

**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, June 12, 2019

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, June 12, 2019, 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
Gary Reiff, Vice President

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

J.S. Lochhead, CEO/Manager	K. Bates, Attorney
J.A. Anderson, Chief of Staff	C. Braman, Purchasing Supervisor
M. Barela, <i>Acting</i> Chief Financial Officer	S. Douglass, Asset Manager
J. Brody, General Counsel	C. Fikan, Finance Tech
G. Cagle, Chief Human Resources Officer	P. Freeman, Finance Sr. Analyst
B.D. Good, Chief Administrative Officer	Y. Her, Procurement Manager
M. King, Chief External Affairs Officer	M. Iverson, Business Operations Manager
R. Mahoney, Chief Engineering Officer	M. Keilwitz, Engineering Manager
K. Oligney, <i>Acting</i> Chief Information Officer	J. Light, Engineer Sr.
T.J. Roode, Chief Operations and Maintenance Officer	J. Martin, Project Engineer
M. Alvarado, Drafting Supervisor	P. McCormick, Project Engineer
A. Antolovich, Engineering Manager	K. Riegle, Attorney
	K. Ross, Engineer Sr. Specialist

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

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



INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:20 a.m. Upon motion regularly made, seconded and unanimously carried, Commissioners Lucero and Jones were found to be absent for good cause and were 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 public comment.

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 MAY 8, 2019

Approved the Minutes of the Open Session Meeting of May 8, 2019.

2. ITEM II-A-2: MINUTES OF MAY 22, 2019

Approved the Minutes of the Open Session Meeting of May 22, 2019.

3. ITEM II-A-3: CAFETERIA FOOD SERVICES – CONTRACT 503824

Approved Contract 503824 with Paragon Food Services, d/b/a Paragon Dining Services for cafeteria, food, catering and vending services for the period of June 12, 2019 through August 1, 2022, for a total contract amount not to exceed \$470,000.

4. ITEM II-B-1: 2019 MAIN REPLACEMENT – CONTRACT 503891

Approved Contract 503891 with T. Lowell Construction, Inc. for the 2019 Main Replacement project, for the contract period of June 12, 2019 through February 14, 2020 for a total contract amount not to exceed \$2,163,000.

**5. ITEM II-B-2: 2019 WATER MAIN REPLACEMENT PROPOSAL
DELIVERY PROJECT – CONTRACT 503967**

Approved Contract 503967 with Iron Woman Construction and Environmental Services, LLC for construction and installation of up to approximately 6,310 feet of distribution water main replacement for the contract period of June 12, 2019 through December 31, 2019, for a total contract amount not to exceed \$1,800,000.

Contracts 503891 and 503967 will enable Denver Water to expand its main replacement goals from .6% to 1% of its total number of mains over a five-year period. Contract 503891 will utilize a conventional design/bid/build approach, while Contract 503967 will utilize a unit pricing approach. Both approaches will be compared with the cost for T&D crews to replace mains to find the most efficient main replacement strategy.

**6. ITEM II-B-3: ROBERTS TUNNEL EAST PORTAL HYDRO UPGRADES
– CONTRACT 503722**

Approved Contract 503722 with Gracon, LLC for the completion of Robert Tunnel East Portal Hydro Upgrades for the contract period of June 12, 2019 through November 19, 2021, for a total contract amount not to exceed \$10,425,600.

Mr. Keilwitz shared a presentation of the project with the Board, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He explained that Roberts Tunnel starts at Dillon reservoir and extends 23 miles through the Continental Divide, ending near the town of Grant, CO. The Roberts Tunnel Hydro Unit is a key component of the power purchase agreement between Denver Water and Xcel Energy, and after the upgrade project, it is anticipated to be able to generate 6.1 megawatts of power, which translates to approximately \$1 million of income to Denver Water. Upgrades are necessary to replace obsolete or non-operational equipment and to comport with modern electrical codes.

The tunnel will be shut down between August 24 and October 6, 2020 to perform work on the guard valve vault and penstock flow meter. The powerhouse will be shut down from August 24, 2020 to September 1, 2021 for repairs.

POLICY MATTERS

7. ITEM III-A: NATIONAL WESTERN UPDATE

The Board received a National Western Update, a copy of which is attached to and incorporated in these Minutes as Exhibit B. Mr. Roode reminded the Board of the three areas of focus—(1) site development; (2) recycled water and (3) potable water—as well as the four programs in development: (1) policy; (2) research; (3) innovation; and (4) education. Denver Water has entered an Intergovernmental Agreement (IGA) with the City and County of Denver and the National Western Authority in efforts to have recycled water utilized on the site. Conceptual design work is complete, with the intention of having Denver Water’s water quality lab in the same building as Colorado State University’s (CSU) building dedicated to water and food research and development. Denver Water’s lab employees conducted a Lean Preparation/Process (2P) event to envision a good, functional working facility at the site.

J.E. Dunn was selected as the CM/GC for the CSU/water quality lab project construction. In response to a question regarding how the Board would desire to estimate its costs toward the project, they indicated they would prefer a fixed, or locked-in price approach. Mr. Roode will communicate this to CSU staff and report progress.

8. ITEM III-B: SUPPLIER DIVERSITY

The Board received a Supplier Diversity Program Update, a copy of which is attached to and incorporated in these Minutes as Exhibit C. Ms. Menefee reported that to build a strong foundation for the program, she and staff have conducted two “voice of the customer” sessions and disseminated a survey to small, minority and women-owned business enterprises (SMWBE). These resulted in valuable feedback on how external and internal stakeholders utilize Denver Water’s program, as well as feedback for how it can be improved.

Once the foundation is established, the program’s metrics and strategies will be developed with the aspiration of becoming an expert supplier diversity program and resource for the community.

Immediate steps will be to inform internal staff of the supplier diversity policies,

how to become involved and to work with internal communications staff to share information about roles and responsibilities. Additionally, staff will work to increase Denver Water's role in the SMWBE certification processes and to holding community partners accountable.

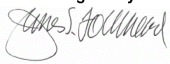
EXECUTIVE UPDATE

9. ITEM IV-A: CEO REPORT

Mr. Lochhead reported that the American Water Works Association's Annual Conference and Exposition is underway in Denver, with 12,000 people attending from around country. Many Denver Water employees have attended, presented and/or volunteered at the event. Commissioner Herzmark gave a presentation at the event and remarked that Denver Water had a very nice presence, and she thanked Mr. King and his team for their support and willingness to help answer questions.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 10:15 a.m.

DocuSigned by:

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Secretary

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President