

**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 24, 2018

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, October 24, 2018, 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. Anderson, Chief of Staff	S. Miller, Health Services Manager
A. Bricmont, Chief Financial Officer	G. Norris, Director HR – Organizational Development
J. Brody, General Counsel	R. Peters, Engineer Sr.
G. Chapman, Acting Chief Human Resources Officer	K. Petrik, Director Engineering - Construction
C. Dermody, Chief Information Officer	K. Riegle, Attorney
B. Good, Chief Administrative Services Officer	J. Ross, Engineer Sr.
M. King, Chief External Affairs Officer	K. Ross, Engineer Sr.
R. Mahoney, Chief Engineering Officer	J. Seagren, Distribution Relations Manager
T. Roode, Chief Operations and Maintenance Officer	J. Shaw, Community Relations Sr. Specialist
S. Abram, Budget Manager	R. Slade, Planner Lead
A. Antolovich, Engineering Manager	

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

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



D. Arnold, Attorney
K. Bates, Attorney
D. Brinker, Engineering Manager
C. Burri, Environmental Lead Scientist
L. Callihan, Engineer Associate
S. Chesney, Director Public Affairs
A. Chotiner, Business Operations Manager
P. Coleman, Chief Internal Auditor
U. Daly, Finance Analyst
P. Daukas, Planning Manager
F. Davis, Rates Manager
K. Delynko, Communication Sr. Specialist
D. Engleman, Total Rewards Sr. Administrator
C. Funk, Attorney
S. Goodman, IT Support Sr. Specialist
Y. Her, Procurement Manager
M. Hollenbaugh, Security Supervisor
M.H. Iverson, Business Operations Manager
A. Joseph, Attorney
M. Laws, Division Analyst
R. Marsicek, Planning Manager
J. Martin, Project Engineer
B. Maulis, Contract Specialist
A. Mays, Finance Supervisor
C. Mbakogu, Division Sr. Analyst
P. McCormick, Project Engineer
M. Mercier, Water Distribution Manager
J. Soldano, Engineer Associate
H. Stauffer, Community Relations Specialist
L. Southard, Administrative Sr. Assistant
P. Streicher, Surveyor
D. Waldron, IT Program Manager
A. Witheridge, Environmental Sr. Scientist
J. Adams, Trammell Crow
R. Cimino, Grand County Commissioner
J. Baile, Citizens' Advisory Committee
T. Baumgartner, Kiewit
L. Ferguson, Trammell Crow
M. Hinerman, Prairie Protection Colorado
A. Jordan, Wickford HOA
C. Lane, Platte Canyon Water and Sanitation District
D. Meyer, Prairie Protection Colorado
J. Moore, Prairie Protection Colorado
M. Moreau, Gallagher
W. Mosher, Trammel Crow
N. Nelson, Engineer
R. Newton, Citizens' Advisory Committee
D. Nickum, Trout Unlimited
M. Philley, American Heart Association
K. Tayrien, Wickford HOA
G. Zamensky, Black and Veatch

INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:10 a.m. Upon motion regularly made, seconded and unanimously carried, Commissioner Jones was found to be absent for substantial 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.

Members of Prairie Protection Colorado and the Wickford Homeowners' Association spoke on behalf of removing the prairie dogs from Denver Water's property on South Quebec Way and in opposition of their extermination. Ms. Tayrien stated that she is hopeful that Denver Water will consider options before continuing extermination efforts. Mr. Jordan said that efforts to restrain the animals from venturing onto private property have been successful and that he opposes extermination. Mr. Moore said that the barrier fence has been successful and that although the land belongs to Denver Water, he believes that the animals belong to everyone. Ms. Meyer expressed appreciation for Denver Water's effort to review options to avoid extermination and disappointment about Denver Water's decision. She is confident that Prairie Protection Colorado could obtain permission to relocate the animals in mid-2019, if allowed the opportunity to do so. Commissioner Herzmark thanked the speakers for their suggestions and said that the Board will take them into consideration and follow up with their organizations.

Mr. Baile, Chair of the Citizens's Advisory Committee (CAC) stated that as part of the CAC's ongoing effort to make a positive impact on behalf of its stakeholders, it recommends that the Board adopt a "round up" program, which would allow customers to voluntarily "round up" their water bill payments to the nearest whole dollar to fund beneficial causes, such as subsidizing low-income households that have difficulty paying their water bills, community activism and/or watershed enhancements.

Mr. Newton, of the CAC, distributed materials regarding this proposal, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He said that he has researched similar programs implemented by utilities throughout the United States, noting that 10 - 20% of customers typically participate.

Mr. Cimino, a Grand County Commissioner, expressed support for the program, along with his personal desire to see the funding directed to watershed enhancements, such as those along the Fraser River.

Commissioner Austin commended the CAC for this constructive idea. He requested more information about the cost for changing billing practices and an analysis of whether such a program would be fair to the ratepayers.

Ms. Anderson said that staff has consistently reviewed similar proposals, in the context of assisting low-income families, and found that for in-house staff time alone, it would cost between two and two-and-a-half full-time employees and \$20,000 to \$25,000 to implement such a program.

Commissioner Herzmark thanked the CAC for its proposal and said that the Board will take it under consideration and follow up.

Mr. King said that Denver Water is unique in its fundamental commitment to environmental stewardship, which is expected by the rate payers and embedded in the Strategic Plan and budget. Staff looks holistically at its environmental investments and commits above and beyond the actions of other water utilities and legal requirements. Denver Water will continue in these efforts.

Introductions, Awards, and Ceremonies

Ms. Phillely presented Denver Water with the American Heart Association's Gold Level Workplace Health Achievement award. She noted that of the thousands of applicants, fourteen Colorado organizations, including Denver Water, achieved this recognition and will be featured in the most recent issue of Forbes Magazine. She congratulated Denver Water for providing a comprehensive and meaningful wellness program to its employees and thanked the Wellness Committee for its efforts. Commissioner Herzmark thanked the American Heart Association for this recognition and for its contributions to the community. She congratulated the Wellness Committee for its work.

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: HAULING, DISPOSAL AND STORAGE OF AGGREGATES AND SPOILS – CONTRACT 503259

Approved Contract 503259 with Iron Woman Environmental Services for hauling, disposal and storage of aggregates and spoils for the contract period of October 24, 2018 through July 31, 2023, for a total contract amount not to exceed \$25,000. Authorized Mr. Roode to negotiate additional terms regarding options for disposition of the scale funded by the contract.

2. ITEM II-A-2: APPROVAL OF CIGNA HEALTH AND DELTA DENTAL PLANS ADMINISTRATIVE SERVICES CONTRACTS AND CIGNA STOP LOSS AMENDMENT - CONTRACTS 503668, 503670, 501025

Approved Contract 503668 with Cigna Health and Life Insurance Company to administer Denver Water's health plan for the contract period of January 1, 2019 through December 31, 2021, for a total contract amount not to exceed \$1,604,530.

Approved Contract 503670 with Delta Dental of Colorado to administer Denver Water's dental plan for the contract period of January 1, 2019 through December 31, 2021, for a total contract amount not to exceed \$131,937.

Amended Contract 501025 with Cigna Health and Life Insurance Company for stop loss coverage for the period of January 1, 2019 through December 31, 2019, for a total contract amount not to exceed \$3,977,785.

3. ITEM II-B-1: CHATFIELD PUMP STATION INTERGOVERNMENTAL AGREEMENT WITH SOUTH METRO WATER SUPPLY AUTHORITY - AGREEMENT 503646

Approved Contract 503646 with South Metro Water Supply Authority for the Chatfield Pump Station and Westside Alternative Study for the contract period of October 24, 2018 through December 31, 2019, for a total contract amount not to exceed \$50,000.

Mr. Marsicek presented the Board with information about the Chatfield Reservoir Pump Station, a copy of which is attached to and incorporated in these Minutes as Exhibit B. He explained that the Army Corps of Engineers built Chatfield Reservoir as a flood control facility, with the land leased to Colorado Parks and Wildlife and Denver Water owning water stored in Chatfield's Recreational Pool. Denver Water uses temporary pump stations to deliver water to the Marston Treatment Plant. The temporary pumps must be removed each winter or operated continuously to prevent damage from ice. The pumps are costly to install and remove, can access only 40% of Denver Water's storage capacity and the permit will expire in 2027. These factors have prompted a joint study with South Metro Water Supply Authority and other water users to assess the feasibility of installing a permanent, joint-use pump. Denver Water will contribute

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\$50,000 toward the study, with the remaining \$208,000 contributed from joint water users.

4. ITEM II-B-2: AGREEMENT WITH HIGH LINE CANAL CONSERVANCY RELATED TO THE HIGH LINE CANAL TRANSFORMATION – CONTRACT 503691

Approved Contract 503691 with the High Line Canal Conservancy in continued support of the High Line Canal transformation, including Framework development, Guide Book responsibility transfer and Pieces Grant contribution for the contract period of October 24, 2018 through October 24, 2019, for a total contract amount not to exceed \$210,000.

5. ITEM II-B-3: INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF ARVADA FOR NORTHWATER TREATMENT PLANT – CONTRACT 503675

Approved Contract 503675 with the City of Arvada to remove the City's existing raw water lines and appurtenances previously constructed within an easement on Denver Water's Ralston site and which conflict with the proposed construction of the Northwater Treatment Plant Project (NTP). The Contract identifies a new, shared raw water pipeline across the NTP site to continue to provide raw water to the City's existing Ralston water treatment plant, as well as Denver Water's Moffat Treatment Plant and North Table Mountain Water and Sanitation District's water treatment plant.

6. ITEM II-B-4: GENERAL CONDITIONS WORK PACKAGE GUARANTEED MAXIMUM PRICE (GMP) 1A FOR NORTHWATER TREATMENT PLANT

Approved Contract 503682, General Conditions WP/GMP 1A for the Northwater Treatment Plant Project, for a total Contract Amount not to exceed \$23,413,118, which includes the Contractor Allowance and Contingency.

Mr. McCormick made a presentation of the Northwater Treatment Plant Project, a copy of which is attached to and incorporated in these Minutes as Exhibit C. He introduced the project manager, Mr. Baumgartner, from Kiewit. Mr. McCormick said that the project is on schedule for 60% design completion in the fourth

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quarter of 2018 and that the first construction GMP was successfully completed two weeks ahead of schedule. The project is on budget with \$33.6 million spent through August 2018. So far, \$348,062 of the Owner's Contingency has been spent on risks realized, tariff avoidance and finding solutions to unknown site conditions. The project's MWBE goal is 8%, based upon an analysis of the varied construction segments and capacity within the local market. The Board agreed to maintain the goal at 8% and not increase it further.

7. ITEM II-B-5: CONDUIT 16 TUNNELS INSTALLATION CHANGE ORDERS 4 & 5 TO CONTRACT 500815 (FORMERLY 15453A)

Approved Change Orders No. 4 and No. 5 to Contract 500815 with Reynolds Construction, LLC for the Ace Express Coaches temporary parking lot. The Change Orders add \$15,185.97 and \$51,347.66 for Highway 93 tunnel delay costs, for a total amended contract amount not to exceed \$22,522,560.91.

Mr. Petrik presented the Board with Conduit No. 16 Tunnels Package and Open Cut Segments, a copy of which is attached to and incorporated in these Minutes as Exhibit D. He explained that this conduit replacement project is a portion of the North System Renewal Project and encompasses tunneling beneath three highways and two railroads, as well as open cuts through residential neighborhoods. A Geotech Baseline Report (GBR) is used to set the baseline condition of existing soils, and by the contractor to develop tunneling methods. Differing Site Conditions (DSC) occur when the soil differs from the GBR data. After being put on notice of two DSC's, Denver Water avoided additional charges through negotiation with the contractor.

POLICY MATTERS

8. ITEM III-A: OCR UPDATE

Mr. Ferguson and Ms. Adams presented the Board with an OCR Update, a copy of which is attached to and incorporated in these Minutes as Exhibit E. Mr. Ferguson noted that the next project milestone, the topping out of the Administration Building, will occur in early November. The parking garage's brick enclosure is 80% complete. Actual expenditures are tracking 4% below original project estimates from 2016.

Ms. Adams reported that the project continues to exceed the target design and construction MWBE goals. The solar procurement is slightly behind schedule, as only one proposal was received from the original request for proposals. Additional proposals are being requested. Mortenson plans to review the proposals with the leadership team in November and present a final recommendation to the Board in February 2019.

9. ITEM III-B: GRE PROCUREMENT

Mr. Martin presented the Board with a Project Delivery Method Update, a copy of which is attached to and incorporated in these Minutes as Exhibit F. He began by discussing three considerations from past discussions with the Board: 1) options that carry multiple contractors; 2) an option that compares overall project costs between Design Bid Build and Construction Manager General Contractor (CMGC) methods; and 3) negotiation leverage at time of construction contract. After considering three approaches to achieve the program objectives for the best value, staff recommends selecting CMGC contractor in a Request for Proposal process and investing in an independent cost estimator to help identify risks and develop leverage in negotiations.

The contractor procurement process will involve: 1) a Request for Qualifications (RFQ); 2) narrowing the list of qualified entities; 3) a Request for Proposals (RFP); and 4) identifying the preferred contractor and negotiating costs. The RFQ will include reviewing organizational qualifications, including relevant project experience during the previous 10-20 years. The RFP will require an extensive narrative on the organizations' technical and pricing approach to the project. It will be key to understand the overhead structure and fees, and to work with the independent cost estimator to understand labor rates, work activity costs, and other cost components. Once the preferred contractor is identified, staff will meet with the project leadership team and the Board. The goal is to begin the RFQ process in November and the RFP process in January or February 2019.

EXECUTIVE UPDATE

10.ITEM IV-B: CFO REPORT

Ms. Bricmont reported that the Board will receive its 2019 Budget information on November 2, ahead of the November 4 study session. Formal approval of the Budget is scheduled for December 5, 2018.

BRIEFING PAPERS & REPORTS

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

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

12.ITEM IV-A-2: WATERSHED INVENTORY UPDATE

The Board received a Watershed Inventory Update, a copy of which is attached to and incorporated in these Minutes as Exhibit H.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 11:02 a.m.


Executive Session

On Wednesday, October 24, 2018, commencing approximately at 11:02 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matters, which are authorized by C.R.S. §24-6-402 or D.R.M.C. § 2-34, were discussed during the Reconvened Executive Session:

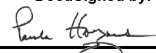
1. Property Matters C.R.S. §24-6-402(4)(a); and
2. Attorney-Client Matters C.R.S. §24-6-402(4)(b).

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There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:35 a.m.

DocuSigned by:


Secretary 01162018177B484...

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President 011620184843F...