

**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, December 6, 2017

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, December 6, 2017, 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 M. Reiff, Vice President
Craig Jones, Vice President

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

J.A. Anderson, Chief of Staff	J. Bogner, Finance Analyst
A.C. Bricmont, Chief Financial Officer	P. Coleman, Chief Internal Auditor
G. Cagle, Chief Human Resources Officer	D. Engleman, Total Rewards Administrator
C.R. Dermody, Chief Information Officer	M. Faulkner, Director HR
B.D. Good, Chief Administrative Services Officer	D. Hamm, Division Analyst
M. King, Chief External Affairs Officer	K. Knoll, Public Affairs Manager
J.S. Lochhead, CEO/Manager	M. Nealey, Engineer Sr.
R.J. Mahoney, Chief Engineering Officer	A. Rettig, Finance Supervisor
T.J. Roode, Chief Operations and Maintenance Officer	J. Seagren, Distribution Relations Manager
P.L. Wells, General Counsel	U. Sharma, Treasurer
J. Barbier, Engineer Sr.	H. Stauffer, Community Relations Specialist
K. Bates, Attorney	R. Wirth, Finance Supervisor
D. Batt, Construction Project Sr. Manager	C. Birley, Davis, Graham & Stubbs
	C. Lane, Platte Canyon Water & Sanitation District

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

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



INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:22 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 NOVEMBER 8, 2017

The Minutes of the Open Session Meeting of November 8, 2017 were approved.

The Minutes of the Executive Session of November 8, 2017 were approved.

2. ITEM II-A-2: MINUTES OF NOVEMBER 15, 2017

The Minutes of the Open Session Meeting of November 15, 2017 were approved.

3. ITEM II-A-3: VAULT MODIFICATIONS 2017/2018 – CONTRACT 16965A

Approved Contract 16965A with Concrete Works of Colorado for the Vault Modifications 2017/2018 Project, for the contract period of December 6, 2017 through September 29, 2018, for a total contract amount not to exceed \$6,407,200.

4. ITEM II-A-4: RATIFICATION OF CONSTRUCTION CONTRACTS CHANGE ORDERS AND AMENDMENTS, AND PROFESSIONAL SERVICES AGREEMENT AMENDMENTS

Ratified Construction Contract Change Orders, Amendments, and Amendments to Agreements authorized in October and November, 2017 as follows:

1. Change Order No. 6 to Contract 15547A with Aslan Construction for the Moffat Treatment Plant Centrifuge Dewatering System;
2. Third Amendment to Contract 15706A with TC Denver Development, Inc. for the Owner's Representative for the Execution of the OCR Project; and

3. Change Order No. 3 to Contract 16808A with CH2M Hill Engineers for Engineering Design Services from Project Initiation through 30% Design for the Conduit No. 20 Outlet Structure Modifications and the Chatfield Pump Station Modifications Project,

all as more particularly described in the attachment to Agenda Item ITEM II-A-4.

5. ITEM II-A-5: RECOMMENDED REVISIONS TO THE PERSONNEL POLICIES CREATING A NEW CLASSIFICATION OF LIMITED TERM REGULAR EMPLOYEES

Approved changes to Chapters One and Four of Denver Water's Personnel Policies, creating a new classification of Limited Term Regular Employees. A copy of the changes is attached to and incorporated in these Minutes as Exhibit A.

6. ITEM II-A-6: SECOND AMENDMENT TO STOP LOSS INSURANCE AGREEMENT CIGNA HEALTH AND LIFE INSURANCE COMPANY – CONTRACT 501025 (formerly 15954B)

Approved the Second Amendment to Contract 501025 with CIGNA. The Amendment adds \$1,036,222.

7. ITEM 11-A-7: FIRST AMENDMENT TO THE OCTOBER 19, 2005 AGREEMENT WITH EAST CHERRY CREEK VALLEY WATER & SANITATION DISTRICT – CONTRACT 08559A

Approved the First Amendment to Contract 08559A with East Cherry Creek Valley Water & Sanitation District, which adds a second delivery point.

8. ITEM II-B-1: MASTER SERVICE AGREEMENT RENEWAL CENTURYLINK SALES SOLUTIONS, INC. CONTRACT 509092

Approved Contract 503092 with CenturyLink Sales Solutions, Inc. for telecommunication services for the contract period of December 8, 2017 through December 7, 2020, for a total contract amount not to exceed \$3,750,000.

EXECUTIVE UPDATE

9. ITEM IV-A: CEO REPORT

Mr. Lochhead reported on the following:

1. Accompanied by Mr. King and Ms. Antolovich, he attended a meeting with the Colorado Department of Health and Public Environment (CDPHE) to

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discuss a number of issues important to Denver Water, including: recycle/reuse regulations, Denver Water's lead service line replacement program, the Cotter Corp. proposal to outsource its environmental remediation responsibilities related to the Schwarzwald Mine in Jefferson County, and Climax Mine's proposal to increase the statewide limit for molybdenum pollution in streams. Mr. Lochhead said that it was a good meeting and that regular meetings will be scheduled on these topics.

2. Mr. Lochhead attended the U.S. Water Summit, which is a meeting of primarily private-sector water industry organizations which desire to become engaged in the water utility industry by helping to develop industry solutions.

3. Mr. Lochhead was recently appointed to the Water Foundation Board, an organization created in California, and now expanding throughout the west. It acts as an intermediate foundation, distributing grant moneys from larger foundations to various projects that are important to Denver Water, including eco-system restoration and water balance resolution in the San Joaquin Valley, increasing clean drinking water access throughout the United States, water data exchanges, greenwater/one water initiatives, and restoration of the Salton Sea.

10. ITEM IV-B: CFO REPORT

The Board received a Financial Report dated January 1, 2017 through October 31, 2017, a copy of which is attached to and incorporated in these Minutes as Exhibit B.

BRIEFING PAPERS & REPORTS

11. ITEM V-A-1: NECESSARY REPAIRS TO CONDUIT NO. 29 AT THE HILLCREST PROJECT SITE

The Board received a Briefing Paper regarding Necessary Repairs to Conduit No. 29 at the Hillcrest Project Site, a copy of which is attached to and incorporated in these Minutes as Exhibit C.

12. ITEM V-B-1: REVIEW OF BURDENS AND DISPOSALS – 3RD QUARTER 2017

The Board received a Review of Burdens and Disposals for the 3rd Quarter of 2017, a copy of which is attached to and incorporated in these Minutes as Exhibit D.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 9:38 a.m.

TRUSTEE MEETING

The Board of Water Commissioners, serving in its capacity as Trustee of the Employees' Retirement Plan, met on Wednesday, December 6, 2017, commencing at 9:40 a.m., in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. The Minutes of the Trustee Meeting are maintained separately. The Trustee Meeting concluded at 10:22 a.m., at which time the Board voted unanimously to adjourn into a Reconvened Open Session/Plan Sponsor Meeting.

RECONVENED OPEN SESSION/PLAN SPONSOR MEETING

At approximately 10: 22 a.m., on Wednesday December 6, 2017, the Board of Water Commissioners, serving in its capacity as Plan Sponsor of the Employees' Retirement Plan, the Supplemental Retirement Savings Plan, and the Denver Water 457 Deferred Compensation Plan, met in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado. Commissioner Herzmark reconvened this Open Session of the Board of Water Commissioners, which had been commenced and adjourned earlier in the day. Members of the Board present were:

Paula Herzmark, President
John R. Lucero, First Vice President
H. Gregory Austin, Vice President
Gary Reiff, Vice President
Craig Jones, Vice President

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

J.A. Anderson, Chief of Staff	T.J. Roode, Chief Operations Officer
A.C. Bricmont, Chief Finance Officer	P.L. Wells, General Counsel
G. Cagle, Chief Human Resources Officer	K. Bates, Attorney
C.R. Dermody, Chief Information Technology Officer	J. Bogner, Finance Analyst
B.D. Good, Chief Administrative Services Officer	P. Coleman, Chief Internal Auditor
	D. Engleman, Total Rewards Administrator
	M. Faulkner, Director HR
	R. Gallen, Contract Specialist

M. King, Chief External Affairs
Officer
J.S. Lochhead, CEO/Manager
R.J. Mahoney, Chief Engineering
Officer

A. Rettig, Finance Supervisor
U. Sharma, Treasurer
C. Birley, Davis, Graham & Stubbs

ACTION ITEMS

1. ITEM I-A: RESOLUTIONS APPROVING PLAN AMENDMENTS AND RATIFYING PRIOR ACTIONS TAKEN BY THE BOARD IN TRUSTEE MEETINGS

Adopted the Resolutions which ratify prior action of the Board in its July 12, 2017 Trustee meeting, which was intended to be taken as Plan Sponsor for the Employees' Retirement Plan, and which approve and adopt Amendment No. One to the Employees' Retirement Plan. A copy of the Resolutions and Amendment are attached to and incorporated in these Minutes as Exhibit E.

Ms. Birley explained that in July, 2017, the Board approved amending and restating the Plan document to incorporate employee contributions and a Tier II benefit for employees hired on or after January 1, 2018. The Board also authorized staff to engage with John Hancock Retirement Plan Services (John Hancock) to administer the plan beginning January 1, 2018. Since that time, staff has worked diligently with John Hancock to ensure that all of the Plan's provisions will be properly implemented. These discussions have revealed that certain Plan provisions needed to be clarified and certain processes needed to be explicitly stated in the Plan. Amendment No. One amends the Plan to incorporate these clarifications and restatements. None of the changes in Amendment No. One will alter employee benefits.

Approved and adopted Amendment No. Four to the 401(k) Plan. Approved and adopted Amendment No. Six to the 457(b) Plan. A copy of these Amendments are attached to and incorporated in these Minutes as Exhibits F and G, respectively. The Amendments clarify the definition of "compensation," "spouse," and "amount" of compensation that may be deferred. None of these changes will alter employee benefits.

2. ITEM I-B: PENSION SERVICE AGREEMENT (CONTRACT 503097) AND CUSTODIAL AND PAYMENT AGREEMENT (CONTRACT 503095) WITH JOHN HANCOCK FOR THIRD-PARTY ADMINISTRATION OF THE DENVER WATER EMPLOYEES' RETIREMENT PLAN

Approved Contract 503097 with John Hancock for Third-Party Administration of the Denver Water Employees' Retirement Plan for the period of December 6, 2017 through December 31, 2023, for a total contract amount not to exceed \$600,000.

Approved Contract 503095 with John Hancock for Custodial and Payment Services for the contract period of December 6, 2017 through December 31, 2023 for a total contract amount not to exceed \$7,500.

3. ITEM I-C: CONTRACT 503081 WITH J.H. ELLWOOD & ASSOCIATES, INC. FOR INVESTMENT CONSULTANT SERVICES TO THE 401(k) AND 457 PLANS

Approved Contract 503081 with J.H. Ellwood & Associates, Inc. for Investment Consultant Services to the 401(k) and 457 Plans for the contract period of January 1, 2017 through December 31, 2020, for a total contract amount not to exceed \$127,500.

4. ITEM I-D: FIRST AMENDMENT TO THE ACTUARIAL SERVICES AGREEMENT WITH GRS CONTRACT 501069 (16111A)

Approved the First Amendment to Contract 501069 (1611A) with GRS. The Amendment adds work and increases compensation by \$227,250, for a total contract amount not to exceed \$650,000.

INFORMATION ITEMS

5. ITEM II-A: 3Q PERFORMANCE REPORT AND DILIGENCE REPORT FOR DB PLAN, 401(k) PLAN and 457 PLAN

The Board received a Third Quarter 2017 Performance and Diligence Report for the Employees' Retirement Plan, 401(k) Plan and the 457 Plan, a copy of which is attached to and incorporated in these Minutes as Exhibit G.


The Reconvened Open Session/Plan Sponsor Meeting concluded at 10:22 a.m., at which time the Board voted unanimously to adjourn into an Executive Session

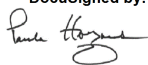
EXECUTIVE SESSION

On Wednesday, December 6, 2017 , commencing approximately at 11:00 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 Executive Session:

1. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:55 a.m.

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Secretary

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President