

**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, June 28, 2017**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, June 28, 2017 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**  
**Thomas A. Gougeon, Vice President**  
**Penfield W. Tate, III, Vice President**

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

A.C. Bricmont, Chief Financial Officer	D. Hamm, Division Analyst
G. Cagle, Chief Human Resources Officer	T. Lapan, Landscape Architect
S. Covington, Chief Public Affairs Officer	E. Martinez, Director HR – Total Rewards
C.R. Dermody, Chief Information Officer	B. Maulis, Contract Specialist
B.D. Good, Chief Administrative Services Officer	P. McCormick, Engineer Sr.
M. King, Chief Planning Officer	S. Miller, Health Services Manager
R.J. Mahoney, Chief Engineering Officer	T. Pozek, Field Tech
T.J. Roode, Chief Operations and Maintenance Officer	S. Price, Engineering Manager
L. Brewer, Planner	B. Ransom, Recreation Manager
T. Bryant, Controller	A. Rettig, Finance Supervisor
C. Burri, Environmental Lead Scientist	J. Ross, Engineer Sr.
P. Carey, Procurement Manager	A. Savard, Administrative Sr. Assistant
A. Chotiner, Business Operations Manager	U. Sharma, Treasurer
	R. Slade, Planner Sr.
	S. Snyder, Communication Sr. Specialist

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

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



P. Coleman, Chief Internal Auditor  
F. Davis, Rates Manager  
R. DeCoursey, Finance Sr. Analyst  
A. Doane, Environmental Compliance Specialist  
S. Dominick, Engineer Sr.  
L. Fraser, Administrative Sr. Assistant  
S. Goldsh, Intern  
M. Goodwin, Intern  
A. Hage, Intern  
P. Hahler, HR Coordinator

P. Streicher, Surveyor  
J. Thompson, Nurse Sr.  
N. Yarish, Water Treatment Plant Supervisor  
J. Adams, Trammel Crow  
C. Downey, Cigna  
D. Kuntz, Mortenson  
C. Lane, Platte Canyon Water & Sanitation District  
B. Rodriguez, Cigna  
J. Crockett, Jacobs  
L. Webb, Jacobs

## 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.

### Introductions, Awards and Ceremonies

The Commissioners thanked Ms. Covington for her years of service leading the Public Affairs Division at Denver Water, recognizing her strengths in team-building, creativity, leadership and for helping Denver Water to define the narrative by informing the community about Denver Water's approach to issues, putting Denver Water in the right place at the right time, and utilizing the right tone.

Denver Water received the Colorado Parks & Wildlife Division Statewide Partner Collaboration of the Year Award. Mr. Ransom remarked that the award was to recognize Denver Water's cooperative effort with the state and Eagle Claw Recreation to provide fishing at Denver Water's Lake Lehow in Waterton Canyon.

Denver Water also received CIGNA's Wellness Award. Ms. Cagle introduced Mr. Rodriguez and Ms. Downey as well as Ms. Miller and members of Denver Water's Wellness Committee (Mr. Slade, Ms. Thompson, Ms. Streicher, Ms. Fraser, Ms. Delynko, Mr. Doane, Ms. Hahler, Ms. Holschuh, Mr. Hottor, Ms. Martinez, Mr. Miller, Mr. Pozek, Mr. Sandrock, Ms. Savard, Mr. Segura, Ms. Trujillo, Ms. Wadlwy, Ms. Waldron,

Mr. Yarish and Ms. Brewer). Ms. Downey explained that the culture of wellbeing is more than wellness and promoting physical activity and better nutrition, and that Denver Water has moved toward culture of wellbeing, including its onsite clinic, seminars, online-based coaching, and decision to not permit smoking at its facilities. Commissioner Herzmark congratulated the Wellness Committee and CIGNA.

## 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: CONTRACT 17130A-C FLOWABLE BACKFILL**

Approved Contracts 17031A-C with Flashfill Services, LLC and Sonfill, LLC, respectively, for flowable backfill for the contract period of August 1, 2017 through August 31, 2020, for a total contract amount not to exceed \$165,000.

**2. ITEM II-A-2: CONTRACT 17025A LAB SERVICES**

Approved Contracts 17025A-D with Hach, VWR, and Municipal Treatment, respectively, for lab materials and supplies for the contract period of July 1, 2017 through June 30, 2020, for a total contract amount not to exceed \$1,700,000.

**3. ITEM II-A-3: CONTRACT 16717A-1 FIRST AMENDMENT TO SELTZER CONSULTING, LLC**

Approved the First Amendment to Contract 16717A with Seltzer Consulting. The Amendment extends the contract period through April 30, 2018 and adds \$50,000, for a total amended contract amount not to exceed \$135,000.

**4. ITEM II-A-4: CONTRACT 14063B AMENDMENT NO. 3 ASHLAND RESERVOIR TANK REPLACEMENTS WORK PACKAGE NO. 1 – MAIN WORK PACKAGE**

Approved the Third Amendment to Contract 14063B with Western Summit Constructors, Inc. The Amendment extends the contract period through November 30, 2017 and adds \$550,818, for a total amended contract amount not to exceed \$30,291,992.

## POLICY MATTERS

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

Ms. Adams presented the Board with an OCR Update, a copy of which is attached to and incorporated in these Minutes as Exhibit A. In response to a question from Commissioner Tate, Ms. Adams said that Trades, Warehouse, Meter, and Fleet employees have been involved all along the way, in pre-meetings and other meetings to provide feedback on the design of new workspaces, and that the contractor has moved equipment and made other modifications in response.

Commissioner Tate stated that one of the MWBE contractors reached out to him, and expressed concern that there has been no participation in the project by an African American-owned entity. He requested that Trammell Crow and Mortensen attend the next Board meeting prepared to discuss methodology to ensure that African American entities may participate in the project.

### 6. ITEM III-B: NORTHWATER TREATMENT PLANT

Mr. McCormick presented the Board with an update on the Northwater Treatment Plant (“NWTP”) project (specifically the treatment plant itself), a copy of which is attached to and incorporated in these Minutes as Exhibit B. He explained that the presentation covers two major items: the pre-30% design changes and the project management progress summary. The goals of the 30% design are to lock in the project’s scope and budget, minimize the cost impacts of the decisions made, and to encourage designers and stakeholders to think outside the box.

The project’s executive sponsors challenged the team to consider designing the project to function without the use of natural gas or electricity from the electric grid (“off the grid”). No known facility the size of the NWTP functions off the grid, and a major consideration is whether to have a backup connection for electricity from Xcel. He stated that to obtain cost benefits, Denver Water should design the project completely off the grid, while using proven technology to operate and maintain the plant. Analysis for operating off the grid has led to a reevaluation of operations, significantly reducing operating loads, designing smaller footprint buildings, and reducing operating life cycle costs.

Energy cost savings are estimated to be \$400,000 to \$500,000 per year. Additionally, since 75% of Xcel power comes from petroleum based fuels, reducing Denver Water’s reliance contributes to an overall reduction in fossil fuel

use. The next step associated with being off the grid includes continuing to consider how to reduce power needs.

A significant change at the 30% design point was the discovery of the Tindale Mine under the location for the NWTP. The geotechnical engineer discovered a document that showed a coal mine operated on the property from 1892-1897. It had a complex tunnel network, using a chambered mining operation 250 ft.–500 ft. below grade. After locating the exact location of the mine shaft, staff decided to divide the site into two halves and not build above the mine subsidence zone.

Mr. McCormick stated that the project estimate has been revised to a range of \$400 million to \$520 million, with \$28 million currently contracted. He anticipates providing the Board with a complete 30% design and cost estimate in May 2018, and locking in the scope and budget with the Board in July 2018.

Commissioners Gougeon and Herzmark commended the team for considering building the NWTP to operate off the grid.

## **7. ITEM III-C: IRP UPDATE**

Ms. Dominick presented the Board with an IRP Update, a copy of which is attached to and incorporated in these Minutes as Exhibit C. She reminded the Board that the overall goals of IRP 2065 are to establish a secure water supply future through 2065, to inform the capital plan, and to encourage innovation. Ms. Dominick explained that this approach, to plan for an entire water system, is innovative in and of itself, since most water utilities only look at supply and demand. To that end, the project team has completed the first year of technical work on IRP 2065 and has participated in conversations across the organization, including with the NWTP team. The IRP team anticipates increased involvement of the Board over the course of the next year, beginning in July 2017.

Ms. Dominick stated that Denver Water currently has a technical consulting contract with CH2M Hill for \$1,200,000 and anticipates the necessity for amending the contract to add \$970,000 for work continuing through September 2018.

## EXECUTIVE UPDATE

### 8. ITEM IV-B: CFO UPDATE

The Board received a copy of the January – May 2017 Financial Report, a copy of which is attached to and incorporated in these Minutes as Exhibit D. Ms. Bricmont stated that Denver Water is on track with all major metrics, except for professional services expenses, which are forecasted to exceed the budgeted amounts.

In response to a question from Commissioner Tate, Ms. Bricmont said that SDC revenues continue to exceed estimates. Although Denver Water uses this revenue only for large capital projects, her team will continue to monitor this income source.

### 9. ITEM IV-C: OPERATIONS UPDATE

Ms. Covington said that Denver Water's revised external website was implemented today.

Commissioner Austin stated that because the Gross Reservoir Expansion is Denver Water's most important project he would like for the Board to receive regular updates on its status and anything else that has to do with permitting of the project. The Board and staff agreed that monthly status reports will be presented to the Board.

## BRIEFING PAPERS & REPORTS

### 10. ITEM V-A-1: INTEGRATED RESOURCE PLAN UPDATE

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

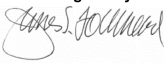
## ADJOURNMENT

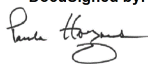
No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 10:45 a.m.

### 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, June 28, 2017, commencing at 10:45 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 11:19 a.m.

There being nothing further for the Board to consider, the Trustee Meeting concluded at approximately 11:19 a.m.

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Secretary

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President