

## RECORD OF PROCEEDINGS

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### MINUTES OF THE BOARD OF WATER COMMISSIONERS

**Open Session**

**NOVEMBER 14, 2012**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, November 14, 2012 beginning at 9:06 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:

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

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

J. S. Lochhead, CEO/Manager	P. L. Wells, General Counsel
A. C. Bricmont, Director of Finance	D. L. Little, Director of Planning
S.C. Covington, Director of Public Affairs	J.A. Anderson, Director of Customer Relations
B. D. Good, Deputy Manager of Organizational Improvement	T. Roode, Director of Operations and Maintenance
R. J. Mahoney, Director of Engineering	C. R. Dermody, Director of Information Technology
C. Elam-Floyd, Director of Human Resources	P. A. Carey, Manager of Purchasing and Contracting
P. B. Coleman, Chief Internal Auditor	M. L. Walker, Attorney
C. L. Ward, Senior Internal Auditor	S. M. Franey, Senior Internal Auditor
J. M. Ross, Engineer	K. L. Ross, Engineer
K. E. Burkhart, Internal Communications Specialist	D. L. Batt, Construction Project Manager
D. M. Hamm, Staff Analyst	D. M. Raitt, Construction Project Manager

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

S. J. Dominick, Water Resource Engineer	G. Fisher, Manager of Demand Planning
J. S. Walker, Contracts Supervisor	T. E. Lowe, Manager of Sales Administration
B. Hewes, Purchasing	
J. T. Martin, Engineer	M. D. Waage, Manager of Water Resource Planning
M. D. Bond, Community Relations Specialist	M. Elliott, Assistant Director of PA
Bill Mosher, Trammell Crow Co.	Kenneth Ho, Trammell Crow Co.
Jim Steinmann, Steinmann Facility Development Consultants	Dick Shiffer, RNL
Tom Wiener, RNL	Rod Juniel, Chief (Retired) Denver Fire Department
M. Sullivan, Trammell Crow Co.	
Thomas Burks, Hallett Fundamental Academy	Quinn Johnson Galloway, Hallett Fundamental Academy
K-Mauri Humphrey, Hallett Fundamental Academy	Myles Purchase, Hallett Fundamental Academy
Mastr McConnell, Hallett Fundamental Academy	Darece Vaughn, Hallett Fundamental Academy
Osei ODon, Hallett Fundamental Academy	

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meetings of October 10 and October 24, 2012 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Sessions of October 10 and October 24, 2012 were approved.

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

#### Outage Report

Mr. Lochhead explained an IT system failure occurred on Friday, November 9, and expressed appreciation to Mr. Dermody and the IT Team for their efforts in returning the system to operation in time for the start of business on Tuesday, November 13. Mr. Dermody explained failure of a storage array created a system corruption, requiring a complete system re-construction. Although the entire system went down, no data was lost. Mr. Dermody noted the IT Team worked through the three day holiday from 2:10 p.m. Friday, November 9 until 1:00 a.m., Tuesday, November 13 when the system was returned to full operation. Mr. Dermody explained the Disaster Recovery System, while not being totally operational, was able to provide some backup assistance.

#### Public Comment

Commissioner Austin invited members of the public to comment to the Board on any matter not included in the Agenda for the meeting. There was no response.

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 V-A-1: HUMAN RESOURCE CHANGES**

Approved the human resource changes set forth in Agenda Item V-A-1 dated November 14, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "A."

2. **ITEM V-A-2: EMPLOYEES ELIGIBLE FOR REGULAR STATUS**

The following employees were classified as regular employees of the Board, with all rights and privileges thereof effective November 1, 2012, unless otherwise noted:

**RECORD OF PROCEEDINGS**

---

**MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS**

<b>Employee Name</b>	<b>Employment Date</b>	<b>Retirement Plan Participation Date</b> <small>Unless otherwise noted^</small>	<b>Division/Section</b>
Marquez, Gabriel L.^	2012-04-16	2012-04-28 ^Exclude Prior Service as Temporary Status 4/16/2012 to 4/27/2012	Customer Relations Division Customer Care, #460
Ruvalcaba, Bobbie Jo	2012-05-01	2012-05-01	Customer Relations Division Customer Care, #460
Barrett, Branon J.	2012-04-23	2012-04-23	Information Technology Division, #160
Subbarayan, Navaladi	2012-04-30	2012-04-30	Information Technology Division, #160
Ashlock, Joseph E.	2012-04-19	2012-04-19	Operations and Maintenance Division Ditches & Canals, #540
Brown, Rigoberto G.^	2012-02-21	2012-04-14 ^Exclude Prior Service as Temporary Status 2/21/2012 to 4/13/2012	Operations and Maintenance Division T&D Construction & Maintenance, #710
Perea, Alfonso E.^	2011-05-09	2012-04-14 ^Exclude Prior Service as Temporary Status 05/09/2011 to 04/13/2012	Operations and Maintenance Division T&D Construction & Maintenance, #710
Park, James E.	2012-04-30	2012-04-30	Operations and Maintenance Division Water Quality, #230

**RECORD OF PROCEEDINGS**

---

**MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS**

**3. ITEM V-A-3: CONTRACT WITH NEXTGEN INFORMATION SERVICES, INC. FOR SHAREPOINT ADMINISTRATION SERVICES**

Approved entering into a contract with NextGen Information Services, Inc. to provide the services of Patrick McCoy to fill a core position in the IT Division as a SharePoint Central-Administrator until the core position is filled by a regular employee, which is expected to occur during 2013, at the rate of \$80.00 per hour and a total contract not to exceed \$172,800.

**4. ITEM V-A-4: CONTRACT WITH ALUMNI CONSULTING GROUP FOR DATABASE ADMINISTRATION SERVICES**

Approved entering into a contract with Alumni Consulting Group to provide the services of Ying Jaing to fill a core position in the IT Division as a Database Administrator until the core position is filled by a regular employee, which is expected to occur in 2013 at the rate of \$92.00 per hour for a total contract amount not to exceed \$191,360.

**5. ITEM V-A-5: CONTRACT WITH INFINITY TECH GROUP, INC. FOR PROJECT MANAGEMENT SERVICES**

Approved entering into a contract with Infinity Tech Group, Inc., to provide the services of Ashok Prakasam to augment staffing in the IT Division and provide specialized technical skills needed to support and advance the CC&B Customer Information System through 2014, at the rate of \$80.00 per hour, for a total contract amount not to exceed \$333,200.

**6. ITEM V-A-6: PURCHASE OF A CORE NETWORK SWITCH**

Approved the purchase of a Cisco Catalyst Switch 4500E from Vectronics for an amount not to exceed \$138,914.

**7. ITEM V-A-7: PURCHASE OF ENTERPRISE TAPE LIBRARY SYSTEMS**

Approved the purchase of two ESL G3 1500 tape libraries and associated components from HP and Protech for a total amount not to exceed \$1,224,992.

RECORD OF PROCEEDINGS

---

MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS

8. **ITEM V-A-8: PERSONNEL POLICY CHANGE – CHAPTER 10**

Adopted changes to Sections 10-2-(4) and 10-3-(1) of the Personnel Policies regarding objections to performance ratings and appeals, which changes are more specifically set forth in legislative fashion on the attached Exhibit "B."

9. **ITEM V-A-9: AWARD OF CONTRACT FOR WASTE REMOVAL SERVICES FOR OUTLYING AREAS**

Authorized award of a contract to Waste Management of Colorado, Inc., to furnish waste removal services at outlying facilities as described on Schedules 3-7 of the Tabulation of Bidder's Proposal No. 14220A, dated November 14, 2012, a copy of which is attached as Exhibit "C", for the for the contract period October 1, 2012 through September 30, 2015, for a total contract amount not to exceed \$150,000.

10. **ITEM V-A-10: AGREEMENT WITH THE DENVER MUSEUM OF NATURE & SCIENCE AND THE DEPARTMENT OF PARKS AND RECREATION FOR THE MUSEUM OF NATURE & SCIENCE GROUND SOURCE HEAT PUMP PROJECT**

Authorized execution of an Agreement with the Denver Museum of Nature and Science and the Denver Department of Parks and Recreation regarding installation of service and return lines from Denver Water's Recycled Conduit No. 304, an 8-inch water meter and water quality sampling station necessary to enable use of recycled water as a heat sink/source for heating and cooling the Museum's Education and Collection Addition, all as more specifically described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

11. **ITEM V-A-11: AGREEMENT FOR THE FOOTHILLS TREATMENT PLANT FILTER GALLERY AND PUMP STATION LIGHTING DESIGN SERVICES PROJECT**

Authorized entering into an Agreement with CH2M Hill for the Foothills Treatment Plant Filter Gallery and Pump Station Lighting Design Services project, at a cost of \$110,488, all as more particularly described in the

**RECORD OF PROCEEDINGS**

---

**MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS**

Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

**12. ITEM V-A-12: CHANGE ORDER NO. 7 WITH REYNOLDS, INC. FOR FURNISHING AND INSTALLING CONDUIT NO. 302**

Approved Change Order No. 7, a project credit in the amount of (\$103,854.43), to the January 20, 2011 contract with Reynolds, Inc., Contract 12965A, to furnish and install Conduit No. 302, a copy of which is attached to and incorporated in these Minutes as Exhibit "F."

**13. ITEM V-A-13: CHANGE ORDER NO. 6 WITH GRACON CORPORATION FOR THE DILLON DAM OUTLET WORKS GATE REPAIRS**

Approved Change Order No. 6 in the amount of \$210,221 to the January 19, 2011 with Gracon Corporation, Contract 13327A, for the Dillon Dam Outlet Works Gate Repair Project, which change order was caused by 2012 drought conditions.

**14. ITEM V-A-14: AMENDMENT NO. 1 WITH R.E. MONKS CONSTRUCTION COMPANY, LLC FOR THE HAZELTINE RESERVOIR SLOPE IMPROVEMENTS**

Approved Amendment No. 1 in the amount of \$252,296.02 to the April 30, 2012 Contract with R.E. Monks Construction Company, LLC, for the Hazeltine Reservoir Storage improvements, Contract 13161A, a copy of which is attached to and incorporated in these Minutes as Exhibit "G."

**15. ITEM V-A-15: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS**

Ratified Construction Contract Change Orders and Amendments to Agreements entered into by the CEO/Manager in the period September through November 2012 as follows:

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

Change Order No. 4 to Contract 10677A with Canyon Industries, Inc., for the procurement of hydropower generating equipment for the Williams Fork Dam;

Amendment No. 3 to Contract 11596A with Moltz Civil LLC for the Williams Fork Small Hydro/Outlet Works Project;

Change Order Nos. 3 and 4 to Contract 12423A with White Construction Group for the Wynetka Station Project;

Change Order No. 5 to Contract 12865A with Archer Western Construction, LLC for the Elizabeth Street Pump Station Conversion Project;

Change Order No. 4 to Contract 13057A with Garney Construction for the Lone Tree Reservoir Basin No. 2 project;

Change Order No. 4 to Contract 13099A with Moltz Constructors, Inc. for the Cheesman Upstream Control Phase 2 project;

Change Order Nos. 4 and 5 to Contract 13327A with Gracon Corporation, Inc. for the Dillon Dam Outlet Works Gate Repair project;

Change Order No. 2 to Contract 13377A with USA Construction, Inc. for installation of a new hydro-turbine and generator at Williams Fork Reservoir;

Change Order No. 4 to Contract 13466A with Sturgeon Electric Company, Inc. for the Belleview Pump Station Service and Switch Gear Replacement Project;

Change Order No. 2 to Contract 13527A with McDade Woodcock, Inc., for the Marston Water Treatment Plant Generators 1 and 2 Closed Transition Project;

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

Change Order No. 1 to contract 13710A with Gilbert Contracting, Inc., for the Broadway Phase III Service Line Replacement Project;

Change Order No. 1 to Contract 13955A with ACA Products, LLC for the Antero Reservoir South Shore Boat Ramp;

Change Order Nos. 1 and 2 to Contract 14010A with JACOR Mechanical for the Westside Complex Administration Building Boiler Replacement;

First Amendment to Task Order Agreement 12517F with Vista Engineering, LLC for the Denver Water 2008 Vaults OMS;

First Amendment to Agreement 13420A with Jacobs Engineering Group, Inc. for construction management services for Conduit No. 308 and the Montbello Recycled Water mains;

First Amendment to Contract 14264A with Cartographic Edge, Inc., for the Conduits 16 and 22 Project; and

First and Second Amendments to Agreement 14288A with TC Denver Development, Inc. for the Denver Water Campus Plan,

all as more particularly described in the attachment to Board Item V-A-15 dated November 14, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "H."

**16. ITEM V-A-16: 2013 CIGNA STOP LOSS RENEWAL**

Authorized renewal of stop loss coverage for the Medical Plan with an individual stop-loss limit of \$220,000 with CIGNA Health and Life Insurance Company for the period January 1, 2013 through December 31, 2013, for an approximate cost of \$1,440,000.

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

17. **ITEM V–D–1: SUMMER/WINTER BILLING ADJUSTMENT**

Ms. Anderson explained a billing error for seasonal commercial customers had recently been discovered. While reviewing the basis for the error, Staff identified a similar error occurred in 2009 and 2011. Ms. Anderson explained that, although Operating Rule 6.04.5(d) limited the time for adjustment to 24 months, Staff recommended the proposed billing adjustments correct the error for 2009, 2011 and 2012.

Whereupon the Board approved adjustment to the Summer/Winter Billing for seasonal commercial customers for 2009, 2011 and 2012 at a cost of \$895,066.98.

18. **ITEM V–E–1: CONTRACT WITH MALCOLM PIRNIE/ARCADIS FOR SOUTH PLATTE WATERSHED ASSESSMENT**

Approved entering into a Consulting Agreement with Malcolm Pirnie/ARCADIS to provide a water quality assessment of the Upper South Platte River Watershed, at a cost to the Board of \$114,543, all as more particularly described in the Agreement a copy of which is attached to and incorporated in these Minutes as Exhibit "I."

Mr. Waage and Ms. Dominick explained the Upper South Platter Watershed Assessment was a project identified in recent discussions with the Board regarding the IRP. Ms. Dominick explained the consultant will analyze water quality data previously collected by Denver Water for the Upper South Platte to determine what changes, if any, have occurred. Early identification of the changes may present opportunities to provide on-site treatment and avoid the cost of advanced treatment at the Board's treatment plants. A multi-divisional team will be assembled to work with the Consultant. The project team will develop a program to identify potential water quality risks and efforts which could be made to address those risks. Ms. Dominick explained that because water from Blue River basin is imported into the Upper South Platte, the study will also assess mine drainage conditions in the Upper Blue.

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

19. **ITEM V-E-2: APPROVAL OF IMPLEMENTATION AGREEMENTS  
FOR ENTITIES IN SUMMIT COUNTY – CRCA**

Approved execution of Implementation Agreements with Summit County entities as are more fully described on the tabulation which is attached to and incorporated in these Minutes as Exhibit "J."

Ms. Wells explained the implementation agreements are with entities eligible for water delivery or funding who are not signatories to the Colorado River Co-Operative Agreement (CRCA).

The discussion of the Campus Plan, Agenda Item V1-B-1, was in a Study Session format. The Commissioners, Staff and Consultants discussed the matters presented, but the Board took no formal action.

20. **ITEM VI-B-1: DISCUSSION AND INFORMATION: CAMPUS PLAN  
PRESENTATION**

Jeremy Ross introduced Bill Mosher, Dick Shiffer, Kenneth Ho and Mike Sullivan of TC Denver Development, Inc., who provided an update to the Board of the Denver Water Campus Plan. Mr. Mosher explained that based on the discussion at the October 24 Study Session, the Consultant had begun to evaluate a number of factors, including costs, of the two alternatives. Mr. Mosher explained one of the strengths of the study was both alternatives use the existing campus acreage.

Concept B-3, a project that could take seven years to complete, would include construction of a multi-level parking structure, a consolidated fleet maintenance building and an addition to the Administration Building. Under Concept B-3, the Administration Building would remain, but would require extensive remodeling which could likely require relocation of personnel for a two-year period. The Consultants opined although the B-3 concept would entail lower initial costs, it may not be the lowest cost alternative over the long-term.

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

Concept C-3, which could take 11 years to complete, includes relocation and construction of a new Administration Building, construction of a multi-level parking structure and relocation and replacement of many of the existing buildings on the campus. The Consultants opined that Concept C-3 presented a long-term solution, provided greater flexibility for future expansion and improved the use of the property. Mr. Ho outlined preliminary cost comparisons for Concepts B-3 and C-3.

The Commissioners, Staff and Consultants discussed the advantages and disadvantages of both alternatives and engaged in extensive discussions regarding the effort that would be involved in renovation of the current Administration Building. Mr. Mahoney explained a revised draft report which would include additional cost information will be brought to the Board for additional discussion in January 2013.

21. **ITEM VI-B-2: DISCUSSION AND INFORMATION: QUARTERLY BUDGET UPDATE**

Ms. Bricmont provided the 2012 Year-to-Date Budget Performance as of October 31, 2012 a copy of which is attached to and incorporated in these Minutes as Exhibit "K."

Ms. Bricmont explained that going forward the budget information, as well as reports regarding the Retirement Plan will be provided to the Board on a quarterly basis rather a monthly basis.

22. **ITEM VI-F-1: DISCUSSION AND INFORMATION: STATUS OF THE INVESTMENT PORTFOLIO**

The Commissioners received the report, "Denver Water Investment Portfolio as of October 31, 2012" as set forth in Agenda Item VI-F-1 dated November 14, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "L."

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

23. **ITEM VI-F-2: DISCUSSION AND INFORMATION: DENVER WATER EMPLOYEES RETIREMENT PLAN TRUST FUND**

The Commissioners received the report, "Denver Board of Water Employees Retirement Trust Fund Monthly Performance Snapshot, September 2012," and "Third Quarter Retirement Program Update," copies of which are attached to and incorporated in these Minutes as Exhibits "M" and "N."

24. **ITEM VI-F-3: DISCUSSION AND INFORMATION: NINE MONTH OPERATING RESULTS**

The Commissioners received the Unaudited Board Summary Operating Results for the nine months ending September 30, 2012 and 2011, a copy of which is attached to and incorporated in these Minutes as Exhibit "O."

25. **ITEM VI-F-5: DISCUSSION AND INFORMATION: VARIANCE REPORT**

The Commissioners received the November 14, 2012 Variance Report, a copy of which is attached to and incorporated in these Minutes as Exhibit "P."

26. **ITEM VI-G-1: SCHEDULING OF FUTURE BOARD MEETINGS**

The Board confirmed a Study Session will take place on **Wednesday, November 28, 2012**, at **9:00 a.m.** in the Board Room, Room 309, 1600 W. 12<sup>th</sup> Avenue, Denver, Colorado. The topics to be discussed will be posted prior to the meeting. A portion of the meeting will take place in Executive Session.

The Annual Meeting will take place on **Wednesday, December 12, 2012** at **9:00 a.m.** in the Board Room, Room 309, 1600 W. 12<sup>th</sup> Avenue, Denver, Colorado.

The Regular Meeting for **December 12, 2012** will follow the Annual Meeting in the Board Room, Room 309, 1600 W. 12<sup>th</sup> Avenue, Denver, Colorado.

No further business appearing, the Board voted unanimously to recess the Open Meeting and adjourn into Executive Session at approximately 10:50 a.m.

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

#### EXECUTIVE SESSION

On Wednesday, November 14, 2012, commencing approximately at 10:50 a.m. in the Board Room, located in the Administration Building, 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 initial and reconvened Executive Session:

1. Negotiations § 24-6-402(4)(e)
2. Attorney-Client Matters § 24-6-402(4)(b)
3. Confidential Report § 24-6-402(4)(c)
4. Property Report § 24-6-402(4)(a)

The Executive Session was recessed at approximately 11:15 a.m. and the Open Session was reconvened.

#### RECONVENED OPEN SESSION

At approximately 11:15 a.m., on Wednesday, November 14, 2012 in the Board Room, Room 309, 1600 W. 12<sup>th</sup> Avenue, Denver, Colorado, Commissioner Austin reconvened the regular meeting of the Board of Water Commissioners.

The Board welcomed former Denver Fire Chief Rod Juniel. Chief Juniel explained he was sponsoring a group of young men from Hallett Fundamental Academy. Chief Juniel explained the importance of introducing students to a wide range of careers and different fields of employment and Denver Water has employees filling a number of different trades and professions. Chief Juniel thanked the Commissioners for taking time to meet the young men, each of whom stood and introduced themselves.

RECORD OF PROCEEDINGS

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MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS

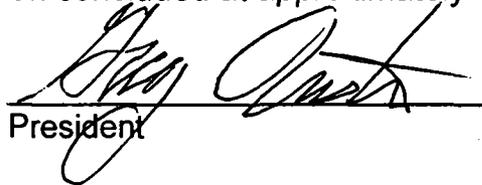
Commissioner Austin, on behalf of the Board thanked Chief Juniel for his contributions to the community and his continuing involvement with the youth of the community.

The reconvened Open Session then recessed and the Executive Session reconvened at approximately 11:20 a.m.

**RECONVENED EXECUTIVE SESSION**

The reconvened Executive Session concluded at approximately 12:15 p.m.

  
Secretary

  
President