

**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, August 28, 2019

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, August 28, 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
Craig Jones, Vice President

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

J.A. Anderson, Chief of Staff	D. Gorgemans, Chief Internal Auditor
A.C. Bricmont, Chief Financial Officer	L. Harris, Engineer Sr.
J. Brody, General Counsel	A. Joseph, Attorney
G. Cagle, Chief Human Resources Officer	J. Kearns, Contract Specialist
B.D. Good, Chief Administrative Officer	J. Lorton, Accounting Manager
M. King, Chief External Affairs Officer	R. Marsicek, Planning Manager
R. Mahoney, Chief Engineering Officer	J. Martin, Project Engineer
T.J. Roode, Chief Operations and Maintenance Officer	D. Martinelli, Finance Associate Analyst
S. Abram, Budget Manager	A. Mays, Finance Supervisor
J. Alexander, Environmental Sr. Scientist	C. Mbakogu, Division Sr. Analyst
A. Andrews, Finance Sr. Analyst	P. McCormick, Project Engineer
A. Antolovich, Engineering Manager	H. Miller, Internal Controls Manager
R. Badger, Planning Manager	R. Musick, Planner
	B. Peters, Engineer Sr.
	N. Poncelet, Director Water Quality –

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

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



J. Bandy, Planning Manager	Treatment
K. Bates, Attorney	A. Rettig, Finance Supervisor
W. Bates, Planning Manager	D. Shable, Engineer Sr.
D. Bennett, Director Water Resource Strategy	U. Sharma, Treasurer
J. Bogner, Finance Analyst	J. Tejral, Public Affairs Manager
D. Brinker, Engineering Manager	J. Walter, Finance Analyst
N. Carlson, Planner Sr.	J. Wittler, Attorney
A. Cavallaro, Paralegal	J. Adams, Trammell Crow
P. Daukas, Planning Manager	J. Baile, CDM Smith
F. Davis, Rates Manager	J. Crockett, Jacobs
R. Davis, Finance Analyst	L. Ferguson, Trammell Crow
G. Fisher, Demand Planning Manager	C. Lane, Platte Canyon Water and Sanitation District
P. Freeman, Business Operations Manager	W. Mosher, Trammell Crow
C. Funk, Attorney	A. Quinn, Platte Canyon Water & Sanitation District
B. Gogas, Environmental Sr. Scientist	L. Suer, Jacobs

INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:20 a.m. Upon motion regularly made, seconded and unanimously carried, Commissioners Austin and Reiff 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.

Introductions, Awards, and Ceremonies

Ms. Bricmont introduced Ms. Miller, Denver Water's new Internal Controls Manager.

Three retirements were announced: Paula Daukas, William Bates and Gail Cagle.

Paula Daukas

Mr. King recognized Ms. Daukas for her years of service leading the Environmental Permitting section of External Affairs and acknowledged her retirement in September. He noted that she has worked on Denver Water's Gross Reservoir Expansion project for 11 years in-house, and prior to that as a consultant. Her incredible efforts, talent, patience, and perseverance working through difficult issues and building support for the project during the permitting process have been invaluable, and Denver Water will be eternally grateful for her work. She always made sure that Denver Water worked through the permitting issues by doing the right thing in the right way. Her greatest legacy is the team of dedicated environmental scientists she built who will ensure that Denver Water will continue to do the right things in the right way.

Ms. Daukas thanked the Board for the leadership and direction it has provided during her tenure and for its dedication to being good stewards of its natural resources while balancing the need for water supply development. She is proud to say she worked for Denver Water. She recognized her staff, including Ms. Alexander and Mr. Gogas who were present at the meeting, and stated that she passes the baton on confidently to these dedicated, intelligent, passionate watershed and environmental scientists.

William Bates

Mr. King recognized Mr. Bates, who will also retire in September. Mr. Bates has worked for Denver Water for 38 years, is the foundation of its water rights section, and has participated in the development of a significant amount of Colorado water law. Mr. King also highlighted Mr. Bates' success in hiring and developing a talented water rights team to carry on this important work.

Mr. Funk told a story about Mr. Bates, his work partner over the last 38 years, which reflects Mr. Bates's character. During mediation of a water rights case, and after seeming to find resolution, another party to the case retreated from the agreement. Mr. Funk stormed out of the room. Mr. Bates did not follow him. Rather, he stayed in the mediation room and worked out the differences to bring the matter to a successful resolution, illustrating his dedication and patience.

Mr. Bates said he feels humbled and blessed by his career at Denver Water and that he leaves an incredible staff who will follow in his footsteps.

Commissioner Herzmark thanked Ms. Daukas and Mr. Bates for their outstanding service, and remarked that Denver Water is on its way to being the best utility in the nation because of their contributions.

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Gail Cagle

Commissioner Herzmark recognized Ms. Cagle for her leadership of Human Resources and announced that Ms. Cagle will also retire in September. Ms. Cagle has helped transform Human Resources into truly a strategic business partner to the organization. She has modeled Denver Water's values of integrity, vision, passion, excellence and respect. A few of the initiatives that Human Resources accomplished during Ms. Cagle's tenure include: 1) a breakthrough strategy for a balanced and fiscally sound total rewards program; 2) the creation of salary structures that are more conducive to pay for performance; 3) the transition to a PTO benefit program which has saved Denver Water \$5 million in liability; 4) outsourcing of the pension administration to John Hancock; and 5) implementation of the net promoter survey to gather feedback from employees and take action on the matters most important to them. Commissioner Herzmark thanked Ms. Cagle on behalf of the Board for her service and wished her the best success in the future.

Ms. Cagle thanked the Board and said that she will always remember the extraordinary passion and dedication of Denver Water employees and is truly grateful for the support of the Board.

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: CHERRY CREEK GALLERIES SURPLUS PROPERTY DONATION TO THE CITY AND COUNTY OF DENVER AND ARAPAHOE COUNTY

Approved the donation by quitclaim deed of 18.9 acres of Cherry Creek Gallery surplus property to the City and County of Denver, and 7.1 acres of Cherry Creek Gallery surplus property to Arapahoe County for stormwater and open space purposes.

2. ITEM II-A-2: UPPER SOUTH PLATTE WATERSHED INVENTORY AND PRIORITIZATION, FIRST AMENDMENT TO CONTRACT 503252

Approved the First Amendment to Contract 503252 with Leonard Rice Consulting

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Engineers, Inc. for the Watershed Planning framework project. The Amendment extends the contract period through August 31, 2020 and adds \$110,000, for a total amended contract amount not to exceed \$360,000.

3. ITEM II-B-1: APPOINTMENT TO THE CITIZENS ADVISORY COMMITTEE DISTRIBUTOR RELATIONS REPRESENTATIVE

Appointed Ms. Quinn of the Platte Canyon Water & Sanitation District to a three-year term on the Citizens Advisory Committee. Ms. Quinn will replace Mr. Baille.

4. ITEM II-B-2: THREE AMENDMENTS FOR NORTHWATER TREATMENT PLANT – CONTRACTS 503736 (GMP 1B), 503448 (GMP 2A/2B), AND 503839 (GMP 4A)

Mr. McCormick provided the Board with a Northwater Treatment Plant Update, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He explained that the next major project milestone will be development of the new access road across Highway 93, which will improve safety for people working at the site. Approval of the Amendments will increase the project's Direct Cost, which has been utilized for slope stabilization, regrading and changes to valve house connections, and accelerate portions of the project to take advantage of current costs for materials and labor. Design costs are forecast to be within the budgeting amounts. The project continues to exceed the 8% MWBE construction goal.

Approved the First Amendment to Contract 503736 (GMP 1B site services) with Kiewit. The Amendment adds \$110,769.60, for a total contract amount not to exceed \$48,495,203.60.

Approved the Eighth Amendment to Contract 503448 (GMP's 2A and 2B reroute conduit 22 and demolition) with Kiewit. The Amendment adds \$1,618,025.37, for a total contract amount not to exceed \$12, 731,617.55.

Approved the Second Amendment to Contract 503839 (GMP 4A mass excavation, demolition, underslab pipe installation and filters) with Kiewit. The Amendment adds \$921,593, for a total contract amount not to exceed \$14,424,747.89.

5. ITEM II-B-3: DESIGN OF LUPTON LAKES INLET AND OUTLET FACILITIES – CONTRACT 504142

Mr. Shable provided the Board with an overview of Denver Water’s Downstream Reservoir Water Storage Program, a copy of which is attached to and incorporated in these Minutes as Exhibit B. He explained that the Program is comprised of two gravel pits (or cells) (Lupton Lakes) which Denver Water is in the process of transforming to become water storage facilities. Mining is finished in the north cell and expected to finish in the south cell in 2029. He explained that the cells need to be connected to the Platte River, and with a large amount of development underway in the area, Denver Water should develop a design now for the connection in order to acquire necessary land and construct the connections (inlets and outlets) while opportune locations and conditions remain available.

Approved Contract 504142 with AECOM for the design of Lupton Lakes Inlet and Outlet Facilities for the contract period of August 28, 2019 through December 11, 2020, for a total contract amount not to exceed \$896,106.

6. ITEM II-B-4: RESOLUTION AUTHORIZING ACQUISITION OF PROPERTY VIA EMINENT DOMAIN FOR THE LUPTON LAKES INLET/OUTLET FACILITY AT WELD COUNTY ROAD 8 AND THE SOUTH PLATTE RIVER

Adopted a Resolution authorizing negotiations for the acquisition of lands for the Lupton Lakes Inlet/Outlet Facility at Weld County Road 8 and the South Platte River. A copy of the Resolution is attached to and incorporated in these Minutes as Exhibit C.

7. ITEM II-B-5: INTERGOVERNMENTAL AGREEMENT WITH COLORADO PARKS AND WILDLIFE CONCERNING THE WILLIAMS FORK RESTORATION PROJECT – CONTRACT 504062

Ms. Alexander presented the Board with an Update on the Williams Fork River Restoration Project, a copy of which is attached to and incorporated in these Minutes as Exhibit D. She explained that the Project is part of the compensatory mitigation required by the Denver Water’s 404 Permit to construct the Gross Reservoir Expansion Project and will provide “ecological uplift” for rainbow trout habitat. The project is along 2.9 miles of stream length and involves three stream reaches. Originally, the project was designed along two reaches on

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Denver Water property. As part of the regular meetings with Denver Water's learning-by-doing partners, Colorado Parks and Wildlife asked if Denver Water would consider moving a portion of the project downstream to one of the state's properties at the confluence of the Colorado and Williams Fork Rivers. This is an important spawning area for the trout, and the project will provide oxygenation of the water in fast moving sections of the river and slow calm areas where trout and aquatic insects can take shelter. Boulders will be placed to create a diversity of features below the river's surface, manipulate the streambed and reorganize the cobbles to create an environment for fish, amphibians and insects to thrive.

Approved Intergovernmental Agreement 504602 with Colorado Parks and Wildlife for construction and monitoring of the Williams Fork River Restoration Project on the Kemp Breeze State Wildlife Area.

POLICY MATTERS

8. ITEM III-A: OCR UPDATE

Ms. Adams and Mr. Ferguson provided an OCR Project Update, a copy of which is attached to and incorporated in these Minutes as Exhibit E. Mr. Ferguson explained that the exterior trim and interior finishes of the Administration Building are underway, with furniture systems and solar canopies being installed. Environmental remediation is underway at the Three Stone Building site. An egress path must be developed from the building's basement, which will be capped with a solid surface to eliminate continued soil issues. This will revise the schedule and push the renovation into early 2020. There are no changes to the budget or contingency amounts. Re-forecasted risks include site conditions at detention pond B, and the overall inspection process for the Administration Building. Mortenson and Trammell Crow are working with the inspectors in the various jurisdictions to help them understand the recycled water system through the permitting process. MWBE participation continues to exceed design and construction goals.

9. ITEM III-B: 10-YEAR FINANCIAL PLAN

Mr. Davis and Mr. Fisher provided a Preliminary 10-Year Project and Financial Plan, a copy of which is attached to and incorporated in these Minutes as Exhibit F. Mr. Fisher explained that for 2020, the System Manager Group made substantial improvements to the process of identifying and prioritizing capital projects. The improvements focus on continuing to maintain service levels,

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identifying how to meet those levels in the long-term with information from the Integrated Resource Plan and the Asset Management Plan. System Managers review all project business cases to understand the risks and priorities for each project. Once prioritized, the projects are fitted into the financial plan.

Mr. Davis said that in the event that Denver Water's Lead Service Line Replacement Program is approved by the U.S. Colorado Department of Public Health and Environment, this prioritization process will allow Denver Water to make decisions, while ensuring that those decisions don't place too much of a burden on its customers. The Plan still incorporates a 3% annual increase in rate revenues, and approximately 50% of project financing through the issuance of debt.

EXECUTIVE UPDATE

10.ITEM IV-C: OPERATIONS REPORT

Mr. King provided an overview of the Water Efficiency Plan, which incorporates a portfolio of programs that can be adjusted as needed to respond to factors such as drought, Colorado River Curtailment, code changes, customer participation and program cost. In 2018, the first year of the Plan, actual savings exceeded projected water savings at a cost of \$1.33 million, or \$2,161 per acre foot saved. Actual water savings in 2019 is currently exceeding projections.

BRIEFING PAPERS & REPORTS

11.ITEM V-A-1: WATER EFFICIENCY PLAN UPDATE

The Board received a Water Efficiency Plan Update, a copy of which is incorporated and attached to these Minutes as Exhibit G.

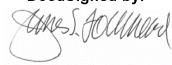
ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee/Plan Sponsor Meeting at approximately 10:50 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, August 28, 2019, commencing at 10:50 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 11:15 a.m.

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Secretary

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President