

**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 9, 2017

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, August 9, 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

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

J.A. Anderson, Chief of Staff	D. Hamm, Division Analyst
A.C. Bricmont, Chief Financial Officer	S. Hansz, Engineer Sr.
G. Cagle, Chief Human Resources Officer	Y. Her, Procurement Manager
C.R. Dermody, Chief Information Officer	D. Higham, Planner Sr.
B.D. Good, Chief Administrative Services Officer	T. Lapan, Landscape Architect
M. King, Chief External Affairs Officer	J. Light, Engineer Sr.
J.S. Lochhead, CEO/Manager	J. Lorton, Accounting Manager
R.J. Mahoney, Chief Engineering Officer	J. Martin, Project Engineer
T.J. Roode, Chief Operations and Maintenance Officer	B. Maulis, Contract Specialist
P.L. Wells, General Counsel	P. McCormick, Engineer Sr.
S. Abram,	B. Salamonsson, Engineer Sr.
D. Arnold, Attorney	J. Seagren, Distribution Relations Manager
K. Bates, Attorney	U. Sharma, Treasurer
T. Bray, Environmental Scientist Supervisor	A. Sibree, Attorney
T. Bryant, Controller	M. Vigil, Appraiser
	R. Weber, Engineer Sr.

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

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



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| A. Chavez, Contract Specialist | P. Fitzgerald, South Platte Water & Sanitation District |
| A. Chotiner, Business Operations Manager | J. Landman, CH2M |
| P. Coleman, Chief Internal Auditor | C. Lane, South Platte Water & Sanitation District |
| C. Davis, Engineering Specialist | B. Lujan Lavado, Verizon |
| F. Davis, Rates Manager | S. Pemeson, Verizon |
| R. Gallen, Contract Specialist | P. Sorenson, Verizon |
| M. Garfield, Customer Relations Manager | |

INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:25 a.m.

Upon motion regularly made, seconded and unanimously carried, Commissioners Gougeon and Tate were found to be absent for substantial cause and were 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.

Introductions, Awards and Ceremonies

Mr. Good introduced Ms. Her and announced that she was the successful bidder for the Procurement Manager position.

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 JULY 12, 2017

The Minutes of the Regular Meeting of July 12, 2017 were approved.

The Minutes of the Executive Session of July 12, 2017 were approved.

2. ITEM II-A-2: MINUTES OF JULY 26, 2017

The amended Minutes of the Regular Meeting of July 26, 2017 were approved.

The Minutes of the Executive Session of July 26, 2017 were approved.

3. ITEM II-A-3: CONTRACT 17091A FIRST AMENDMENT TO AGREEMENT WITH STANTEC RE: RECYCLED WATER STAKEHOLDER AND RULEMAKING CONSULTING SUPPORT

Approved the First Amendment to Contract 17091A with Stantec. The Amendment adds \$110,000, for a total contract amount not to exceed \$356,663.

4. ITEM II-A-4: CONTRACT 17189A S. PLATTE COLLECTION SYSTEM – N. METRO TANABE RESERVOIR FENCING AND ROADWAY IMPROVEMENTS

Approved Contract 17189A with Environmental Logistics for construction of the S. Platte Collection System – N. Metro Tanabe Reservoir Fencing and Roadway Improvements for the contract period of August 9, 2017 through December 29, 2017, for a total contract amount not to exceed \$376,005.16.

5. ITEM II-A-5: CONTRACT 16900 CHATFIELD PUMP STATION MODIFICATIONS

Approved Contract 16900A with Sturgeon Electric Company, Inc. for Chatfield Pump Station Modifications for the contract period of August 9, 2017 through July 26, 2018, for a total contract amount not to exceed \$3,560,090.

6. ITEM II-A-6: CONTRACT 16942A MARSTON TREATMENT PLANT ELECTRICAL UPGRADES

Approved Contract 16942A with Sturgeon Electric Company, Inc. for electrical equipment upgrades for the contract period of August 9, 2017 through February 28, 2018, for a total contract amount not to exceed \$2,683,383.

7. ITEM II-A-7: CONTRACT 17020A MARSTON TREATMENT PLANT SITE ACCESS IMPROVEMENTS

Approved Contract 17020A with Concrete Works of Colorado, Inc. for the Marston Treatment Plant Site Access Improvements Project for the contract period of August 9, 2017 through December 8, 2017, for a total contract amount not to exceed \$251,390.

8. ITEM II-A-8: CONTRACT 16998A DENVER INTERNATIONAL AIRPORT 2017 VAULTS AND CATHODIC PROTECTION IMPROVEMENTS

Approved Contract 16998A with Concrete Works of Colorado for the contract period of August 9, 2017 through December 15, 2017, for a total contract amount not to exceed \$265,900.

9. ITEM II-A-9: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS, AMENDMENTS, AND AMENDMENTS TO AGREEMENTS

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

1. Change Order No. 3 to Contract 15630B with Mortenson Construction.

all as more particularly described in the attachment to Agenda Item ITEM II-A-9.

10. ITEM II-A-10: CONTRACT 16578A THOMSON REUTERS ONLINE SUBSCRIPTION SERVICES

Approved the Second Amendment to Contract 16578A with Thomson Reuters for online subscription services. The Amendment adds \$50,000, for a total contract amount not to exceed \$145,000.

11. ITEM II-B-1: CONTRACT 17019A-B LEAN DESIGN SUPPORT FOR NORTHWATER TREATMENT PLANT

Approved Contracts 17019A with Simpler North America, LLC, and Contract 17019B with Lean Project Consulting, Inc. for Lean Design Support for the Northwater Treatment Plant Project for the contract period of August 9, 2017 through November 30, 2018, for a total contract amount not to exceed \$260,000.

POLICY MATTERS

12. ITEM III-A: SECOND QUARTER BOARD REPORT AND FINANCIAL UPDATE

The Board received the Second Quarter Financial Reporting Package, a copy of which is attached to and incorporated in these Minutes as Exhibit A. Mr. Lochhead remarked that this comprehensive report represents one step toward shifting the Board's focus from day-to-day organizational matters toward strategy and policy issues. The report begins with a high level balanced

scorecard, containing selected measurements of customer satisfaction, financials, the organization, and external relationships. The report also contains information regarding the 2017 annual plan, details on divisional initiatives, the regular financial reports along with two additions: the contract status and supplier diversity reports. Ms. Anderson led a review and brief discussion of the organization's balanced scorecard and performance to operating metrics.

Ms. Bricmont noted that operating costs are trending toward a one percent savings against budget, and that going forward, capital and IT projects will be re-weighted appropriately. She and Mr. Good reviewed the progress on the Fiscal Responsibility initiative including improvements in procurement. Ms. Anderson discussed the status of Business Technology Transformation initiative and Mr. King provided an update on the National Western project. In response to a question from Commissioner Lucero regarding the National Western site, Mr. King and Mr. Lochhead stated that Denver Water will position itself to help influence policy decisions and planning, as well as to advocate for sustainability at the site.

13. ITEM III-A: FIVE YEAR FINANCIAL PLAN AND REVENUE REQUIREMENTS

The Board received the Preliminary 2018 Financial Plan Results, a copy of which is attached to and incorporated in these Minutes as Exhibit B. Mr. Davis noted that Denver Water is on track for its planned three percent per year rate increase to maintain financial health, its AAA bond rating and to minimize the impact of rate increases to rate payers. He said that beginning in 2019, rate increases will be scheduled to begin in January, rather than April, so that the entire rate increase can be experienced throughout the calendar year.


There being nothing further for the Board to consider, the Open Session concluded at approximately 11:20 a.m.

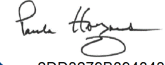
EXECUTIVE SESSION

On Wednesday, August 9, 2017, commencing approximately at 11:25 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)
2. Personnel Matters § 24-6-402(4)(f)(I)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:50 a.m.

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Secretary

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President