

**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 24, 2019

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, July 24, 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
John R. Lucero, First Vice President
H. Gregory Austin, Vice President
Craig Jones, Vice President
Gary Reiff, Vice President

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

J.S. Lochhead, CEO/Manager	D. Judd, GIS Manager
J.A. Anderson, Chief of Staff	R. Marsicek, Planning Manager
A.C. Bricmont, Chief Financial Officer	E. Madonna, Intern
J. Brody, General Counsel	C. Mbakogu, Division Sr. Analyst
G. Cagle, Chief Human Resources Officer	P. McCormick, Project Engineer
C.R. Dermody, Chief Information Officer	T. Nguyen, IT Program Manager
B.D. Good, Chief Administrative Officer	A. Ohsiek, Engineering Specialist
M. King, Chief External Affairs Officer	K. Oligney, Director IT Infrastructure
R. Mahoney, Chief Engineering Officer	K. Petrik, Director Engineering - Construction
T.J. Roode, Chief Operations and Maintenance Officer	J. Ross, Engineer Sr.
S. Abram, Budget Manager	U. Sharma, Treasurer
	B. Smith, Intern

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

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



B. Akins, Finance Analyst
 B. Balley, Engineer Sr.
 K. Bates, Attorney
 R. Carlyle, Organizational Improvement Facilitator
 S. Chesney, Director Public Affairs
 F. Davis, Rates Manager
 R. Davis, Finance Analyst
 P. Freeman, Business Operations Manager
 G. Fisher, Demand Planning Manager
 R. Hass, Construction Project Sr. Manager
 S. Hernandez Ruiz, Water Quality Manager

A. Song, Engineer Sr.
 J. Taussig, Director EMSS
 J. Adams, Trammell Crow
 J. Crockett, Jacobs
 V. Dunlap, Metro State University
 L. Ferguson, Trammell Crow
 K. Gertje, Metro State University
 J. Kolback, Metro State University
 A. Lakey, Metro State University
 C. Lane, Platte Canyon Water and Sanitation District
 E. Madonna, Metro State University
 H. Monaghan, Metro State University
 R. Moore, George K. Baum & Co.

INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:17 a.m.

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.

Introductions, Awards, and Ceremonies

Commissioner Herzmark announced Mr. Dermody's retirement and presented him with a gift. She remarked that Mr. Dermody has served Denver Water for nearly 20 years, during which time he has participated in and witnessed dramatic changes both within the Information Technology Division and Denver Water, and that he made outstanding contributions with a generosity of spirit and much appreciation from colleagues and the Board.

Mr. Dermody thanked the Commissioners and stated that it has been his pleasure to serve the Board and an honor to work with the Executive Team. He feels very pleased and proud of the work that has been accomplished, the trajectory that Denver Water is moving along and that he leaves a strong and healthy IT organization.

Commissioner Herzmark also recognized and welcomed a group of students from Metro State University who were observing the meeting.

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: CHANGE ORDER NO. 6 FOR CONDUIT NO. 16 – TUNNEL INSTALLATIONS – CONTRACT 15453A/500815

Approved Change Order No. 6 to Contract 500815 with Reynolds Construction, LLC. The Change Order extends the contract period through August 31, 2019 and adds \$2,078,813.20, for a total amended contract amount not to exceed \$23,591,813.27.

2. ITEM II-A-2: Foothills Treatment Plant Filter Media Replacement Phase One – Contract 503793

Approved Contract 503793 with Velocity Constructors, Inc. for the Foothills Treatment Plant Filter Media Replacement Phase One project for the contract period of July 24, 2019 through April 27, 2020, for a total contract amount not to exceed \$1,177,302.

3. ITEM II-A-3: LEGAL REPRESENTATION FOR DENVER WATER EMPLOYEE – TYGRET V. DENVER WATER, ET AL.

Authorized the Office of General Counsel to provide legal representation for and indemnify an employee for any award of damages or costs against him in the matter of Tygrett v. Denver Water, et al., 17-cv-726-MEH.

4. ITEM II-A-4: LEGAL REPRESENTATION FOR DENVER WATER EMPLOYEE – SANCHEZ V. DENVER WATER, ET AL.

Authorized the Office of General Counsel to provide legal representation for and indemnify an employee any award of damages or costs against him in the matter of Sanchez v. Denver Water, et al., 19-cv-1307-DDD.

5. ITEM II-B-1: FIRST AMENDMENT TO MASS EXCAVATION, DEMOLITION, UNDERSLAB PIPE INSTALL – FLOC/SED AND FILTERS – GMP 4A FOR NORTHWATER TREATMENT PLANT – CONTRACT 503839

Approved the First Amendment to Contract 503839 with Kiewit Infrastructure Co. The Amendment adds \$1,779,092, for a total amended contract amount not to exceed \$13,503,154.77.

Mr. McCormick shared a presentation updating progress on the Northwater Treatment Plant (NTP) project, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He noted that the amendment will allow for extension of the project's access road (expected to be complete in mid-August), construction of dual 4-inch pipelines and appurtenances from the NTP site to the solids drying beds, and will permit acceleration of certain work to keep the overall project on schedule in light of project delays in other areas.

POLICY MATTERS

6. ITEM III-A: OCR UPDATE

Mr. Ross introduced Ms. Adams and Mr. Ferguson who provided the Board with an OCR Update, a copy of which is attached to and incorporated in these Minutes as Exhibit B. Ms. Adams noted that furniture will arrive for the new Administration Building soon, the concrete floors are being polished, and finishes are being installed in the west half of the building. Soil remediation continues for the Three Stone Building, and it will need a basement egress that had not been anticipated. Discussions with the City and County of Denver on this matter are underway. Mr. Ferguson stated that the delays should not impact the project's overall schedule. Occupancy of the Administration Building is anticipated in mid-October, but there may be delays due to the unique nature of inspecting the building's recycled water feature. The project continues to exceed its MWBE goals in both design and construction and is expected to complete under budget by approximately \$816,000.

7. ITEM III-B: PRELIMINARY FIVE-YEAR FINANCIAL PLAN

Mr. Davis and Ms. Sharma presented the Board with a Preliminary Five-Year Financial Plan, a copy of which is attached to and incorporated in these Minutes as Exhibit C. He noted that it is very similar to the 2018 Plan, with a proposed 3% annual rate revenue adjustment, but that it does not include costs associated

with the replacement of lead service lines. He said that he will present a revised plan next month, with the first reading of the rates scheduled for September 11, 2019.

Ms. Moore stated that Denver Water's debt issuance will be at historically high levels during the five-year plan, to help finance several large capital projects. Denver Water also has a \$60 billion line of credit, and she will work with staff to evaluate the best capital project finance strategy.

EXECUTIVE UPDATE

8. ITEM IV-A: CEO REPORT

Mr. Lochhead announced that the documentary "Written in Water" won an Emmy Award in the category for documentary productions.

He also reported that staff has developed a draft variance request document to allow lead service line replacements as part of an alternate treatment strategy to orthophosphate to reduce the risk of lead contamination water under the Lead and Copper Rule. This draft document is available for public review and comment. Once finalized, it will be submitted to the Environmental Protection Agency for review in mid-August. He thanked Ms. Lane for her efforts to help inform stakeholders about the issues concerning orthophosphate and lead service lines.

9. ITEM IV-B: OPERATIONS REPORT

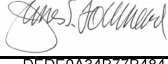
Ms. Anderson reported that staff will meet with PMA Consultants, LLC to discuss its findings of a review of Denver Water's third-party capital procurement and delivery process.


She also announced that Denis Gorgemans, Denver Water's new Internal Auditor will begin work August 6th.

Ms. Bricmont reported that staff is currently working with ADP to test the processes involved with the transition of Human Capital Management to ADP. So far, the level of confidence of a successful implementation is very high and employee response is positive.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 10:30 a.m.

DocuSigned by:

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Secretary

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President