

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

Denver Water Administration Building  
1600 West 12<sup>th</sup> Avenue  
Denver, CO  
Board Room, Third Floor

**Wednesday, December 7, 2016**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, December 7, 2016 beginning at 9:00 a.m. in the Board Room, Room 309, 1600 West 12<sup>th</sup> Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

**Penfield W. Tate, III, President**  
**John R. Lucero, First Vice President**  
**Paula Herzmark, Vice President**  
**H. Gregory Austin, Vice President**

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

J.A. Anderson, Chief of Staff	K. Bates, Attorney
A.C. Bricmont, Chief Financial Officer	T. Bryant, Controller
G. Cagle, Chief Human Resources Officer	C. Burri, Environmental Lead Scientist
S. Covington, Chief Public Affairs Officer	A. Chavez, Contract Specialist
C.R. Dermody, Chief Information Officer	P.B. Coleman, Chief Internal Auditor
B.D. Good, Chief Administrative Services Officer	P. Daukas, Planning Manager
M. King, Chief Planning Officer	M. Garfield, Customer Relations Manager
J.S. Lochhead, CEO/Manager	D. Hamm, Division Analyst
R.J. Mahoney, Chief Engineering Officer	K. Knoll, Public Affairs Manager
T.J. Roode, Chief Operations and Maintenance Officer	E. Martinez, Director HR – Total Rewards
P.L. Wells, General Counsel	M. Price, Director Business Operations
S. Abrams, Budget Manager	U. Sharma, Treasurer
D. Arnold, Attorney	R. McDonald, Denver Dep't of Environmental Health
	J. Shlay, Denver Public Health

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

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



## I. INTRODUCTORY BUSINESS

Commissioner Tate9:25 called the meeting to order at 9:25 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 Tate 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.

### **Citizen Advisory Committee Communications**

Ms. Covington said that the Board had received copies of the biographies of nominees to fill vacancies on the CAC, and that they will vote upon the nominations at the December 14, 2016 meeting.

### **Introductions, Awards and Ceremonies**

Ms. Shlay, Interim Director of Denver Public Health, presented the Board with a Certificate of Appreciation and 2015 Community Fluoridation Reaffirmation award from the Association of State and Territorial Dental Directors, and the Center for Disease Control and Prevention, in gratitude for Denver Water's reaffirmation for having fluoride in its potable drinking water. Since 1953, when fluoride was introduced into Denver's water supply, there has been a marked reduction in dental disease in all socio-economic classes.

Mr. McDonald, the Executive Director at the Denver Department of Environmental Health, remarked that fluoride is among the top ten most significant public health achievements in the 20<sup>th</sup> century, and commended the Board for doing the right thing.

Mr. Lochhead stated that Denver Water recognizes another public health issue related to lead service lines and recognized Denver Public Health and the Denver Department of Environmental Health for their partnership with Denver Water to reduce the risk of lead to customers.

Commissioner Tate thanked both agencies for the partnerships, and noted that it was important for Denver Water to review its fluoridation policies, invite public

comment and analyze the data before reaffirming its decision to continue allowing fluoride in its treated water.

The Board voted unanimously to adjourn into an Annual Meeting at approximately 9:33 a.m.

### **RECONVENED OPEN SESSION**

At approximately 9:35 a.m., on Wednesday, December 7, 2016, in the Board Room, Room 309, 1600 W. 12<sup>th</sup> Avenue, Denver, Colorado, Commissioner Tate reconvened the Regular Meeting of the Board of Water Commissioners, which had been commenced and adjourned earlier in the day. Members of the Board present were:

**Penfield W. Tate, III, President**  
**John R. Lucero, First Vice President**  
**Paula Herzmark, Vice President**  
**H. Gregory Austin, Vice President**

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

J.A. Anderson, Chief of Staff	D. Arnold, Attorney
A.C. Bricmont, Chief Finance Officer	K. Bates, Attorney
G. Cagle, Chief Human Resources Officer	T. Bryant, Controller
S. Covington, Chief Public Affairs Officer	C. Burri, Environmental Lead Scientist
C.R. Dermody, Chief Information Technology Officer	A. Chavez, Contract Specialist
B.D. Good, Chief Administrative Services Officer	P.B. Coleman, Chief Internal Auditor
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M. King, Chief Planning Officer	M. Garfield, Customer Relations Manager
R.J. Mahoney, Chief Engineering Officer	D. Hamm, Division Analyst
T.J. Roode, Chief Operations Officer	K. Knoll, Public Affairs Manager
P.L. Wells, General Counsel	E. Martinez, Director HR – Total Rewards
S. Abrams, Budget Manager	M. Price, Director Business Operations
	U. Sharma, Treasurer
	R. McDonald, Denver Dep't of Environmental Health
	J. Shlay, Denver Public Health

## II. 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 NOVEMBER 9, 2016**

Amended Minutes of the Regular Meeting of November 9, 2016 were approved.

The Minutes of the Executive Session of November 9, 2016 were approved.

**2. ITEM II-A-2: MINUTES OF NOVEMBER 16, 2016**

The Minutes of the Regular Meeting of November 16, 2016 were approved.

The Minutes of the Executive Session of November 16, 2016 were approved.

**3. ITEM II-A-3: FIRST AUTHORIZATION FOR ADDITIONAL CONTRACT FUNDS FOR CONTRACT 14878 FOR AUTO BODY AND PAINT REPAIR**

Approved the First Authorization for additional funds for Contract 14878A with Alpine Auto Body, Inc., dba Alpine Carstar Auto Body, Mazzo Corp., dba JM Auto Services, and G&L Enterprises, Inc., dba Highland Carstar-South. The Amendment adds \$40,000, for a total amended contract amount not to exceed \$130,000.

**4. ITEM II-A-4: 2017 INTERNAL AUDIT PLAN**

Approved the 2017 Internal Audit Plan.

**5. ITEM II-A-5: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS, AMENDMENTS, AND AMENDMENTS TO AGREEMENTS**

Ratified Construction Contract Change Orders, Amendments, and Amendments to Agreements authorized in October and November, 2016 as follows:

1. Change Order No. 1 to Contract 16419A with Mainlining America, LLC for 2016 Pipe Rehabilitation; and

2. Change Order No. 1 to Contract 16744A with R.E. Monks Construction Company for Foothills Treatment Plant Alum Solids Landfill Cap Project,

all as more particularly described in the attachment to Agenda Item ITEM II-5.

**6. ITEM II-B-1: ADOPTION OF 2017 BUDGET**

Approved the 2017 Budget. Ms. Abrams gave the Board a presentation summarizing the 2017 Budget, a copy of which is attached to and incorporated in these Minutes as Exhibit A. She noted that the \$431 million budget is \$47million more than the 2016 budget, due in large part to increased capital projects (including capital labor) which were approved in the long-range capital plan.

**7. ITEM II-B-2: RESOLUTION TO ADJUDICATE STORAGE RIGHT AND PLAN FOR AUGMENTATION FOR DENVER WATER OPERATIONS COMPLEX REDEVELOPMENT**

Approved a resolution to adjudicate a storage right and plan for augmentation for the capture and use of rainwater at the Denver Water Operations Complex (OCR). Ms. Wells remarked that the OCR will incorporate a One Water concept in the administration building, with the goal of reducing the use of potable water for non-potable uses, such as toilet flushing and irrigation. An EcoMachine will treat waste water, ultimately making it useful for flushing and irrigation. However, because additional water will be needed for irrigation, a rain water storage cistern will be placed underground. Under current law, rain water belongs to the river and if it is stored for more than 72 hours, a storage right and an augmentation plan must be decreed. This resolution directs staff to take whatever steps necessary to adjudicate a storage right and plan for augmentation for the capture, storage and use of rainwater at its OCR, including appropriate court filings and settlement negotiation. A copy of the resolution is attached to and incorporated in these Minutes as Exhibit B.

**8. ITEM III-B-3: EMPLOYEE COMMENTS REGARDING PROPOSED CHANGES TO THE DENVER WATER EMPLOYEES' RETIREMENT PLAN**

Commissioner Tate said that since the November 16, 2016 Board Meeting, in which employees were invited to make comments regarding proposed changes to the defined benefit plan, additional comments have been submitted by email. He remarked that the Board has reviewed them and appreciates employees

taking the time to comment. A copy of the comments is attached to and incorporated in these Minutes as Exhibit C.

### III. EXECUTIVE UPDATE

#### 9. ITEM IV-A: CEO REPORT

Mr. Lochhead remarked on two water quality issues. The first, permitting for the OCR, requires regulatory changes from the Colorado Department of Public Health and Environment (CDPHE) to permit Denver Water to employ the One Water concept. The agency's timing for changes to regulations on recycled water do not appear to comport with timing for the OCR development, so Mr. Lochhead and Mr. King met with Martha Rudolph, Director of Environmental Programs at the CDPHE, who expressed support for the One Water concept and committed her agency to work together with Denver Water on this project. Although the OCR project's owner's representative is charged with seeking permits from CDPHE, Mr. King will be helping to expedite regulatory changes for implementation of the One Water concept, as well as to advance the goals of the state water plan.

The second water quality issue focuses on partnering with non-governmental organizations (NGO). Mr. Lochhead was the keynote speaker at a national conference of NGO funders, and he stressed Denver Water's environmental values and desire to work collaboratively with the organizations to leverage funding opportunities.

Today and tomorrow, Mr. Lochhead will serve on the strategic planning committee of the Water Research Foundation, which will be discussing the One Water concept.

Finally, Mr. Lochhead reminded the Board that the Executive Team is working to refresh Denver Water's Strategic Plan, with an eye toward building a culture that is focused on customers. The goal is to present this Plan to the Board at the February 8, 2017 meeting.

#### 10. ITEM IV-B: CFO REPORT

The Board received the Monthly Financial Report dated 10/31/2016, as set forth in Agenda Item IV-B-1, which is attached and incorporated in these Minutes as Exhibit D.

**11. ITEM IV-C: OPERATIONS REPORT**

Mr. Roode passed out samples of a new water filter media made of clay, which will be used in a pilot project at the Moffat Treatment Plant. Current filter media is made of sand and various sized gravel. In both media, as the water travels downward, particulates and contaminants are caught. Both media need to be cleaned periodically, with the clay media needing less frequent cleaning and therefore presumably lower energy expenditures. Denver Water will study water quality through this pilot project and report to the Board in about six months.

Mr. Roode also reminded the Board about Denver Water's experiment replacing lead service lines with a less intrusive method. To date, the experiment has not been successful, but efforts will continue.

The staff at the Recycled Water Treatment Plan have been experimenting with staffing changes, so that a full staff is not required 24 hours a day, 7 days a week. They also conducted a successful total closure on experiment on Thanksgiving.

**V. BRIFING PAPERS & REPORTS****12. ITEM V-A-1: FROM FOREST TO FAUCETS PARTNERSHIP**

The Board received a Briefing Memorandum for From Forests to Faucets Partnership, a copy of which is attached to and incorporated in these Minutes as Exhibit E.

Mr. Lochhead introduced Ms. Burri as Denver Water's point person for this partnership with the U.S. Forest Service and the Colorado State Forest Service to implement forest and watershed health projects to reduce the risk of catastrophic wildfire and restore forests impacted by catastrophic wildfire events. A new partnership program is proposed for 2017-2021, which will add the Natural Resource Conservation Service as a partner to emphasize the importance of watershed and forest health on private lands. Under the proposed partnership, Denver Water would invest \$16.5 million, which would be matched at least dollar for dollar by the USFS, CSFA and NRCS for a total partnership value of \$33 million. The goal is to treat approximately 40,000 acres within critical watersheds identified as "Zones of Concern" and to maintain the 48,000 acres previously treated.

Ms. Burri thanked the Board, Ms. Daukas, Mr. Kennedy and the Executive Team for their proactive vision and support of this very successful program which attracts national and international interest.

## VI. ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at approximately 10:13 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, December 7, 2016, commencing at 10:14 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 10:23 a.m., at which time the Board voted unanimously to adjourn into Executive Session Number One.

### **EXECUTIVE SESSION NO. ONE**

On Wednesday, December 7, 2016, commencing approximately at 10:23 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 § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:40 a.m. and the Board voted unanimously to adjourn into Executive Session Number Two.

### **EXECUTIVE SESSION NO. TWO**

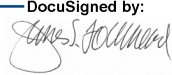
On Wednesday, December 7, 2016, commencing approximately at 11:50 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matter, which is

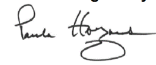


authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34, was discussed during the Executive Session:

2. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Reconvened Executive Session concluded at approximately 12:10 p.m.

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Secretary

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President