

**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, First Floor

**Wednesday, November 20, 2019**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, November 20, 2019, beginning at 9:00 a.m. in the Board Room, Room 106, 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.S. Lochhead, CEO/Manager	A. Hill, Attorney
J.A. Anderson, Chief of Staff	C. Lamacraft, Environmental Sr. Scientist
A.C. Bricmont, Chief Financial Officer	J. Marks, Environmental Lead Scientist
J. Brody, General Counsel	C. Mbakogu, Division Sr. Analyst
B.D. Good, Chief Administrative Officer	P. McCormick, Project Engineer
D. Gorgemans, Chief Internal Auditor	Keith Oligney, Directory of IT Infrastructure
M. King, Chief External Affairs Officer	C. Palmore, Division Analyst
R. Mahoney, Chief Engineering Officer	B. Ransom, Recreation Manager
T.J. Roode, Chief Operations and Maintenance Officer	L. Schulz, Customer Relations Manager
S. Abram, Budget Manager	
M. Aragon, Director Customer Relations	

D. Arnold, Attorney  
N. Babyak, Water Treatment Plant  
Supervisor  
R. Badger, Planning Manager  
K. Bates, Attorney  
C. Bramon, Purchasing Supervisor  
A. Cavallaro, Paralegal  
S. Chesney, Director Public Affairs  
E. Cinchock, Division Sr. Analyst  
J. Daly, Finance Sr. Analyst  
F. Davis, Rates Manager  
J. Gelmini, Engineer Sr.

U. Sharma, Treasurer  
J. Shaw, Community Relations Sr.  
Specialist  
A. Turney, Director Engineering  
P. Virreira, Engineer LTE  
C. Anstaett, Black & Veatch  
J. Crockett, Jacobs  
C. Lane, Platte Canyon Water and  
Sanitation District  
L. Suer, Jacobs  
G. Zamensky, Black & Veatch

## INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:22 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.

## 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: TWELFTH AMENDMENT FOR ADDITIONAL CONTRACT FUNDS FOR ORACLE AMERICA INC. – CONTRACT 500409

Approved the Twelfth Amendment to Contract 500409 with Oracle America Inc. for the Customer Care and Billing software maintenance and support, which manages the full customer care lifecycle for Denver Water, to extend the contract period through Dec. 27, 2020 and add \$321,465.81, for a total amended contract amount not to exceed \$5,273,466.33.

In response to a question from Commissioner Reiff, Mr. Good clarified this software is for the call center platform and stated that this Oracle tool was selected through a competitive selection process approximately eight years ago but is not yet scheduled to be rebid due to the extensive work necessary to transition from one vendor to another.

**2. ITEM II-A-2: RANCH CREEK CANAL CULTURAL RESOURCES  
MEMORANDUM OF AGREEMENT**

Approved the Memorandum of Agreement for the Ranch Creek Canal Replacement Project scheduled for the summer of 2020, which specifies terms for compliance with Section 106 of the National Historic Preservation Act (NHPA).

**3. ITEM II-B-1: NORTHWATER TREATMENT PLANT CONSTRUCTION  
OVERSIGHT AMENDMENTS AND MONTHLY UPDATE**

Approved the amendments to professional services agreements for construction oversight and preparation for transfer of facility ownership. The two contract amendments are necessary to advance the Northwater Treatment Plant project through the construction phase and prepare for eventual turnover to Denver Water's Operations staff. In accordance with the NTP objectives, the project planning, design, and construction are being completed through a series of phased work packages. The net added cost is \$2,375,676 for a total amended amount not to exceed \$243,753,782.95 for construction oversight and preparation for transfer of facility ownership, or approximately 47% of the total project budget of \$520,000.00.

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

Mr. McCormick reported that over the next three months, all the remaining GMPs will be contracted. Currently, there are nine active GMPs. Denver Water is starting to reach its projected goals on the active GMPs, and staff projects an increase in billings over the next three months as activity ramps up. He noted that only 22 percent of the contingency budget has been allocated and 30 percent of the anticipated work is under contract, so many of the anticipated risks have not yet been encountered.

Since the prior Board update, there have been no schedule adjustments, changes to the construction contingency, adjustments to the NTP task budget or total budget, or MWBE adjustments.

Ms. Gelmini reported on the collaborative design process that Denver Water and its contractors have utilized on the NTP project, and Ms. Babyak discussed how the team has approached design decisions to take into consideration both capital and operational costs and risks.

#### **4. ITEM II-B-2: APPOINTMENT TO CITIZENS ADVISORY COMMITTEE WEST SLOPE CANDIDATE**

Mr. King provided the Board with the nominations to the Citizens Advisory Committee West Slope Candidate, a copy of which is attached to and incorporated in these Minutes as Exhibit B. He reported that six applications were received and, after interviews were conducted, the Citizens Advisory Committee recommended that the Board appoint either Gary Wilkinson or Alan Hassler.

The Board approved Denver Water's Citizens Advisory Committee's nominations and appointed Gary Wilkinson for a three-year term as the West Slope representative.

### **POLICY MATTERS**

#### **5. ITEM III-A: 3RD QUARTER PERFORMANCE REPORT**

The Board received the 3rd Quarter Performance Report, a copy of which is attached to and incorporated in these Minutes as Exhibit C. Ms. Abrams highlighted portions of the Report, noting that revenue through the end of the third quarter was running 0.9 percent under budget, but October revenue is coming in approximately \$5 million above budget. Denver Water's FTE count is 1,044. The year started with higher than anticipated medical claims, which have since reduced, causing the overall cost to be under budget. The operating project costs are over budget by \$3 million, largely due to the lead variance project, however, capital costs continue to be under budget.

#### **6. ITEM III-B: LEAD SERVICE POLICY ISSUES**

Mr. Lochhead reported that staff anticipates approval of its variance request from

the Environmental Protection Agency (EPA) soon. This raises several policy issues, including the rate at which lead service lines (LSL) should be replaced, as well as how replacements performed by customers and others should be funded.

In the normal course of business, Denver Water, customers, and third parties presently replace approximately 1,200 LSLs per year. The Lead Service Line Replacement Program intends to replace approximately seven percent of LSLs in Denver Water's service area per year, or approximately 4,500 LSLs, utilizing a risk-based prioritization. Mr. Lochhead asked the Board for guidance regarding whether the seven percent should be in addition to the 1,200 LSLs per year currently replaced. Board members agreed that the seven percent LSL replacement rate should be in addition to the current 1200 LSLs replaced in the ordinary course.

Mr. Lochhead also asked the Board for guidance regarding whether Denver Water should reimburse customers and developers who voluntarily replace LSLs outside of Denver Water's Lead Service Line Replacement Program schedule. After discussion, Board members indicated a desire to reimburse such voluntary LSL replacements within Denver Water's service area and within Distributor areas and requested more information from staff before deciding whether to provide full, partial, or capped reimbursements.

A third policy issue involves whether to provide retroactive reimbursements to customers who have already replaced LSLs. Mr. Lochhead explained that retroactive reimbursements are not permissible under the Denver Charter. Replacements that have occurred through the loan program with the Denver Urban Renewal Authority (DURA) will not be reimbursed for the same reason.

Mr. Lochhead indicated that staff will prepare a policy resolution for the Board's approval at a future meeting, based on the guidance that the Board provided. Commissioner Herzmark commented that the thought process behind these issues is greatly appreciated and the Board looks forward to receiving a final proposal.

## EXECUTIVE UPDATE

### 7. ITEM IV-A: CEO REPORT

Mr. Lochhead reported that Colorado State University held the 2019 Water in the West Symposium, and it was a great success. He explained that it was a diverse

conference that showcased a wide range of speakers, from recreation and environment topics to business and agriculture, making it a nice addition to the water world.

Mr. Lochhead attended an Upper Colorado River Commission (UCRC) meeting in Denver. He is working on the challenges related to water demand management as a component of the Upper Basin Drought Contingency Plan (DCP). It might take a couple of years to get underway, but it's currently in progress.

Commissioner Herzmark noted that interest in water management has increased in the last year and the public is more engaged in these issues.

## **8. ITEM IV-C: OPERATIONS REPORT**

Ms. Anderson introduced Mr. Ransom to provide the Board with an update on the South Platte River.

Mr. Ransom reported that the North Fork of the South Platte River in the vicinity of Deckers has become very busy, according to the many reports received from contractors and the public about business on the South Platte River. There has been increased guide activity, which has inhibited the general public's access to the river and impacted the surrounding wildlife and natural resources. Historically, Denver Water's process has been to monitor activity and the number of guided trips, but the number of guided trips has risen to the point of needing to put in place a system to better manage the resource and avoid potential conflicts.

After discussion about whether Denver Water should be in the position to issue permits to those wishing to recreate on the South Platte River, Mr. Lochhead indicated that staff will continue to explore options, based on the feedback from the Board. Commissioner Herzmark agreed and thanked Mr. Ransom for the update.


## **ADJOURNMENT**


No further business appearing, the Board voted unanimously to adjourn into a meeting of 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 at 10:23 a.m.

November 20, 2019

**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, November 20, 2019, commencing at 10:23 a.m., in the Board Room, Room 106, 1600 West 12th Avenue, Denver, Colorado. The Minutes of the Trustee Meeting are maintained separately. The Trustee Meeting/Plan Sponsor Meeting concluded at 10:50 a.m., at which time the Board voted unanimously to adjourn into Executive Session.

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Secretary

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President