

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

Video Conference: <http://zoom.us/join>, Meeting ID: 978 5356 3924, Password: 144553
or Dial-in: (669) 900-6833, Meeting ID: 978 5356 3924

Wednesday, August 12, 2020

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, August 12, 2020, beginning at 9:00 a.m. via Video Conference: <http://zoom.us/join>, Meeting ID: 978 5356 3924, Password: 144553 or via Dial-in: (669) 900-6833, Meeting ID: 978 5356 3924. Members of the Board present during the Regular Meeting were:

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

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

J.S. Lochhead, CEO/Manager	P. Freeman, Business Operations Manager
J.A. Anderson, Chief of Staff	J. Heath, Engineer Sr.
A.C. Bricmont, Chief Financial Officer	Y. Her, Procurement Manager
J. Brody, General Counsel	A. Hyre, Engineer Associate
B.D. Good, Chief Administrative Officer	A. Ingram, Contract Supervisor
D. Gorgemans, Chief Internal Auditor	J. Kearns, Contract Specialist
M. King, Chief External Affairs Officer	J. Light, Engineer Sr.
R. Mahoney, Chief Engineering Officer	D. Lopez, IT Support Specialist
T.J. Roode, Chief Operations and Maintenance Officer	R. Marsicek, Planning Manager
S. Abram, Budget Manager	C. Mbakogu, Division Sr. Analyst
B. Akins, Finance Analyst	P. McCormick, Project Engineer
R. Badger, Planning Manager	J. Mitchell, Finance Supervisor
C. Bramon, Purchasing Supervisor	L. Morales, Community Relations Sr. Specialist
K. Burgess, Director Human Resources	

A. Cavallaro, Paralegal	B. Raso, Contract Specialist
S. Chesney, Director Public Affairs	K. Riegle, Attorney
J. Christensen, Contract Specialist	U. Sharma, Treasurer
E. Cinchock, Division Sr. Analyst	L. Southard, Administrative Sr. Assistant
C. Davis, Engineering Specialist	B. Wedll, Purchasing Specialist
M. Ditterline, Drafter	P. Williams, Executive Assistant
D. Fairburn, Engineer	J. Crockett, Jacobs
C. Fransen, Contract Specialist	C. Lane, Platte Canyon Water and Sanitation District

INTRODUCTORY BUSINESS

Commissioner Austin called the meeting to order at 9:02 a.m.

Public Comment and Communications

Commissioner Austin 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: MINUTES FROM JULY 8, 2020

Approved the Minutes from the July 8, 2020 Board Meeting.

2. ITEM II-A-2: MINUTES FROM JULY 22, 2020

Approved the Minutes from the July 22, 2020 Board Meeting.

3. ITEM II-A-3: VAULT MODIFICATIONS 2020-2021 – CONTRACT 504151

Approved Contract 504151 with Stanek Constructors, Inc. for the Vault Modifications 2020-2021 Program for the contract period from August 12, 2020 to July 2, 2021, for a total contract amount not to exceed \$5,730,500.

4. ITEM II-A-4: 2020-2021 CATHODIC PROTECTION IMPROVEMENTS – CONTRACT 504344

Approved Contract 504344 with Kantex Industries, Inc. for the 2020-2021 Cathodic Protection Improvements project for the contract period from August 12, 2020 to May 21, 2021, for a total contract amount not to exceed \$2,042,600.

5. ITEM II-B-1: CONDUIT 16 EAST SEGMENT

Mr. Light presented the Board with the Conduit No. 16 Replacement East Segment, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He reported that the entire Conduit No. 16 Project will replace 8.5 miles of existing 42-inch pipeline in four segments (Tunnels, West, Central, and East). Conduit No. 16 East Segment - Phase I was successfully completed with the installation of 160 feet of 84-inch steel casing pipe. He noted that Garney Construction did a great job and the final product is a significant win.

Conduit No. 16 East Segment - Phase II of the project will begin construction in 2021 and includes the replacement of 6,600 feet of 66-inch pipeline. Due to a change in the backfill method, the budgeted amount has been reduced by \$1.5 million from the original proposal and shortened in duration by 1.5 months. This Phase requires \$1 million in owner-directed contingency to address traffic impacts and closures, three canal/ditch crossings, utility interferences, and disruption to property and business owners. HDR-Dewberry will assist during construction with submittal reviews, public outreach and communications, construction progress meetings, and inspection.

Commissioner Austin offered congratulations on a job well done, noting a very commendable result so far.

Approved the Eleventh Amendment to Contract 500861 with HDR-Dewberry Water Supply Partners for construction phase services for an additional \$638,745, for a total amended contract amount not to exceed \$7,978,825.

Approved the First Amendment to Contract 503045 – Conduit No. 16 Replacement, East Segment, Phase II project with Garney Companies, Inc. for an extension of the contract period through June 15, 2022, and an additional \$14,851,981, for a total amended contract amount not to exceed \$15,675,258. Authorized \$1,000,000 owner-directed contingency to address unknown issues during construction.

6. ITEM II-B-2: RALSTON DAM UPSTREAM CONTROL RESERVOIR PROJECT

Mr. Heath presented the Board with the Ralston Dam Upstream Control Renovation Project, a copy of which is attached to and incorporated in these Minutes as Exhibit B. He reported that the project scope includes draining the Ralston Reservoir in order to replace and refurbish the original 1930's outlet works infrastructure. The primary intake upstream control valve needs to be replaced and the proper equipment needs to be procured prior to installation.

He stated that upstream control of the dam, which has not been operational since the 1970's, needs to be established to meet the State Engineer's recommendations and mitigate dam safety risks. Additionally, the slide gate bypass piping is deteriorating, and the auxiliary intake poses a dam safety risk. Replacing the upstream control valve provides a robust solution to restoring upstream control.

There are several design risks and unknowns that cannot be determined until the Reservoir is drained: 1) the primary intake structures have not been seen or inspected since construction; 2) the record drawings do not reflect construction photos; 3) the upstream control valve is encased in concrete making it impossible to fully ascertain the current condition; 4) the stability of the hillside structure is unknown; and 5) the intake structures are buried under large boulders and sediment.

In order to mitigate these risks, planning and preparation has been ongoing. The reservoir was surveyed to estimate the amount of sediment buildup at the bottom of the reservoir and divers inspected the intake structures. In addition, a continuous improvement workshop was completed for insight into innovative solutions, and geotechnical engineers and contractors were hired to assist with the slope stability and constructability risks and unknowns.

Approved Contract 10342 with DeZURIK for the Ralston Reservoir purchase of knife gate valves and hydraulic power unit for the contract period from August 12, 2020 to April 30, 2022, for a total contract amount not to exceed \$898,143.

POLICY MATTERS**7. ITEM III-A: 2020 Q2 PERFORMANCE REPORT**

Ms. Abram and Ms. Anderson presented the Board with the 2020 Q2

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Performance Report, a copy of which is attached to and incorporated in these Minutes as Exhibit C. Ms. Anderson provided an overview of the organizational scorecard red metrics and countermeasures taken in response to promote progress and improvement. She noted that in terms of Customer Outage Hours, the monthly value is within the seasonal five-year average variability, but a spike in January continues to impact the year-to-date value. The countermeasure strategy is to stay aligned with projects and programs and increase pipe replacements to 1% a year in order to reduce future outages.

She reported that the Safety Maturity Index numbers were down slightly and trending better than last year. Improvements and countermeasures include safety group outreach and online training for employees. In addition, a safety consultant will assist with conducting a health and safety gap analysis for improvements going forward.

Ms. Anderson also reported that the Customer Satisfaction Survey Index was down 1%, which continues to be driven by street maintenance. In response, Public Affairs has been revising language, protocol, and mitigation efforts, specifically surrounding COVID-19 and water outages. Customers are receiving enhanced communications about water outages and how to prepare in advance.

Ms. Abram highlighted portions of the Denver Water 2020 Business Plan, noting no significant changes from the First Quarter Performance Report. She reported that the Gross Reservoir project continues to work through local permitting issues and the Water Resources Center budget was adjusted to include the total budget for the Quivas Building renovations, which will house the water quality operations team.

Ms. Abram stated revenue and sources of funds remain positive with minimal direct impact to revenue or expenditures due to COVID-19. Water usage is up due to the hot and dry conditions, and both June and July came in strong financially. System Development Charges are \$4 million under budget with a forecasted \$6 million under budget by the end of the year. Total revenue is at plus 4% compared to the budget. There were no major changes to salaries and benefits and benefit claims continue to track slightly under budget primarily due to suppressed claims.

Professional and purchased services are under budget by \$1.5 million due to a number of proactive decisions and spending adjustments made at the early onset of the pandemic. Materials and supplies for water distribution are higher than budgeted with an increased cost for chemicals used in water treatment. Total

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operating costs without operating projects remain within budget. Operating projects are under budget and capital is slightly over budget due to larger projects. Overall, total uses of funds are at 1.1%, consistent with the past couple of months. Projects for 2020 continue to move forward as planned without any significant COVID-19 related impacts to date.

EXECUTIVE UPDATE

8. ITEM IV-A: CEO REPORT


Mr. Lochhead reported that the Executive Team continues to look for savings to reduce operating and capital expenses and reduce the budget for 2021. An all-employee town hall meeting will be held tomorrow to answer questions and provide additional information on Denver Water's operations going forward. In response to COVID-19, Denver Water plans to continue its telework environment through mid-January. Mr. Lochhead noted that employee response through the pandemic has been amazing and heartwarming, and operations continue to run well. In closing, he recognized the Board's leadership and expressed gratitude for its continued support.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into an Executive Session at approximately 9:31 a.m.

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Secretary

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President