

**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, October 23, 2019

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, October 23, 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
Craig Jones, Vice President
Gary Reiff, Vice President

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

R. Mahoney, <i>Acting</i> Secretary – CEO/Manager (Chief Engineering Officer)	F. Davis, Rates Manager
A.C. Bricmont, Chief Financial Officer	R. Davis, Finance Analyst
J. Brody, General Counsel	P. Freeman, Business Operations Manager
M. King, Chief External Affairs Officer	C. Mbakogu, Division Sr. Analyst
T.J. Roode, Chief Operations and Maintenance Officer	P. McCormick, Project Engineer
J. Adams, Trammell Crow	J. Ross, Director Engineering -Projects
R. Badger, Planning Manager	R. Stitt, Engineer
J. Bandy, Planning Manager	J. Crockett, Jacobs
K. Bates, Attorney	L. Ferguson, Trammell Crow
A. Cavallaro, Paralegal	C. Lane, Platte Canyon Water and Sanitation District
S. Chesney, Director Public Affairs	B. Mosher, Trammel Crow
	L. Suer, Jacobs

INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:23 a.m. Upon motion regularly made, seconded and unanimously carried, Commissioner Lucero 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.

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: FIRST AMENDMENT TO EAGLE COLORADO RESERVOIR SETTLEMENT AGREEMENT IN CASE NOS. 02CW125 AND 07CW126

Approved the First Amendment to the Eagle Colorado Reservoir Settlement Agreement in Case Nos. 02CW125 and 07CW126, Contract 504208, for an extension of time through November 1, 2025 to reach an agreement for joint use of Eagle Colorado/Wolcott Reservoir.

2. ITEM II-A-2: THIRD AMENDMENT TO THE CLINTON RESERVOIR-FRASER RIVER WATER AGREEMENT – CONTRACT 500040

Approved the Third Amendment to the Clinton Reservoir-Fraser River Water Agreement, Contract 500040, to add up to 500 acre-feet of storage volume to the total reservoir capacity.

3. ITEM II-A-3: SECOND AUTHORIZATION FOR ADDITIONAL CONTRACT FUNDS LEGAL SERVICES AGREEMENT WITH CARVER SCHWARZ MCNAB KAMPER & FORBES, LLC – CONTRACT 501405

Approved the Second Authorization for Contract 501405 for an additional \$382,000 in funds, not to exceed a total amended contract amount of \$782,000,

for professional services costs in Case No. 17CV30894, including retained oil and gas expert services.

4. ITEM II-B-1: NTP MONTHLY UPDATE

Mr. McCormick presented the Board with the Northwater Treatment Plant (NTP) Monthly Update, a copy of which is attached to and incorporated in these Minutes as Exhibit A.

Mr. McCormick reported that Contract 504058 GMP 4B is to execute the structure concrete, which includes selecting utility installation, grading, and installation of reinforced concrete foundation slabs and walls for the Rapid Mix/Flocculation/Sedimentation (Floc/Sed) and Filter Buildings. Excavation has been completed for the two largest projects on site, which is approximately 40% of the total site concrete. The budget has increased in cost due to design progression and a slight premium associated with two contractors on site.

He also reported on Contract 504060 GMP 9A, which is to execute the Moffat Phase I Improvements, including outage-critical work anticipated to be performed at Moffat Water Treatment Plant in early spring 2020. Specifically, the work includes select demolition, isolation of raw water channels for future pipeline installation, and pipeline connections to an existing clearwell for future conveyance of potable water from NTP to the distribution system. The GMP 9B Moffat Phase II Improvements will be presented to the Board for approval at a later date to close the budget gap.

Mr. McCormick reported that this third amendment is required to meet Colorado Department of Transportation (CDOT) requirements to modify the State Highway 93 sanitary sewer crossing from trenchless to open-cut installation. This repair is for the Conduit No. 16 crossing, with mill and overlay of Highway 93 to facilitate open-cut installation of the NTP sewer crossing. This is the most cost-effective process.

Overall, there have been no major changes in NTP construction and the Estimate at Completion (EAC) is projected to be within budget. There is a total of eight GMPs currently under contract with all anticipated GMPs scheduled to be under contract by early 2020.

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Commissioner Austin requested clarification on the owner contingency fee, which Mr. McCormick explained was an allowance line item. Denver Water negotiated a fixed billable rate for the entire project and that rate is locked.

Commissioner Reiff commented that the work completed by the additional contractors is appreciated.

- a) Adopted and approved two Work Package Contracts for Northwater Treatment Plant. Contract 504058 GMP 4B with Kiewit Infrastructure Co. approved for the contract period of October 23, 2019 to November 14, 2021, with a total cost not to exceed \$24,906,248.99, including Owner Contingency. Contract 504060 GMP 9A with Kiewit Infrastructure Co. approved for the contract period of October 23, 2019 to November 30, 2020, with a total cost not to exceed \$1,397,297.07, including Owner Contingency.
- b) Adopted and approved the Third Amendment to Site Services for Northwater Treatment Plant Contract 503736 GMP 1B for \$430,445.79 for a total cost not to exceed \$48,925,649.39.

5. ITEM II-B-2: ADOPTION OF RATE SCHEDULES

Mr. Davis updated the Board on the public outreach regarding the water rate increases, which have generally been received well. While costs to maintain and upgrade the system continue to rise, Denver Water has worked to keep rate increases as small as possible.

Denver Water is working on circulating the press releases and notifications to distributors before the January 1, 2020 increase is implemented. The proposed timeline for Board review and approval of 2020 rates is still on schedule. A copy is attached to and incorporated in these Minutes as Exhibit B.

POLICY MATTERS

6. ITEM III-A: OCR UPDATE

Mr. Ross presented the Board with an OCR update, a copy of which is attached to and incorporated in these Minutes as Exhibit C. Mr. Ross reported that the current focus is on final preparation of, and the move into, the new Administration Building.

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Phase II construction includes: 1) Administration Building, 2) site work and campus infrastructure, and 3) Three Stone renovation. The Denver Fire Department will be conducting a final building inspection today. The Water Recycling System is ready for the commissioning phase, and Denver Water is waiting on Denver Wastewater to complete the final inspection needed for the temporary certificate of occupancy (TCO). There has also been good progress on other agency sign-offs needed for the TCO. The solar canopy steel installation has resumed in the North Visitor Parking Lot, and the concrete capping of the basement at Three Stones has been completed.

Two change orders have been approved: Work Package #18, which includes the final demolition of the existing Administration Building and associated site infrastructure; and Work Package #12, which includes installation of two hiperwall display systems for Load Control and Security Operations.

The forecasted risks have been updated and include: 1) completion of interior paint and Administration Building adjacent site work for Denver Fire Department final sign-off; 2) Denver Wastewater inspection; 3) Denver Building Department final sign-off to be completed after all other inspections; 4) other potential inspections and jurisdictional hurdles from various city and state agencies; and 5) any unforeseen issues encountered during completion of the Three Stone renovation. Mr. Ross noted the next update would be in December in the new Administration Building.

In response to Commissioner Austin's inquiry, Mr. Roode responded that a hiperwall is a wall of displays; much like a regular display, but it has software integrated. It's an upgraded version of what Denver Water has in the current Administration Building.

Commissioner Herzmark inquired about the anticipated certificate of occupancy. Mr. Ross responded that Denver Water is just waiting for Denver Wastewater to finalize its inspection. She also inquired regarding the progress of the move process and remarked that the Administration Building is stunning. Mr. Mahoney clarified the move will happen next Thursday and Friday. He noted that everything is going well and that he appreciates everyone's efforts.

EXECUTIVE UPDATE

7. ITEM IV-C: OPERATIONS REPORT

Ms. Bricmont reported that there will be an increase in the upcoming maintenance and operating budget due to both volume and inflation. She also provided an ADP update, noting that everything is moving forward successfully, with both parties yet to sign off.

Ms. Brody provided a brief summary of EPA's recently released draft revisions to the Lead and Copper Rule. She noted that there are no proposed changes that would present barriers to implementation of the variance program. In terms of the draft rule itself, it will likely take significant time to get to a final rule, especially given the upcoming election. Even then, utilities will have time from publication of the final rule to implement the new requirements.

The draft rule includes a number of significant changes, most of which are in line with what Denver Water has proposed as part of the variance request. The draft rule would require utilities to develop an inventory of lead lines in their distribution systems, which Denver Water has already proposed to do proactively.

The EPA also wants to change the mix of homes sampled and is proposing all samples be pulled from homes with lead lines as opposed to sampling equally from non-lead and lead homes.


The EPA has also proposed to start requiring full lead line replacements (including both utility owned portions and privately-owned portions). The EPA stated expressly in the draft rule that utilities would not be required to bear the costs of replacing private lines, but it is not clear how the costs of private line replacements would be addressed.

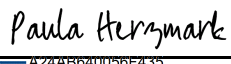
Finally, in addition to the lead action level of 15 parts per billion (ppb), EPA has proposed a new "trigger level" at 10 ppb of lead. At the trigger level, utilities could be required to increase their efforts to reduce lead exposure.

Commissioner Austin inquired regarding the requirements related to copper exposure. Mr. Roode responded that while copper lines can present exposure issues, they generally do not create public health concerns.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn at approximately 10:09 a.m.

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Secretary

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President