

**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, August 22, 2018

Open Session Meeting

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, August 22, 2018, 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:

P. Herzmark, President
H. Gregory Austin, Vice President
Craig Jones, Vice President
Gary Reiff, Vice President

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

J.S. Lochhead, CEO/Manager	R. Marsicek, Planning Manager
J.A. Anderson, Chief of Staff	A. Mays, Finance Supervisor
A.C. Bricmont, Chief Financial Officer	C. Mbakogu, Division Sr. Analyst
J. Brody, General Counsel	P. McCormick, Project Engineer
C.R. Dermody, Chief Information Officer	J. Mitchell, Sr. Finance Analyst
M. Faulkner, <i>Acting</i> Chief Human Resource Officer	T. Moore, Finance Analyst
Y. Her, <i>Acting</i> Chief Administrative Services Officer	R. Pence, Engineer
M. King, Chief External Affairs Officer	R. Peters, Engineer Sr.
R. Mahoney, Chief Engineering Officer	S. Price, Engineering Manager
T. Roode, Chief Operations and Maintenance Officer	A. Rettig, Finance Supervisor
P.L. Wells, General Counsel Emeritus	K. Riegle, Attorney
	J. Ross, Engineer Sr.
	K. Ross, Engineer Sr.
	J. Seagren, Distribution Relations Manager

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

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



S. Abram, Budget Manager
A. Andrews, Finance Sr. Analyst
A. Antolovich, Engineering Manager
B. Balley, Engineer Sr.
K. Bates, Attorney
D. Bennett, Director Water Resource Strategy
J. Bogner, Finance Analyst
P. Coleman, Chief Internal Auditor
S. Dominick, Engineer Sr.
M. Faulkner, Director HR
C. Fikan, Finance Tech
G. Fisher, Demand Planning Manager
P. Freeman, Finance Sr. Analyst
S. Ludwig, IT Industrial Control Tech

U. Sharma, Treasurer
M. Thomas, IT Manager
D. Walsh, Engineer Sr.
J. Walter, Finance Analyst
J. Adams, Trammell Crow
J. Baile, Citizens' Advisory Committee
D. Campbell, MWHC
N. Cudahy, Green Mountain Water and Sanitation District
L. Ferguson, Trammell Crow
J. Jacobsmeyer, Pericle Communications
D. Kuntz, Mortenson
M. Harmon, MWHC
C. Lane, South Platte Water and Sanitation District

INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:18 a.m. Upon motion regularly made, seconded and unanimously carried, Commissioner Lucero was found to be absent for substantial 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 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: NEW SOS/MOUNTAIN RADIO COMMUNICATION SYSTEM INSTALLATION FIRST AMENDMENT – CONTRACT 501465

Approved the First Amendment to Contract 501465/16838A with DFW Communications Inc., d/b/a Crosspoint Communications, for the installation of the new SOS/mountain radio system. The amendment extends the contract

through December 31, 2019 and adds \$776,300 for a total amended contract amount not to exceed \$2,996,300.

Mr. Thomas shared a presentation with the Board, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He noted that this project began in 2014, with the goal to move from using the City's two-way radio system and developing Denver Water's own system to permit the Customer Service Field, Transmission and Distribution and Source of Supply staff to communicate with each other. This amendment marks the third phase of the project, which will include upgrades to the existing mountain radio system. The radios will operate on a private network.

2. ITEM II-A-3: WATER QUALITY LAB AT COLORADO STATE UNIVERSITY'S WATER RESOURCE CENTER – CONTRACT 503592

Approved Contract 503592 with Colorado State University (CSU) for Denver Water's share of its design fees for the Water Resource Center (WRC) during the contract period of August 22, 2018 through August 22, 2023, for a total contract amount not to exceed \$2,240,040.16.

Mr. Roode explained that the terms of this agreement require Denver Water to pay a portion of the total project design cost which amounts to \$2.2 million. The Agreement permits Denver Water to remove itself from the project prior to construction if the design is not mutually agreed upon. The project is being contracted by CSU, utilizing the State of Colorado's procurement processes and it is anticipated that the project will incorporate MWBE participation that can also meet Denver Water's goals. Construction is anticipated to begin in the fall of 2019, the costs of which will be shared under a separate agreement. The parties will also enter into a separate lease agreement for no more than \$10,000 per year for Denver Water to locate its Water Quality Facility at the WRC once it is constructed.

POLICY MATTERS

3. ITEM III-A: OCR UPDATE

Mr. Ferguson and Ms. Adams presented the Board with an OCR Update, a copy of which is attached to and incorporated in these Minutes as Exhibit B. Mr. Ferguson noted that the last Work Package Four change order has been

submitted, placement of concrete for the parking garage is complete and concrete consolidation repairs for the garage are nearly complete and a recovery schedule has been prepared to recoup lost time. Actual expenditures are within 2% of the forecasted amount with Work Package One at 78% complete, Work Package Four at 99% complete and Work Package Six at 34% complete.

Continuing environmental challenges are expected as Pond B is developed, as petroleum is in the groundwater.

Ms. Adams reported that the project continues to exceed its MWBE goals for both design and construction. She reviewed the design for renovations of the Three Stone Buildings and Wellness Center.

**4. ITEM III-B: FOOTHILLS TREATMENT PLANT
PROCESS/MECHANICAL PROJECT UPDATE**

Mr. Balley presented the Board with a Foothills Treatment Plant Process and Mechanical Project Update for Work Package Two, a copy of which is attached to and incorporated in these Minutes as Exhibit C. He explained that the first phase of the project will include mechanical and electrical matters at a cost of \$4.08 million and that the chemical feed portion of the project will be deferred to Work Package Four.

5. ITEM III-C: 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 D. She noted that the team has developed the adaptive plan, which will inform Denver Water as decision points, or triggers, occur and items in the toolbox need to be evaluated. She remarked that a continual planning process will be in place, including annual investigation report outs, updates to the interactive toolbox, updates to the planning report and reevaluation with an annual long-range planning workshop and capital prioritization process.

Commissioner Austin congratulated the team for making enormous progress. In response to his question regarding whether customer tolerance for drought declarations is incorporated into the IRP, Ms. Dominick said that an analysis exists for calculating the cost of modifications to the system to reduce drought declarations.

EXECUTIVE UPDATE

6. ITEM IV-A: CEO REPORT

Mr. Lochhead reported that Denver Water held its 100th Anniversary celebration at the Kassler facility for all employees, family, friends and retirees. It was a great success, with showings of The Journey of Water, tours of Strontia Springs Dam, a learning lab, music and food trucks.

He also reported that he and members of the staff will attend the Colorado Water Congress meeting in Vail, which begins today.

7. ITEM IV-B: CFO REPORT

Mr. Mitchell presented the Board with the July 31, 2018 Financial Report, a copy of which is attached to and incorporated in these Minutes as Exhibit E. He noted that consumption is above average with revenue (net of debt issuance forecasts) is up 5.4%, expenses are up 3% and FTE vacancies running high due to some difficulty filling specialized positions.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee/Plan Sponsor Meeting at approximately 10:42 a.m.

Trustee/Plan Sponsor Meeting

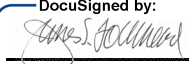
The Board of Water Commissioners, serving in their capacity as Trustees of the Employees' Retirement Plan Trust Fund and as Sponsor of the Supplemental Retirement Savings Plan of the Board of Water Commissioners of the City and County of Denver, met on Wednesday, August 22, 2018, commencing at 10:42 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 11:03 a.m., at which time the Board voted unanimously to adjourn Executive Session.

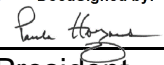
Executive Session

On Wednesday, August 22, 2018, commencing approximately at 11:03 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 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 C.R.S. § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:17 a.m.

DocuSigned by:

Secretary

DocuSigned by:

President