

**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, September 25, 2019

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, September 25, 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
Gary Reiff, Vice President

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

J.S. Lochhead, CEO/Manager	E. Gleason, Engineer Sr.
A.C. Bricmont, Chief Financial Officer	A. Hill, Attorney
J. Brody, General Counsel	M. Iverson, Business Ops. Manager
B.D. Good, Chief Administrative Officer	J. Martin, Project Engineer
S. Chesney, <i>Acting</i> Chief External Affairs Officer	C. Mbakogu, Division Sr. Analyst
D. Gorgemans, Chief Internal Auditor	P. McCormick, Project Engineer
R.J. Mahoney, Chief Engineering Officer	H. Miller, Internal Controls Manager
T.J. Roode, Chief Operations and Maintenance Officer	C. Palmore, Division Analyst
S. Abram, Budget Manager	K. Petrik, Director Engineering – Construction
J. Adams, Trammell Crow	K. Riegle, Attorney
A. Andrews, Financial Sr. Analyst	J. Ross, Director Engineering-Projects
R. Badger, Planning Manager	M. Brown, PMA Consultants, LLC
	J. Crockett, Jacobs

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

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



D. Brinker, Engineering Manager	L. Ferguson, Trammell Crow
R. Carlyle, Org. Improvement Facilitator	C. Lane, Platte Canyon W&S District
A. Cavallaro, Paralegal	T. Story, PMA Consultants, LLC
J. Daly, Finance Sr. Analyst	L. Suer, Jacobs
M. Decker, Contract Specialist	
N. DiMascio, Attorney	

INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:16 a.m. Upon motion regularly made, seconded and unanimously carried, Commissioner Jones was found to be absent for good 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 public comment.

Introductions, Awards, and Ceremonies

Jessica Brody, General Counsel, introduced new members to the Office of General Counsel (OGC), including Allecia Cavallaro, a paralegal previously employed by Brownstein Hyatt Farber Schreck, LLP, and Nick DiMascio, an environmental attorney most recently employed by Kaplan Kirsch and Rockwell LLP. Ms. Brody noted that these new employees are already making significant contributions to Denver Water and that the OGC is fortunate that they have joined the team.

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: RALSTON DAM PRIMARY SPILLWAY MODIFICATION PROJECT – CONTRACT 503813

Approved the Ralston Dam Primary Spillway Modification Project Contract 503813 for the Ralston Primary Spillway Modification project. The contract period is September 25, 2019 to November 24, 2020, for a total contract amount

September 25, 2019

not to exceed \$8,207,580.

2. ITEM II-A-2: SECOND AMENDMENT TO AGREEMENT WITH MOTT MACDONALD, LLC – CONTRACT 504012

Approved the Second Amendment to Contract 504012 with Mott MacDonald, LLC for the Lead Reduction Program Plan. The Amendment adds \$978,900, for a total amended contract amount not to exceed \$2,474,900.

POLICY MATTERS

3. ITEM III-A: OCR UPDATE

Ms. Adams presented the Board with an OCR update, a copy of which is attached to and incorporated in these Minutes as Exhibit A. Ms. Adams reported that current focus with regard to the Administration Building is on inspections by the Denver Fire Department and Denver Wastewater Management (Wastewater). Site work, including final grading and fire lane installation, is also underway. Planned completion of the Three Stone Building renovations has shifted to 2020.

Two change orders have been approved: Work Package #1, which includes soil remediation; and, Work Package #6, which includes arc flash electrical study and light fixture tariff procurement impacts at Three Stone.

Forecasted risks that could impact the project budget and/or schedule include: 1) site environmental and unforeseen site conditions, which are diminishing now that Three Stones is almost complete; 2) execution of third party contracted work (solar, public art, systems furniture, etc.); and 3) the water recycling system, which requires highly specialized installation and commissioning requirements, creating potential inspection and jurisdictional hurdles from various City and state agencies. MWBE participation continues to exceed the project goals.

Mr. Lochhead noted significance of the breezeway pavers in front of the Administration Building. They mark major events in Denver Water's history and also mark the names and dates of service of all Denver Water retirees.

Mr. Good provided an update on preparation for the move, explaining the internal work necessary and how every division is represented on a core team. Many staff members are contributing significant time and effort to make the move as

September 25, 2019

smooth as possible.

In response to a question from Commissioner Austin, Mr. Good explained how the sound transmission would work in the new workspace, noting that a sound study had been conducted and a new white noise system will be implemented to reduce interior sound transmission. Mr. Good also expects that Denver Water's business practices and habits regarding where conversations take place and how employees use workspaces will change to reduce unnecessary noise.

Commissioner Herzmark remarked that the new campus makes a contribution to the community with the new gorgeous building. She thanked the internal team, Trammell Crow, and Mortenson for their contributions.

4. ITEM III-B: NORTHWATER TREATMENT PLANT PROJECT UPDATE

Mr. McCormick presented the Board with a Northwater Treatment Plant (NTP) Project Update, a copy of which is attached to and incorporated in these Minutes as Exhibit B. He reported that the project is within anticipated budget, and the design is expected to reach 100% by September 27, 2019. There are no schedule adjustments, significant changes in the cost forecast, or significant changes in the contingency spend since the previous update. By early 2020, all GMPs are scheduled to be under contract. Staff is exploring an option to consolidate GMPs into a single GMP contract, which could create some efficiencies.

Mr. Lochhead requested clarification on the efficiency gains on this process of consolidating GMPs into one and how this approach would impact how information is presented to the Board, if at all. Mr. McCormick responded that eliminating duplicate reporting can eliminate waste, since each GMP compounds the amount of paperwork and invoices. He further explained that nothing will change as far as what the Board sees, ensuring that transparency goals will still be met.

5. ITEM III-C: THIRD PARTY REVIEW – PROJECT DELIVERY

Ms. Anderson introduced Mike Brown and Todd Story of PMA Consultants, LLC. Mr. Brown reported on the summary of findings regarding Denver Water's capital projects procurement and delivery processes, and priority recommendations. A copy of PMA's report is attached to and incorporated in these Minutes as Exhibit C.

September 25, 2019

Mr. Brown explained that Denver Water currently complies with approximately 90% of best practices across five focus areas. Additionally, Denver Water ranked very highly among its peers. Denver Water has a systematic and sustainable approach to project procurement and delivery that is measured through metrics. The biggest opportunity for improvement is in governance and controls. Mr. Brown suggested a number of recommendations, including: 1) reviewing use of project definition rating index; 2) formally documenting and implementing processes for alternative delivery; 3) conducting enterprise-wide project management office (EPMO) visioning workshop for predominately reviewing governance and prioritization; and 4) hosting execution workshops and interactive planning.

Commissioner Austin asked whether time could be devoted to improving the process without losing focus of the project. Mr. Brown stated the priority is to add value and consistency with recommendations without adding bureaucracy. Mr. Brown explained that the plan is to utilize the prioritization processes from the capital and IT project models organization wide. Mr. Story added that the recommendations are designed to increase efficiency and streamline workloads, in line with LEAN principles.

Commissioner Reiff commented that he was pleased that in the trenches, things are working well, but that this is not always visible at a high level. He appreciates the work that has been done.

Ms. Anderson noted that Denver Water is accepting most of the PMA recommendations and will be moving forward with workshops for the executive team to determine next steps.

EXECUTIVE UPDATE

6. ITEM IV-A: CEO UPDATE

Mr. Lochhead reported on his participation at the Colorado River Symposium in Santa Fe, NM, and specifically regarding participation in drought contingency planning for the Colorado River Basin. The guideline renegotiation process will start by the end of next year and be completed by 2026. He further reported that he participated in a High Line Canal Conservancy event to celebrate completion of the framework plan. Commissioner Herzmark was impressed by all the work done to further the vision and planning for the canal. She commented on the

September 25, 2019

impressive collaboration on the High Line Canal Conservancy and the celebration, "Rally for the Canal-ly," remarking that the progress was encouraging and going extremely well. She also acknowledged Tom Roode for his contributions.

7. ITEM IV-B-1: CFO UPDATE

Ms. Bricmont reported there are no major financial changes from last month and that revenues are within five percent of forecast and operating expenses are on target. This Friday is the budget deadline for each Division. The Denver Water Financial Report is attached to and incorporated in these Minutes as Exhibit D.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 10:11 a.m.

DocuSigned by:

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Secretary

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President