

**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 26, 2017

Open Session

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, April 26, 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	P. Carey, Purchasing & Contract Manager
M. Aragon, <i>Acting</i> Chief Public Affairs Officer	P. Coleman, Chief Internal Auditor
A.C. Bricmont, Chief Financial Officer	R. DeCoursey, Finance Sr. Analyst
G. Cagle, Chief Human Resources Officer	M. Elliott, Director Stakeholder Relations
M. King, Chief Planning Officer	D. Hamm, Division Analyst
J.S. Lochhead, CEO/Manager	A. Ingram, Contract Supervisor
R.J. Mahoney, Chief Engineering Officer	J. Kearns, Contract Specialist
K. Oligney, <i>Acting</i> Chief Information Officer	C. Piper, Public Affairs Manager
B. Ransom, <i>Acting</i> Chief Administrative Services Officer	S. Price, Engineering Manager
T.J. Roode, Chief Operations and Maintenance Officer	J. Ross, Engineer Sr.
P.L. Wells, General Counsel	J. Seagren, Distribution Relations Manager
S. Abram, Budget Manager	U. Sharma, Treasurer
M. Barela, Finance Supervisor	S. Snyder, Communication Sr. Specialist
	A. Woodrow, Division Analyst
	J. Adams, Trammel Crow
	L. Ferguson, Trammel Crow

K. Bates, Attorney
R. Brennan, IT Infrastructure Sr. Tech.
T. Bryant, Controller

C. Layne, Platte Canyon Water & Sanitation
District
M. Sullivan, Trammel Crow

INTRODUCTORY BUSINESS

Commissioner Herzmark called the meeting to order at 9:15 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.

POLICY MATTERS

1. ITEM III-A: OCR UPDATE

Ms. Adams presented the Board with an update of the OCR project, a copy of which is attached to and incorporated in these Minutes as Exhibit A. She noted that Phase One is on a critical path, but has experienced a six day delay that Mortenson will work to resolve. The Phase Two design GMP permit applications have been submitted to the City. Currently, both the financial forecast and outside GMP costs are below budget, and the MWBE construction participation exceeds the 18% goal. Groundwater, which was found west of the Three Stone building, will be tested and pumped.

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:

2. ITEM II-A-1: CITY & COUNTY OF DENVER'S ALL HAZARD MITIGATION PLAN

Approved the Resolution to adopt Annex A of the City & County of Denver Multi-Hazard Mitigation Plan, increasing emergency management planning and cooperative hazard mitigation processes for Denver Water facilities in Denver, Colorado.

3. ITEM II-A-2: NEW CONTRACT SUMMARY

The Board received a summary of new contracts entered into in the First Quarter of 2017 and that are between \$20,000 and \$100,000, which is attached to ITEM II-A-2.

4. ITEM II-A-3: CONTRACT 16933A PURCHASE OF SODIUM BISULFITE

Approved Contract 16933A with Industrial Chemicals Corporation for the purchase of sodium bisulfite for the contract period of June 1, 2017 through May 31, 2020 for a total contract amount not to exceed \$185,000.

5. ITEM II-A-4: CONTRACT 13813A SECOND AMENDMENT FOR PURCHASE OF POLYDADMAC POLYMER

Approved the Second Amendment to Contract 13813A with BASF Corp. for the purchase of PolyDADMAC polymer. The Amendment extends the contract period through June 17, 2017 and adds \$140,000, for a total amended contract amount not to exceed \$3,290,000.

6. ITEM II-A-5: PURCHASE OF ADDITIONAL DATA STORAGE EQUIPMENT – SUMMIT PARTNERS

Approved the purchase of an HPE 3PAR Storage System from Summit Partners, for a total amount not to exceed \$649,999.99.

7. ITEM II-A-6: CONTRACT 16855A – PURCHASE OF ADDITIONAL LICENSES AND MAINTENANCE & SUPPORT – GLOBAL SOFTWARE FIFTH AMENDMENT

Approved the Fifth Amendment to Contract 16855A with Global Software, LLC for the purchase of additional licenses. The Amendment adds \$47,402 for a total amended contract amount not to exceed \$135,014.09.

EXECUTIVE UPDATE

8. ITEM IV-A: CEO REPORT

Mr. Lochhead reported that two bond rating agencies have shared feedback from their recent meetings with Denver Water and that he is proud to say that Standard & Poor's and Moody's have reaffirmed Denver Water's AAA rating. He and Commissioner Herzmark congratulated Ms. Sharma and her team for this accomplishment.

9. ITEM IV-B: CFO REPORT

Ms. Bricmont reported that the First Quarter 2017 financial report will be delivered to the Board next week, and that the external auditor's draft audit report will be delivered to the Board on May 4, 2017.

10. ITEM IV-C: OPERATIONS REPORT

Mr. Roode reported that Mr. Lochhead will be the key note speaker at the High Line Canal Conservancy's event on April 29, 2017. Additionally, the Conservancy's vision has been endorsed by all of the relevant jurisdictions along the Canal.

BRIEFING PAPERS & REPORTS

11. ITEM V-A-1: LEGISLATIVE UPDATE

The Board received a Briefing Paper for Legislative Updates, a copy of which is attached to and incorporated in these Minutes as Exhibit B. Mr. Piper reported that HB 17-1321 passed the House Ag Committee, the House Finance Committee and the House Appropriations Committee and is headed to the floor for a vote. Denver Water supports this bill.

HB 17-1191 went to the Senate Ag Committee and was amended to remove some provisions that the River District desired; specifically, that St. Jude's only applies to direct flow appropriations, without storage, for water diverted to a private ditch on private property for aesthetic, recreational and piscatorial purposes, and grandfathering existing decreed rights. Denver Water supports this amended bill.

SB 17-290 would require that professional engineers perform all underground locates on maps and put their stamps on the map. The Colorado Municipal

League and other parties are concerned that this shifts the liability from contractor to project owners. Denver Water opposes this bill.

12. ITEM V-A-2: UPDATE ON 2017 LEAD REDUCTION PROGRAM

The Board received a Briefing Paper update on the 2017 Lead Reduction Program, a copy of which is attached to and incorporated in these Minutes as Exhibit C. Commissioner Austin remarked that although there is great value from replacing lead service lines within Denver Water's service area; the DURA loan program is a great idea; and Denver Water wants to project the image that it is doing everything it can to tackle the lead service line issue, he would like for the Board to receive updates on the actual costs to ratepayers of replacing lead service lines. In response to his inquiry about mandatory replacement when a property changes ownership, Mr. Lochhead and Ms. Wells said that neither the legislature, home builders nor the Real Estate Commission embraced the idea.

Mr. Lochhead remarked that Denver Water has budgeted \$5 million for its 2017 Lead Reduction Program. Denver Water will bear the costs to replace lead service lines when they are encountered during main replacements. If there is a leak in a service line, Denver Water will replace the line from the main to the meter, and the property owner will bear the costs of replacement from the meter to the dwelling. Homeowners may bear the costs of replacement under other circumstances, and may be eligible for a DURA loan.

Denver Water is partnering with public school districts and is providing free testing, education and protocols for homeowners. Mr. Price remarked that Denver Water is conducting a corrosion control study, which will be shared with the Colorado Department of Public Health and Environment in September 2017.

Mr. Lochhead said that Denver Water will continue to monitor regulations from the Environmental Protection Agency, which anticipates circulating revised draft regulations on copper and lead in 2017.


Commissioner Lucero requested that staff present the Board with a program update mid-year.

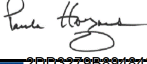
13. ITEM V-B-1: SUPPLIER DIVERSITY PROGRAM – DATA THROUGH FIRST QUARTER 2017

The Board received a First Quarter 2017 Report for the Supplier Diversity Program, a copy of which is attached to and incorporated in these Minutes as Exhibit D.

ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn at approximately 9:45 a.m.

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Secretary

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President