

**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, April 12, 2017

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, April 12, 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
Penfield W. Tate, III, Vice President

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

J.A. Anderson, Chief of Staff	P. Coleman, Chief Internal Auditor
A.C. Bricmont, Chief Financial Officer	S. Dominick, Engineer Sr.
G. Cagle, Chief Human Resources Officer	K. Dudas, Public Affairs Manager
S. Covington, Chief Public Affairs Officer	C. Fikan, Finance Tech
C.R. Dermody, Chief Information Officer	R. Gallen, Contract Specialist
M. King, Chief Planning Officer	M. Garfield, Customer Relations Manager
K. Legg, <i>Acting</i> Chief Administrative Services Officer	Y. Her, Contract Supervisor
J.S. Lochhead, CEO/Manager	B. Hottor, IT Infrastructure Tech
R.J. Mahoney, Chief Engineering Officer	A. Ingram, Contract Supervisor
T.J. Roode, Chief Operations and Maintenance Officer	J. Kearns, Contract Specialist
P.L. Wells, General Counsel	J. Light, Engineer Sr.
S. Abram, Budget Manager	J. Lorton, Accounting Manager
D. Arnold, Attorney	A. Rettig, Finance Supervisor
K. Bates, Attorney	K. Riegle, Attorney
	J. Seagren, Distribution Relations Manager
	U. Sharma, Treasurer

Denver Water aspires to be the best water utility in the nation.
Integrity :: Vision :: Passion :: Excellence :: Respect



D. Bennett, Planning Manager
L. Billeter, Community Relations Sr. Specialist
D. Brinker, Engineering Manager
J. Bogner, Finance Analyst
T. Bryant, Controller
A. Buswell, IT Infrastructure Sr. Tech
J. Martin, Engineer Sr.
E. Martinez, Director HR – Total Rewards
B. Maulis, Contract Specialist
P. McCormick, Engineer Sr.
P. McCoy, IT Application Sr. Developer
T. McGuire-Collier, Director Communications/Marketing
K. Oligney, Director IT Infrastructure
M. Overn, Temporary
C. Piper, Public Affairs Manager
M. Price, Director Business Operations
S. Price, Engineering Manager
P. Carey, Purchasing & Contract Manager
A. Chavez, Contract Specialist A.Chotiner, Business Operations Manager

S. Snyder, Communication Sr. Specialist
J. Spitze, IT Sr. Project Manager
K. Taft, Sustainability Program Manager
M. Thomas, IT Infrastructure Sr. Tech
A. Turney, Director Engineering/Property
K. Urie, Environmental Scientist Supervisor
P. Axelrod
M. Brown, Aurora
L. Darling, South Metro Water Supply Authority
C. Lane, Platte Canyon Water & Sanitation
D. Markham, Lockheed Martin
R. Marsicek, South Metro Water Supply Authority
D. McReavy, Lockheed Martin
M. Rogers, Stantek
W. Sharp, Sharper Engineering Technologies
J. Stibrich, Aurora
L. Thompson, GRS
G. Zamensky, Black & Veatch

INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:20 a.m.

Upon motion regularly made, seconded and unanimously carried, Commissioner Gougeon 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 agenda items II-A-1 through II-A-20, and II-A-22 through II-A-24. Commissioner Tate abstained from voting to approve item II-A-21, which upon motion regularly made, seconded, and carried by a majority of the Commissioners then present was approved.

1. ITEM II-A-1: MINUTES OF MARCH 8, 2017

The Minutes of the Regular Meeting of March 8, 2017 were approved.

The Minutes of the Executive Session of March 8, 2017 were approved.

2. ITEM II-A-2: MINUTES OF MARCH 22, 2017

The Minutes of the Regular Meeting of March 22, 2017 were approved.

The Minutes of the Executive Session of March 22, 2017 were approved.

3. ITEM II-A-3: CONTRACT 14186A ASSESSMENT TO THE SOUTH PLATTE WATER RELATED ACTIVITIES PROGRAM, INC. IN SUPPORT OF THE PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM

Approved the payment of \$384,997 for Denver Water's annual assessment to the South Platte Water Related Activities Program.

4. ITEM II-A-4: CONTRACT 16967A OUT OF SERVICE CHLORINE TANK INSPECTIONS

Approved Contract 16967A with Specialized Response Solutions for chlorine tank inspection and testing for the contract period of April 12, 2017 through December 31, 2017, for a total contract amount not to exceed \$120,000.

5. ITEM II-A-5: 2016 SUBSCRIBER FEES TO WATER RESEARCH FOUNDATION

Approved payment of \$145,963 for Denver Water's membership in the Water Research Foundation.

6. ITEM II-A-6: CONTRACT 17100A HYDROPOWER RESEARCH PROJECT

Approved Contract 171000 with Emrgy, Inc. for provision of ten, 10kW hydrokinetic generators and project management of related research for the

contract period of April 12, 2017 through December 31, 2017, for a total contract amount not to exceed \$330,000.

7. ITEM II-A-7: CONTRACT 7804A REVISED FOOTHILLS AGREEMENT BETWEEN DENVER WATER AND AURORA

Approved the Revised Contract 7804A, which increases the threshold amount of capital project between the parties to \$250,000 to reduce the number of separate written agreements required between the parties, reduces the administrative charge which Denver Water may assess to Aurora, and updates terminology and language used in the 1983 Agreement.

8. ITEM II-A-8: CONTRACT 16947A TIBCO SUPPORT SERVICES

Approved Contract 16947A with Variotech, Inc. for Tibco Support Services for the contract period of April 12, 2017 through April 30, 2019, for a total contract amount not to exceed \$140,000.

9. ITEM II-A-9: CONTRACT 16948A SPLUNK SUPPORT SERVICES

Approved Contract 16948A with Turnberry Solutions, Inc. for Splunk Support Services for the contract period of April 12, 2017 through April 30, 2019, for a total contract amount not to exceed \$160,000.

10. ITEM II-A-10: CONTRACT 16994A-C AUTO BODY AND PAINT REPAIR

Approved Contracts 16994A, 16994B and 16994C with Mazzo Corporation, d/b/a JM Auto Service, Colorado Kenworth, Inc., d/b/a MHC Kenworth, respectively, for auto body and paint repairs for the contract period of April 12, 2017 through April 30, 2020, for a total contract amount not to exceed \$150,000.

11. ITEM II-A-11: CONTRACT 16995A-C CRANE RENTAL SERVICES

Approved Contracts 16995A, 16995B, and 16995C with RMS Cranes, LLC and Duffy Crane and Hauling, Inc., respectively, for crane rental services for the contract period of April 12, 2017 through March 31, 2020, for a total contract amount not to exceed \$150,000.

12. ITEM II-A-12: CONTRACT 16987A MAINTAINING, TESTING AND TREATING WATER SYSTEMS INT EH SOUTH PLATTE AREA

Approved Contract 16987A with Habcon Services, Inc. for maintaining, testing, and treating water systems in the South Platte area for the contract period of

May 1, 2017 through May 31, 2020, for a total contract amount not to exceed \$280,000.

13. ITEM II-A-13: CONTRACT 16044A DENVER INTERNATIONAL AIRPORT 2016 VAULT IMPROVEMENTS – AMENDMENT NO. 1

Approved the First Amendment to Contract 16044A with Interstate Highway Construction. The Amendment adds \$396,100, for a total amended contract amount not to exceed \$1,100,100.

14. ITEM II-A-14: CONTRACT 17103A DESIGN PHASE SERVICES FOR THE MEADOW CREEK SYSTEM FLUME UPGRADES PROJECT

Approved Contract 17103A with Ecological Resource Consultants, Inc. for the Design Services through Final for Construction Documents for the Meadow Creek System Flume Upgrades project for a contract period of April 12, 2017 through May 31, 2018, for a total contract amount not to exceed \$157,363.13.

15. ITEM II-A-15: CONTRACT 14978A CONDUIT NO. 16 REPLACEMENT AND CONDUIT NO. 22 ABANDONMENT – AMENDMENT NO. 5

Approved the Fifth Amendment to Contract 14978A with HDR-Dewberry Water Supply Partners for Construction Phase Services. The Amendment adds \$708,334, for a total amended contract amount not to exceed \$6,503,812.

16. ITEM II-A-16: CONTRACT 15453A CONDUIT NO. 16 TUNNEL INSTALLATIONS

Approved Contract 15453A with Layne Heavy Civil, Inc. for the Conduit No. 16 Tunnel Installations for the contract period of April 12, 2017 through January 29, 2019, for a total contract amount not to exceed \$21,441,000.

17. ITEM II-A-17: CONTRACT 17101A NORTHWATER TREATMENT PLANT DESIGN PACKAGE #5 – ARCHITECTURAL AND BUILDING SYSTEMS

Approved Contract 17101A with AECOM for DP #5 – Architectural and Building Systems design for the Northwater Treatment Plant for the contract period of

April 12, 2017 through January 31, 2018, for a total contract amount not to exceed \$1,026,814.

18. ITEM II-A-18: CONTRACT 17098A NORTHWATER TREATMENT PLANT DESIGN PACKAGE #7 – MOFFAT FACILITY IMPROVEMENTS

Approved Amendments to the Agreements detailed in Table 1 of Item II-A-18. The Amendments add \$18,030,101, for a total amended contract amount not to exceed \$28,533,286.

19. ITEM II-A-19: TASK 4A – 30% DESIGN SERVICES AMENDMENTS TO DESIGN PHASE SERVICE AGREEMENTS FOR NORTHWATER TREATMENT PLANT

Approved Contract 17098A with Burns & McDonnell, Inc. for DP#7 – Moffat Facility Improvements design for the Northwater Treatment Plant for the contract period of April 12, 2017 through January 31, 2018, for a total contract amount not to exceed \$1,426,012.

20. ITEM II-A-20: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS, AMENDMENTS, AND AMENDMENTS TO AGREEMENTS

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

1. Change Order No. 11 to Contract 14063B with Western Summit Constructors, Inc.;
2. Change Order No. 1 to Contract 15547A with Aslan Construction, Inc.;
3. Change Order No. 3 to Contract 15630E with Mortenson Construction; and
4. Change Order No. 5 to Contract 15736A with Concrete Works of Colorado, Inc.

all as more particularly described in the attachment to Agenda Item II-A-20.

21. ITEM II-A-21: CONTRACT 16976A – HAULING OF WATER TREATMENT RESIDUALS

Approved Contract 16976A, 16976B and 16976C with Kebb Trucking, LLC and Iron Woman Construction and Environmental Services respectively, for hauling of waste water residuals for the contract period of April 12, 2017 through March 31, 2020, for a total contract amount not to exceed \$600,000.

22. ITEM II-A-22: CONTRACT 15488A THIRD AMENDMENT TO LEGAL SERVICES CONTRACT WITH STERN & CURRAY, LLC

Approved the Third Amendment to Contract 15488A with Stern & Curray, LLC. The Amendment extends the contract period through April 12, 2019 and adds \$30,000, for a total amended contract amount not to exceed \$120,000.

23. ITEM II-A-23: CONTRACT 16690A PURCHASE AND SALE AGREEMENT LOCKHEED MARTIN

Approved Contract 16690A with Lockheed Martin for the sale of 53 acres of Platte Canon Property for \$2,999,820.

24. ITEM II-B-1: CONTRACT 16759A ORCA PROJECT – INCREMENT 2 – ENTERPRISE FINANCIAL SYSTEM PROCUREMENT AND PAYMENT

Approved the First Amendment to Contract 16759A with Global Systems Integration, Inc. The Amendment adds \$620,045, for a total amended contract amount not to exceed \$963,245.

Mr. Spitze presented the Board with an ORCA project status update, a copy of which is attached to and incorporated in these Minutes as Exhibit A. He reminded the Board that the ORCA project is segregated into three phases, and that Phase 2 is currently underway with three objectives: 1) to configure and integrate the payroll system; 2) upgrade and enhance the Kronos timekeeping system; and 3) integrate the financial system procurement and payment processes. He anticipates delivery of these three items at the end of 2017.

Ms. Bricmont noted that although the implementation of Phase 1 went very well, it is clear that continuous training opportunities for employees will be necessary, and that IT is working to simplify the report capturing process for employees who only use the systems casually. The goal will be to increase proficiency for budget coordinators, section managers, and project managers.

**25. ITEM II-B-2: CONTRACT 17075A GROSS RESERVOIR EXPANSION
PROJECT OWNER'S REPRESENTATIVE SERVICES**

Approved Contract 17075A with Black & Veatch for Owner's Representative Services for the Gross Reservoir Expansion Project for the contract period of April 21, 2017 through April 1, 2018, for a total contract amount not to exceed \$1,174,925.

Mr. Martin presented the Board with information regarding the Gross Reservoir Owner's Representative services that will be provided by Black & Veatch. A copy of the presentation is attached to and incorporated in these Minutes as Exhibit B. He explained that the purpose of the agreement is to create and integrate a project team to deliver Phase 1 services, adding three to five full-time-equivalent positions to provide program management expertise, subject matter experts and communication staff.

POLICY MATTERS

26. ITEM III-A: SUPPLIER DIVERSITY PROGRAM

Ms. Knoll and Mr. Good presented the Board with information regarding Denver Water's 2016 Supplier Diversity Program, a copy of which is attached to and incorporated in these Minutes as Exhibit C. She highlighted that 7% of Denver Water's contract spend went to SBE contractors, 16.86% of Denver Water's construction/construction-related contract spend went to MWBE contractors and that 5.5% of Denver Water's goods and services contract spend went to MWBE contractors. 2017 goals include: 1) increasing awareness of Denver Water's program through outreach efforts; 2) breaking down contracts into smaller portions so that more SBE/MWBE contractors have the opportunity to bid; and 3) 15% organization wide contract spend to SBE's; 4) 10% organization wide contract spend for goods and services to MWBE's; 5) 12% construction/construction-related contract spend to MWBE's; and a 30% contract spend to MWBE's for the Operations and Maintenance Division.

Commissioner Tate commended staff for their work on the entire program, noting that through its progress and growth awareness of the need to include SBE's and MWBE's is becoming instilled in Denver Water's culture.

27. ITEM III-B: WISE PRESENTATION

Mr. Bennett introduced Ms. Darling and Mr. Marsicek from the South Metro Water Supply Authority and Mr. Brown and Mr. Stibrich from Aurora. He noted that the WISE project allows for excess infrastructure capacity and occasional excess water supply to be utilized facilitate the south metro water users from a non-renewable to a renewable water supply. This regional collaboration project between Denver Water and ten metropolitan entities is being seen as a model, both within the state and nationwide, has broad-based support and will be fully implemented in May 2017.

Ms. Darling presented the Board with a WISE project slide show, a copy of which is attached to and incorporated in these Minutes as Exhibit D. Mr. Marsicek shared an update on the infrastructure portion of the project, noting that the level of collaboration amongst all of the partners and stakeholders was very impressive. Future expansion of the project is anticipated to include connections from Castle Rock to Dominion Water and Sanitation District, and creation of the Benney connection which will bring water from Aurora. Ms. Darling outlined a four point plan for the future of the project: 1) adding renewable supply; 2) increasing storage; 3) managing TDS for new supplies and WISE supplies; and 4) increasing regional and individual conservation. In response to a question from Mr. Lochhead, Mr. Bennett explained the difficulties of handling total dissolved solids (TDS's) and water quality in this project, noting that Denver Water and Aurora will provide blended water to manage the TDS's until 2030. Ms. Darling remarked that SMWSA is very focused on the TDS challenge and appreciates Denver Water's and Aurora's assistance to find solutions by 2030.

Mr. Lochhead thanked Ms. Darling, Mr. Marsicek, Mr. Brown and Mr. Stibrich for their partnership. Mr. Brown thanked Denver Water for its partnership and the opportunity to assist in solving regional water issues. Commissioners Herzmark and Tate expressed Denver Water's commitment and appreciation for the WISE project. Commissioner Tate further stated that although the Board looks forward to this partnership and is committed to the idea behind WISE, which is to provide a reliable source of water for existing development in Douglas County, the Board does not intend for the partnership to support more growth or enable unsustainable development in the area.

EXECUTIVE UPDATE

28. ITEM IV-A: CEO REPORT

Mr. Lochhead reported on three matters: first, that he participated in a two-day meeting of the Water Funders Initiative, a national group of major foundations that support water programs. The purpose of the meeting was to coordinate their programming and funding activities. Denver Water benefits by working with this group to increase its visibility as a forward thinking organization. In response to a question from Commissioner Herzmark, Mr. Lochhead said that he anticipates that part of the strategy for raising funds for the National Western cite will be through private foundations.

Second, Mr. Lochhead reported that he participated in conversations with three bond rating agencies, which went very well. Commissioner Tate congratulated Ms. Bricmont, Ms. Sharma and their team for their presentations to the agencies.

Third, he noted that Secretary Vilsack is in Denver this week for a visioning meeting with CSU regarding the National Western site.

29. ITEM IV-B: CFO REPORT

Ms. Bricmont reported that the Board will receive the external auditor's report in May 2017.

30. ITEM IV-C: OPERATIONS REPORT

Mr. Dermody introduced Mr. Thomas and Mr. Buswell, and reported on their efforts to increase capacity, performance, availability, and resiliency within Denver Water's IT network, which notably includes the SCADA systems. Through their efforts, Denver Water anticipates a 40% reduction in network-related spending. Commissioner Herzmark thanked them for their hard work and excellent result.

BRIEFING PAPERS & REPORTS

30. ITEM V-A-1: LEGISLATIVE UPDATE

Mr. Piper presented the Board with a Legislative Update, a copy of which is attached to and incorporated in these Minutes as Exhibit E. He highlighted that HB17-1008 passed its third reading in the senate and that the sea plane bill, which sought a state mandate to allow seaplanes to land on waters in state parks, failed in committee. He noted that Denver Water supports HB17-1285, which seeks to increase funds for the Water Quality Control Commission, as well as HB17-1306 which creates a voluntary program for schools that have not already been tested for lead to apply for grant funding to run the tests. He also noted that HB17-1324 would help stabilize funding for the Parks & Wildlife department.

31. ITEM V-A-2: TWENTY PERCENT (20%) DESIGN UPDATE OF NORTHWATER TREATMENT PLANT (NTP)

The Board received a Briefing Paper for the 20% Design Update of the Northwater Treatment Plant, a copy of which is attached to and incorporated in these Minutes as Exhibit F.

32. ITEM V-A-3: DENVER WATER'S CENTENNIAL ANNIVERSARY

The Board received a Briefing Paper for Denver Water's Centennial Anniversary, a copy of which is attached to and incorporated in these Minutes as Exhibit G.

33. ITEM V-A-4: SEMI-ANNUAL UPDATE ON SUSTAINABILITY

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

34. ITEM V-B-1: 2015-2018 ("ON-CALL") GENERAL ENGINEERING, CONSTRUCTION MANAGEMENT AND PLANNING SERVICES CONTRACTS

The Board received a tabulation of contracts entered into under On-Call General Engineering Design Services and Construction Management Services Contracts for the period September 20-15 through March 2017, a copy of which is attached to and incorporated in these Minutes as Exhibit I.

35. ITEM V-B-2: STATUS OF CONTRACT WORK AND CONSULTANT SERVICES

The Board received the reports "Status of Contract Work" and "Status of Consultant Services" copies of which are attached to and incorporated in these Minutes together as Exhibit J.

36. ITEM V-B-3: REPORTING OF STAFF ADMINISTERED CONSTRUCTION CONTRACT CONTINGENCIES AND ALLOWANCES

The Board received the Project Contingency Report for the Ashland Reservoir Replacement, Ralston/Moffat Delivery System, and Operations Complex Redevelopment Projects under Contracts 14063B, 14978A and 15630G, respectively, a copy of which is attached to and incorporated in these Minutes as Exhibit K.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 11:22 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, April 12, 2017 commencing at 11:30 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 11:47 a.m., at which time the Board voted unanimously to adjourn into Executive Session.

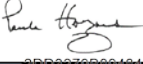
EXECUTIVE SESSION

On Wednesday, April 12, 2017, commencing approximately at 11:47 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)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 12:08 p.m.

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Secretary

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President