

**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, February 14, 2018**

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**Executive Session**

On Wednesday, February 14, 2018, commencing approximately at 9:00 a.m. in the CEO/Manager's Office, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matter, which is authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34, was discussed during the Executive Session:

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

There being nothing further for the Board to consider, the Board voted unanimously to adjourn into an Open Session at 9:15 a.m.

**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, February 14, 2018, beginning at 9:20 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 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	F. Davis, Rates Manager
A.C. Bricmont, Chief Financial Officer	S. Dominick, Engineer Sr.
G. Cagle, Chief Human Resources Officer	K. Dudas, Public Affairs Manager
C.R. Dermody, Chief Information Officer	V. Gaiter, Sales Supervisor
B.D. Good, Chief Administrative Services Officer	J. Hegdal, Internal Auditor
M. King, Chief External Affairs Officer	L. Kaatz, Environmental Lead Scientist
J.S. Lochhead, CEO/Manager	K. Knoll, Public Affairs Manager
A. Turney, <i>acting</i> Chief Engineering Officer	J. Lorton, Accounting Manager
T.J. Roode, Chief Operations and Maintenance Officer	R. Pence, Engineer
P.L. Wells, General Counsel	B. Peters, Engineer Sr.
S. Abram, Budget Manager	C. Piper, Government Relations Manager
A. Antolovich, Engineering Manager	S. Price, Engineering Manager
M. Aragon, Director Customer Relations	K. Ross, Engineer Sr.
K. Bates, Attorney	L. Schulz, Customer Relations Manager
D. Bennett, Director Water Resource Strategy	J. Seagren, Distribution Relations Manager
S. Chesney, Public Affairs Manager	S. Snyder, Communication Sr. Specialist
P. Coleman, Chief Internal Auditor	A. Woodrow, Community Relations Specialist
	J. Baile, Willows Water District
	S. Coffin, GBSM
	C. Lane, Platte Canyon Water & Sanitation District

## INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order 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.

### **Legislative Update**

Mr. Piper informed the Board that staff has held meetings with Colorado State Rep. Cristina Duran to discuss whether she would like to sponsor legislation regarding lead service line replacement.

## 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 JANUARY 10, 2018**

The Minutes of the Open Session Meeting of January 10, 2018 were approved.

The Minutes of the Executive Session of January 10, 2018 were approved.

**2. ITEM II-A-2: MINUTES OF JANUARY 24, 2018**

The Minutes of the Open Session Meeting of January 24, 2018 were approved.

The Minutes of the Executive Session of January 24, 2018 were approved.

**3. ITEM II-A-3: REVISIONS TO OPERATING RULES**

Approved revisions to Chapters 1, 2, 5 and 6 of Denver Water's Operating Rules. A copy of the revisions is attached to and incorporated in these Minutes as Exhibit A.

**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 December 2017 and January 2018, as follows:

1. Change Order No. 3 to Contract 16712A/503022 with Burns & McDonnell Engineering Company, Inc. for the DRWSP North Complex Electrical, Instrumentation and Control Project;
2. Change Order No. 2 to Contract 16801A/503016 with Sturgeon Electric Company for the Einfeldt Pump Station Standby Generator Replacement Project;
3. Change Order No. 1 to Contract 16981A/503019 with Central States Roofing & Insulating Company, Inc. for 2017 Roof Replacements;
4. Change Order No. 1 to Contract 16992A/501583 with Kantex Industries, Inc. for the Conduit Nos. 94 and 96 Impressed Current Cathodic Protection Project;

5. Change Order No. 1 to Contract 17013A/503041 with Gracon, LLC for Williams Fork Dam Hydro Unit No. 1 Overhaul and Penstock Gate Maintenance;
6. Change Order No. 1 to Contract 17020A/501611 with Concrete Works of Colorado, Inc. for Marston Site Access Improvements;
7. Change Order No. 7 to Contract 14978A/500861 with HDR-Dewberry Water Supply Partners for Conduit No. 16 Replacement and Conduit No. 22 Abandonment;

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

## POLICY MATTERS

### 5. ITEM III-A: IRP UPDATE

Ms. Dominick presented the Board with an IRP 2065 Update, a copy of which is attached to and incorporated in these Minutes as Exhibit B. She stated that the purpose of the IRP 2065 is to establish a secure water future for Denver Water's customers through 2065, inform the Capital Plan, enable planning for the entire water system, and encourage innovation. The IRP accomplishes these goals through scenario planning and development of options for Denver Water to implement, should the need arise. To date, four plausible planning scenarios have been identified and six portfolios of options have been developed and evaluated for non-monetary, financial, and phasing considerations. These will be incorporated into an adaptive planning process, which will provide Denver Water the flexibility which may be needed as various climactic, economic, and political changes occur. The team will hold a continuous improvement project to develop a methodology to continually evaluate the plan, and to utilize the plan to inform the capital budget and annual planning report. On March 9, 2018 the Board will discuss the adaptive plan and distill any policy implications.

In response to Commissioner Austin's remark that the Board's primary role with regard to the IRP 2065 is to define how secure it wants the water system to be, Mr. Lochhead stated that the Board may also define a service level policy and a demand policy.

### 6. ITEM III-B: INTEGRATED MARKETING PLAN

Ms. Dudas presented the Board with an Integrated Marketing Plan, a copy of which is attached to and incorporated in these Minutes as Exhibit C. She stated

that Denver Water enjoys a very trusted reputation amongst its customers and the general community, which was in part engendered through its “Use Only What You Need” advertising campaign. She recommended that the message be broadened beyond conservation, so that Denver Water can have a consistent message to facilitate discussions on a variety of matters, such as the Gross Reservoir Enlargement Project and the Summit County Safety Project, and to guide public engagement, manage Denver Water’s reputation, increase knowledge and awareness of water, and build political capital. The three to five-year Plan’s message, “Water Connects Us All,” is designed to build an emotional connection with customers and the community, and will be utilized for targeted marketing messages as well as community-wide messages. Effectiveness of the campaign will be measured through an “attitudes, awareness and usage” study in 2019 and customer satisfaction surveys.

Commissioners Herzmark, Lucero, and Austin expressed reservations about not utilizing the “Use Only What You Need” message, especially with newcomers to Colorado who may not be familiar with that message. Ms. Dudas said that her team will evaluate how to thread it throughout the new marketing campaign.

## EXECUTIVE UPDATE

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

Mr. Lochhead distributed a copy of Denver Water’s 2017 Year in Review report, a copy of which is attached to and incorporated in these Minutes as Exhibit D.

He also reported that he attended a recent dinner with the Board of the Northern Colorado Water Conservancy District (Northern), which passed a Resolution in Recognition of Denver Water’s 100<sup>th</sup> Anniversary. Mr. Lochhead remarked that this Resolution speaks highly of the cooperative relationship between Denver Water and Northern, who together provide water to three million people along the front-range. A copy of the Resolution is attached to and incorporated in these Minutes as Exhibit E.

**BRIEFING PAPERS & REPORTS**

**8. ITEM V-A-1: LEGISLATIVE UPDATE**

The Board received a Briefing Paper for the Legislative Update, a copy of which is attached to and incorporated in these Minutes as Exhibit F.

**9. ITEM V-A-2: IRP BRIEFING PAPER**

The Board received a Briefing Paper for the Integrated Resource Plan Update, a copy of which is attached to and incorporated in these Minutes as Exhibit G.

**ADJOURNMENT**

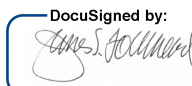
No further business appearing, the Board voted unanimously to adjourn into a Reconvened Executive Session at approximately 10:35 a.m.

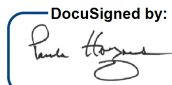
**Reconvened Executive Session**

On Wednesday, February 14, 2018, commencing approximately at 10:40 a.m. in the Board Room, Room 309, 1600 West 12<sup>th</sup> Avenue, Denver, Colorado, the Board of Water Commissioners reconvened the 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 Transactions § 24-6-402(4)(a)
2. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Reconvened Executive Session concluded at approximately 11:30 a.m.

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 Secretary

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 President