rates Manager
A.C. Bricmont, Chief Financial Officer	R. DeCoursey, Finance Sr. Analyst
G. Cagle, Chief Human Resources Officer	M. Faulkner, Director HR - Talent
S. Covington, Chief Public Affairs Officer	C. Fikan, Finance Tech.
C.R. Dermody, Chief Information Officer	R. Gallen, Contract Specialist
B.D. Good, Chief Administrative Services Officer	A. Ingram, Contract Supervisor
J.S. Lochhead, CEO/Manager	M.H. Iverson, Business Operations Manager
K. Petrik, <i>Acting</i> Chief Engineering Officer	J. Kearns, Contract Specialist
T.J. Roode, Chief Operations and Maintenance Officer	K. Knoll, Public Affairs Manager
S. Abram, Budget Manager	J. Lorton, Accounting Manager
J. Archer, Engineering Manager	S. Ludwig, IT Industrial Control Tech.
	E. Martinez, Director HR – Total Rewards
	B. Maulis, Contract Specialist
	B. McKenna, Planning Supervisor
	G. Moore, Engineering Sr. Specialist

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

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



K. Bates, Attorney	M. Overn, Temporary Employee
D. Batt, Construction Project Sr. Manager	A. Rettig, Finance Supervisor
A. Beth, IT Industrial Control Manager	J. Seagren, Distribution Relations Manager
L. Billeter, Community Relations Sr. Specialist	U. Sharma, Treasurer
T. Bryant, Controller	S. Snyder, Communication Sr. Specialist
A. Chavez, Contract Specialist	M. Thomas, IT Infrastructure Sr. Tech.
J. Adams, Mortenson	M. Hogan, Sherman & Howard
P. Aldretti, Citizens Advisory Committee	G. Martinez, Citizens Advisory Committee
G. Becker, Becker Stowe Partners	L. Pineda, Citizens Advisory Committee
L. Ferguson, Trammel Crow	J. Stafford, Citizens Advisory Committee
J. Jacobsmeyer, Pericle	M. Sullivan, Trammel Crow
B. Gravell, Citizens Advisory Committee	

INTRODUCTORY BUSINESS

Commissioner Lucero called the meeting to order at 9:20 a.m.

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

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.

Ms. Billeter presented, and Commissioner Lucero accepted, a letter she had received from a member of the community. A copy of the letter is attached to and incorporated in these Minutes as Exhibit A.

POLICY MATTERS

1. ITEM III-A: OCR

Ms. Adams presented the Board with an OCR project update, a copy of which is attached to and incorporated in these Minutes as Exhibit B. She noted that the Trade Shop is experiencing a four-day delay and that the overhead doors, skylights, partitions and roofing are in progress. Work packages one through four are either under construction or complete and work package six, for the

administration building and garage, is in the GMP phase. To date, \$14 million of work has been awarded to MWBE providers for work package six.

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:

2. **ITEM II-A-1: CONTRACT 17091A REGULATORY SUPPORT PROJECT (REGULATION 94)**

Approved Contract 17091A with Stantec for support of the Regulation 84 project during the period of March 22, 2017 through November 30, 2018, for a total contract amount not to exceed \$246,663.

3. **ITEM II-A-2: CONTRACT 16381A FIRST AMENDMENT TO BECKER STOW PARTNERS LLC**

Approved the First Amendment to Contract 16381A with Becker Stowe Partners, LLC. The Amendment extends the contract period through December 31, 2019 and adds \$160,000, for a total amended contract amount not to exceed \$275,000.

4. **ITEM II-A-3: CONTRACT 16963A-C BORING SERVICES**

Approved Contract 16963A-C with Drilltech Directional Services, Inc. and L& M Underground, Inc. for boring services during the contract period of March 22, 2017 through March 31, 2020 for a total contract amount not to exceed \$750,000.

5. **ITEM II-A-4: CONTRACT 16850A WEEDSPRAYING**

Approved Contract 16850A with Weed Wranglers, Inc. for weed spraying during the contract period of April 1, 2017 through December 31, 2019 for a total contract amount not to exceed \$175,000. The Board and staff were in general

agreement about the protections of the water supply, in light of recent controversy involving the herbicide Glyphosate.

6. ITEM II-A-5: CONTRACT 16797B-C CAST IRON VALVE BOX COMPONENTS

Approved Contracts 16797B-C with HD Supply Waterworks, Ltd and EJ USA, Inc. for cast iron valve box components during the contract period of March 22, 2017 through February 28, 2020 for a total contract amount not to exceed \$900,000.

7. ITEM II-A-6: CONTRACT 16678D RATIFICATION OF AMENDMENT NO. 2 FOR THE STRONTIA SPRINGS DAM EMERGENCY RESERVOIR DRAINAGE SYSTEM (ERDS) REHABILITATION WORK PACKAGE NO. 3 – ERDS GATES REFURBISHMENT AND CHANNEL RELINING

Ratified the Second Amendment to Contract 16678D with Ballard Marine Construction, Inc. The Amendment adds \$359,879.54 for a total amended contract amount not to exceed \$1,859,879.54.

8. ITEM II-A-7: CONTRACT 16925A SYNERTECH, INC. FOR IT BATCH OPERATIONS

Approved Contract 16925A with Synertech, Inc. for IT batch processing during the contract period of April 1, 2017 through March 31, 2020 for a total contract amount not to exceed \$367,272.

9. ITEM II-A-8: CONTRACT 16888A LEVEL 3 COMMUNICATIONS – NETWORK CIRCUITS PROVIDING CARRIER DIVERSITY

Approved Contract 16888A with Level 3 Communications for diverse carrier network circuits during the contract period of March 22, 2017 through May 31, 2020 for a total contract amount not to exceed \$290,000.

10. ITEM II-A-9: CONTRACT 07733B CONTRACT EXTENSION WITH INSIGHT PUBLIC SECTOR FOR MICROSOFT SOFTWARE

Approved the extension of Contract 0733B with Insight Public Sector, Inc. for the purchase and maintenance of Microsoft software entitlements. This extends

the contract through March 31, 2020 and adds \$2,092,080.78, for a total extended contract amount not to exceed \$7,827,879.98.

11. ITEM II-A-10: ANNUAL CONTRACTS SCHEDULED TO RENEW AND/OR REQUIRE ADDITIONAL FUNDING IN THE 2ND QUARTER OF 2017

Approved the First Amendment to Contract 04690A with Insight Public Sector. The amendment extends the contract period through April 30, 2018 and adds \$565,461.66 for a total amended contract amount not to exceed \$1,078,251.98.

Approved the Sixteenth Amendment to Contract 06409A with Oracle America, Inc. The amendment extends the contract period through June 1, 2018 and adds \$329,138.57 for a total amended contract amount not to exceed \$3,178,234.68.

Approved the Second Authorization for Additional Funds for Contract 14555I with Insight Public Sector. The authorization extends the contract period through April 30, 2018 and adds \$200,396.73 for a total amended contract amount not to exceed \$490,955.32.

Approved the Seventh Authorization for Additional Funds for Contract 14828D with Solarwinds, Inc. The authorization extends the contract period through February 28, 2018 and adds \$41,230 for a total amended contract amount not to exceed \$123,483.24.

12. ITEM II-B-1: RESOLUTION AUTHORIZING AMENDMENT AND RESTATEMENT OF MASTER BOND RESOLUTION AND SERIES 2017A-B SUPPLEMENT BOND RESOLUTION

Adopted a Resolution authorizing the Amendment and Restatement of the Master Bond Resolution. A copy of the Resolution is attached to and incorporated in these Minutes as Exhibit C.

Adopted the Series 2017A-B Supplement Bond Resolution. A copy of the Resolution is attached to and incorporated in these Minutes as Exhibit D. Ms. Sharma commented that this will be only the second negotiated sale of bonds in Denver Water's history, and that the sale involves green bonds. She said that Denver Water's Sustainability Manager will provide regular reports, including the status of its new campus's LEED certification to investors. Commissioner Tate thanked Mr. Hogan and Ms. Becker for their work.

13. ITEM II-B-2: CONTRACT 17089A NATIONAL WESTERN CENTER STRATEGIC ADVISOR – MOU WITH CSU

Approved Contract 17089A with Colorado State University System (CSU) to fund and staff a CSU position titled Strategic Advisor, Food & Water Initiatives at the National Western Center and Global Chair for the International Board of Counselors on Food & Water Initiatives during the contract period of March 22, 2017 through June 30, 2020 for a total contract amount not to exceed \$225,000.

14. ITEM II-B-3: CONTRACT 16838A NEW SERVICES AND TREATMENT PLANT RADIO SYSTEMS

Approved Contract 16838A with DFW Communications, Inc., d/b/a Crosspoint Communications for the installation of the designed service-area and treatment plant radio systems during the contract period of March 22, 2017 through March 30, 2019 for a total contract amount not to exceed \$2,220,000.

Mr. Dermody reported that this project will permit Denver Water to have an interoperable radio system, by which employees will be able to communicate on the same radio system. It is designed to provide better coverage, better capacity and heightened resiliency during emergency situations. One transmitter will be placed on Mt. Morrison and a second will be placed at the Hillcrest Pump Station.

POLICY MATTERS**15. ITEM III-B: SUPPLIER DIVERSITY PROGRAM**

This Item was removed from the Agenda.

16. ITEM III-C: 2016 FINANCIALS – YEAREND WRAP UP

Ms. Abram presented the Board with the 2016 Yearend Financial Wrap Up. A copy of the presentation is attached to and incorporated in these Minutes as Exhibit E. She noted that overall revenue was 8% above budgeted amounts, and that both operating and capital expenses were lower than budgeted amounts.

Ms. Bricmont distributed a sample quarterly reporting package and requested feedback from the Board on its format and content. A copy of the sample is attached to and incorporated in these Minutes as Exhibit F. Mr. Lochhead said that this sample is in furtherance of the 2018 initiative to move toward a two year

budget process, relieving the Board of many day to day decision making responsibilities and allowing it to focus on visionary and strategic issues.

Mr. Moore presented the Board with information regarding the System and Project Managers' process for monitoring capital projects. A copy of the presentation is attached to and incorporated in these Minutes as Exhibit G. He said that the group utilizes visual management and that the project managers meet regularly to discuss the progress of their projects and forecast expenditures for the rest of the year. Projects are organized into one of six systems (collection, distribution, expansion, operational support, transmission and IT), each of which has a system manager. The system managers meet regularly to prioritize, or re-prioritize projects. In January, the managers met to evaluate areas in the process that would benefit from improvement, and have scheduled a few rapid improvement and "just do it" events for 2017.

Mr. Lochhead complimented Mr. Moore for his role as facilitator of the managers, and said that the group represents a huge shift in perspectives and strategy. It has allowed for improved communication and has empowered the experts who run and know the systems and projects to make decisions within a culture of accountability and healthy debate.

EXECUTIVE UPDATE

17. ITEM IV-B: CFO REPORT

The Board received the Monthly Financial Report dated February 28, 2017, as set forth in Agenda Item IV-B-1, which is attached and incorporated in these Minutes as Exhibit H.

BRIEFING PAPERS & REPORTS

18. ITEM V-A-1: LEGISLATIVE UPDATE

The Board received a Briefing Paper for Legislative Update, a copy of which is attached to and incorporated in these Minutes as Exhibit G.

**19. ITEM V-A-2: BRIEFING MEMORANDUM FOR STRONTIA SPRINGS
DAM EMERGENCY RESERVOIR DRAINAGE SYSTEM (ERDS)
REHABILITATION AND CHEESMAN GATE REPAIRS PROJECT
COMPLETION SUMMARY**

The Board received a Briefing Memorandum for Strontia Springs Dam Emergency Reservoir Drainage System Rehabilitation and Cheesman Gate Repairs Project Completion Summary, a copy of which is attached to and incorporated in these Minutes as Exhibit H.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 10:20 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 March 22, 2017, commencing at 10:30 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 10:35 a.m., at which time the Board voted unanimously to adjourn Executive Session.

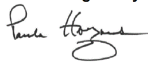
EXECUTIVE SESSION

On Wednesday, March 22, 2017, commencing approximately at 10:36 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. Personnel Matters § 24-6-402(4)(f)(I)
2. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 10:45 a.m.

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 Secretary

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 President