

**RECORD OF PROCEEDINGS  
MINUTES  
of the  
Board of Water Commissioners**

Denver Water Administration Building  
1600 West 12<sup>th</sup> Avenue  
Denver, CO  
Board Room, Third Floor

**Wednesday, November 7, 2018**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, November 7, 2018, beginning at 9:00 a.m. in the Board Room, Room 309, 1600 West 12<sup>th</sup> 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. Lochhead, CEO/Manager	J. Kearns, Contract Specialist
J. Anderson, Chief of Staff	J. Light, Engineer Sr.
A. Bricmont, Chief Financial Officer	L. Lopez, Contract Specialist
J. Brody, General Counsel	B. Maulis, Contract Specialist
G. Cagle, Chief Human Resources Officer	C. Mbakogu, Division Sr. Analyst
C. Dermody, Chief Information Officer	P. McCormick, Project Engineer
B. Good, Chief Administrative Services Officer	A. Menefee, Community Relations Sr. Specialist
M. King, Chief External Affairs Officer	S. Miller, Health Services Manager
R. Mahoney, Chief Engineering Officer	C. Piper, Government Relations Manager
T. Roode, Chief Operations and Maintenance Officer	K. Riegle, Attorney
S. Abram, Budget Manager	K. Ross, Engineer Sr.
	L. Schulz, Customer Relations Manager

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

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



A. Antolovich, Engineering Manager	J. Seagren, Distribution Relations Manager
M. Aragon, Director Customer Relations	U. Sharma, Treasurer
D. Arnold, Attorney	J. Shaw, Community Relations Sr. Specialist
M. Barela, Finance Supervisor	M. Spinner, Engineer Associate
K. Bates, Attorney	H. Stauffer, Community Relations Specialist
C. Bramon, Purchasing Supervisor	R. Stitt, Planner Lead
S. Chesney, Director Public Affairs	J. Taussig, Director EMSS
A. Chotiner, Business Operations Manager	J. Tejral, Public Affairs Manager
P. Daukas, Planning Manager	M. Turney, Director Engineering - Property
F. Davis, Rates Manager	N. Cudahy, Green Mountain Water and Sanitation District
R. Davis, Finance Analyst	P. Fitzgerald, Platte Canyon Water and Sanitation District
G. Fisher, Demand Planning Manager	B. Frommel, City and County of Denver
R. Franco, Emergency Management Manager	D. Gaspers, City and County of Denver
S. Franey, Sr. Internal Auditor	C. Lane, Platte Canyon Water and Sanitation District
P. Freeman, Finance Sr. Analyst	
K. Greenleaf, Administrative Sr. Assistant	
M. Horrie, Planner Sr.	
D. Hughes, Engineer	
M. Iverson, Business Operations Manager	

## INTRODUCTORY BUSINESS

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

Commissioner Lucero joined the meeting at 9:20 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 response.

## 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: MINUTES OF OCTOBER 10, 2014**

Approved the Minutes of the Open Session Meeting of October 10, 2018.

Approved the Minutes of the Executive Session of October 10, 2018.

**2. ITEM II-A-2: MINUTES OF OCTOBER 24, 2108**

Approved the Minutes of the Open Session Meeting of October 24, 2018.

Approved the Minutes of the Executive Session of October 24, 2018.

**3. ITEM II-A-3: FIRST AMENDMENT TO DENVER WATER UNIFORM PROGRAM – CONTRACT 16104/501061**

Approved the First Amendment to Contract 16104A/501061 with Servicewear Apparel, Inc. The Amendment adds safety boots to the scope of provided goods, extends the contract period through December 31, 2020, and adds \$575,000, for a total amended contract amount not to exceed \$1,310,000.

**4. ITEM II-A-4: SHARED FUNDING AGREEMENT 2018 MACROINVERTEBRATE MONITORING – CONTRACT 503697**

Approved Contract 503697 with Northern Water, in which Denver Water will pay a portion of the cost for professional services performed by Timberline Aquatics, Inc. for the Macroinvertebrate Monitoring Program, for a total contract amount not to exceed \$3,264.

**5. ITEM II-A-5: SHARED FUNDING AGREEMENT 2018 TEMPERATURE MONITORING – CONTRACT 503698**

Approved Contract 503698 with Grand County, in which Denver Water will pay a portion of the cost for professional services performed by Grand County Water Information Network for the Stream Temperature Monitoring Program, for a total contract amount not to exceed \$1,145.

**6. ITEM II-A-6: SHARED FUNDING AGREEMENT 2018 HABITAT MONITORING – CONTRACT 503699**

Approved Contract 503699 with Grand County, in which Denver Water will pay a portion of the cost for professional services performed by Tetra Tech, Inc. for the Stream Habitat Monitoring Program, for a total contract amount not to exceed \$6,727.

**7. ITEM II-A-7: INTERAGENCY AGREEMENT WITH DENVER PARKS – CENTRAL CONTROL BUILD-OUT – CONTRACT 503591**

Approved Contract 503591 with Denver Parks and Recreation for water efficiency projects for the contract period of November 7, 2018 through December 31, 2019, for a total contract amount of \$120,000.

**8. ITEM II-A-8: 64<sup>TH</sup> AVE. PUMP STATION MODIFICATIONS CONTRACT 503064**

Approved Contract 503064 with Archer Western Construction, LLC for the 64<sup>th</sup> Avenue Pump Station Modifications Project for the contract period of November 7, 2018 through September 4, 2020, for a total contract amount not to exceed \$5,528,400.

**9. ITEM II-A-9: NINTH AMENDMENT TO CONTRACT 500861 (FORMERLY 14978A) FOR CONDUIT 16 REPLACEMENT AND CONDUIT 22 ABANDONMENT**

Approved the Ninth Amendment to Contract 500861 with HDR-Dewberry Water Supply Partners for construction phase services for the Conduit 16 Replacement and Conduit 22 Abandonment Projects. The Amendment adds \$469,081, for a total amended contract amount not to exceed \$7,294,980.

**10. ITEM II-A-10: SURPLUS PROPERTY DECLARATION OF LEETSDALE PUMP STATION AND CONDUIT 5 PROPERTY AT S. QUEBEC WAY**

Declared 0.6 acres of Leetsdale Pump Station and Conduit No. 5 property surplus, with a reservation for an exclusive easement for Conduit No. 5, as the fee simple ownership is no longer needed for waterworks purposes.

**11. ITEM II-A-11: INTERGOVERNMENTAL AGREEMENT WITH JEFFERSON COUNTY FOR NORTHWATER TREATMENT PLANT CONTRACT 503692**

Approved Contract 503692 with Jefferson County for phased County approval of Grading Permits for the Northwater Treatment Plant Project.

**12. ITEM II-B-1: FIRST AMENDMENT TO THE COLORADO RIVER COOPERATIVE AGREEMENT 500705 AND AGREEMENT REGARDING USE OF CLINTON RESERVOIR DEAD POOL STORAGE – CONTRACT 503671**

Approved the First Amendment to Contract 503671, the Colorado River Cooperative Agreement (CRCA), modifying Attachment J to the CRCA and substituting Attachment J with the Agreement Regarding Use of Clinton Reservoir Dead Pool Storage (Dead Pool Storage Agreement).

Mr. Arnold explained that the term “dead pool” refers to that portion of water in a reservoir that cannot be physically evacuated from the reservoir by gravity. Clinton Reservoir shares are divided into two classes: 1) Class A, which is allocated based upon active storage capacity; and 2) Class B, which is allocated as dead pool storage, and unavailable for use until the installation of a pumping system. This Amendment is in response to a Class B shareholder request to use the dead pool storage for accounting purposes before pump installation. The Dead Pool Storage Agreement creates more flexibility for shareholders, and because of the new triggers for installing a pumping system, is more protective of Denver Water’s rights pursuant to the CRCA.

Because the Dead Pool Agreement is a modification of Attachment J to the CRCA, the CRCA will be amended to reflect that Attachment J is replaced with the Dead Pool Storage Agreement.

**POLICY MATTERS****13. ITEM III-A: SYSTEM DEVELOPMENT CHARGES**

Mr. Davis provided the Board with a Review of System Development Charge (SDC) Philosophy and Denver Water’s current SDC Rate Schedule, copies of which are attached to and incorporated in these Minutes as Exhibits A and B, respectively. He explained that SDCs are one-time charges to developers, for

new water connections, and are used to defray Denver Water's cost for infrastructure and capital development. They are calculated based on the value of the system's capacity and the amount of capacity required by the new connection, subject to City Charter provisions and case law.

Denver Water implemented SDCs in 1972 and has adopted a policy to include a 40% differential between the cost for connections in and outside of the City. Staff reviews the SDC rate structure every three to six years, the last review being in 2013. Although SDCs are an important source of Denver Water's funding, they are extremely unpredictable and subject to the metro area economy and development climate.

In response to discussion that Denver Water's SDCs are among the lowest in Colorado, staff will analyze options to increase SDCs to fund anticipated infrastructure replacement needs, in addition to other capital projects, as well as to incentivize water conservation. Staff will share this analysis with the Board in a future meeting.

#### **14.ITEM III-B: URBAN DENSITY**

Ms. Shaw shared the City's "Denverright. Your Voice. Our Future." presentation, a copy of which is attached to and incorporated in these Minutes as Exhibit C. Mr. Gaspers explained Denverright is the City's 22-year comprehensive master planning roadmap that includes strategies for parks and recreation, transit, land use and transportation, pedestrians and trails. The plan was developed with six themes for the City: 1) equitable affordable and inclusive; 2) economically diverse and vibrant; 3) strong and authentic neighborhoods; 4) connected, safe and accessible places; 5) healthy and active; and 6) environmentally resilient. The environmentally resilient goal includes plans for climate change and adaptation, water conservation, stormwater and green infrastructure, protecting waterways and the river, and solid waste reduction.

Blueprint Denver is the City's integrated land use and transportation plan. Historically, Denver has grown an average of 1% annually, with 2.3% annual growth between 2010 and 2016. The Blueprint team modelled different scenarios for growth through 2040 and selected a high growth scenario to support denser development through 2040. The model anticipates 894,000 residents of Denver at that time.

Blueprint Denver engaged Denver Water staff early in the plan's development, and the team will continue to partner with Denver Water to incorporate water

efficiency measures and green infrastructure into the plan.

Ms. Shaw presented the Board with Growth, Density and Water Use, a copy of which is attached to and incorporated in these Minutes as Exhibit D. She explained that Denver Water serves 700,000 people in the City, an additional 700,000 people outside the City, and 15 municipalities through 65 distributors. The City's current population density is 6,000 people per square mile. As density increases, the gallons of water consumed per unit, and gallons of water consumed per acre may also increase. However, density does not automatically equate to water efficiency. Rather than trying to drive urban density, Denver Water will focus its efforts toward supporting development of land use and zoning policies that result in water efficiency.

Ms. Shaw introduced Denver Water's density working group: Mr. Horrie, Mr. Aragon, Ms. Schulz, Mr. Davis, Mr. Tejral, Ms. Seagren, Mr. Piper, Mr. Fisher and Ms. Ross. Mr. Lochhead congratulated the team for their important work, recognizing that Denver Water is a leader to which other municipalities and utilities will look as they develop their own plans.

#### **15.ITEM III-C: SUPPLIER DIVERSITY**

Ms. Menafee presented the Supplier Diversity Program, a copy of which is attached to and incorporated in these Minutes as Exhibit E. She explained the timeline of Denver Water's Minority/Women-owned Business Enterprise (MWBE) program, which began in 1978 and evolved over time in response to results of the City's disparity studies and to align with the City's MWBE program for construction and goods and services contracts. She discussed several common supplier diversity program philosophies and how Denver Water's program currently operates. She plans to conduct focus groups and surveys to determine how Denver Water can best support local small businesses and MWBEs to be able and successful business partners with Denver Water. The Board encouraged staff to think about how to make the qualification process easier and consider "outside the box" strategies to increase the pool of MWBE partners.

#### **16.ITEM III-D: NATIONAL WESTERN UPDATE**

Ms. Antolovich presented a National Western Update, a copy of which is attached to and incorporated in these Minutes as Exhibit F. She explained that the site will require both potable and nonpotable water supplies, and that after the stakeholders considered options, Denver Water's recycled water was

selected as the preferred nonpotable source. This would require approximately \$3 million of infrastructure to construct the conduit to get the recycled water to the site and an additional \$1.9 million to develop the on-site infrastructure for the 60-90 acre feet per year demand of nonpotable water. The benefits would include opportunities to provide service to future customers along the conduit. Staff will work with the City, the National Western Authority, and Colorado State University to discuss potential contract terms, noting that the Board will undertake no responsibility for soil remediation at the site and desires its commitment pursuant to any contract to be finite.

## BRIEFING PAPERS & REPORTS

### 17. ITEM V-A-1: EMERGENCY OPERATIONS PLAN

The Board received a Briefing Paper on the Emergency Operations Plan, a copy of which is attached to and incorporated in these Minutes as Exhibit G.

### 18. ITEM IV-A-2: GROWTH, DENSITY AND WATER USE

The Board received a Briefing Paper on the City's Growth, Density and Water Use, 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 11:47 a.m.


### Executive Session

On Wednesday, November 7, 2018, commencing approximately at 11:47 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. Negotiations C.R.S. §24-6-402(4)(a); and
2. Attorney-Client Matters C.R.S. §24-6-402(4)(b).



There being nothing further for the Board to consider, the Executive Session concluded at approximately 12:00 p.m.

DocuSigned by:  
  
Secretary

DocuSigned by:  
  
President