

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

November 4, 2015

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, November 4, 2015, 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:

H. Gregory Austin, President
John R. Lucero, First Vice President
Thomas A. Gougeon, 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. Brimont, Director of Finance	W. Bates, <i>Acting</i> Director of Planning
S. Covington, Director of Public Affairs	J.A. Anderson, Director of Customer Relations
R.J. Mahoney, Director of Engineering	T.J. Roode, Director of Operations and Maintenance
P.A. Carey, Manager of Purchasing and Contracting	C.R. Dermody, Director of Information Technology
G. Cagle, Director of Human Resources	M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation
K. Bates, Attorney	M. Price, Division Office Business Manager
T. Bryant, Controller	S. Franey, Sr. Internal Auditor
D.M. Hamm, Staff Analyst	Z. Campbell, System Manager for Water Quality/Treatment
S. Snyder, Special Projects Coordinator	M. Garcia, Engineer
J. Seagren, Distributor Relations Manager	E. Holck, Engineer
	M. Morrow, Finance Manager

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A. Turney, Chief of Distribution & Property Management	A. Chavez, Staff Analyst
J. Lorton, Manager of Accounting	M. Garfield, Customer Care Manager
A. Rettig, Finance Manager	M. Waage, Manager of Water Resource Planning
E. Helgeson, Sr. Financial Analyst	M. Gearhart, Brown and Caldwell
S. Harper, Brown and Caldwell	R. Fazio, MWHC
M. Haarmann, MWHC	

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioner Herzmark was found to be absent for substantial cause and was excused.

Public Comment and Communications

Commissioner Austin 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.

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 OCTOBER 14, 2015**

The reading of the Minutes of the Regular Meeting of October 14, 2015 was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of October 14, 2015 were approved.

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2. ITEM II-A-2: MINUTES OF OCTOBER 28, 2015

The reading of the Minutes of the Regular Meeting of October 28, 2015 was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of October 28, 2015 were approved.

3. ITEM II-A-3: 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, 2015, unless otherwise noted:

Employee Name	Employment Date	Division/Section
Erin J. Lay	4/20/2015	Human Resources
Diana S. Caron	4/20/2015	Human Resources
Ryan D. Price	4/6/2015	Human Resources
Joshua C. Houk	4/6/2015	Operations & Maintenance
Derek B. Kent	4/6/2015	Operations & Maintenance
Matthew P. Padilla	4/6/2015	Operations & Maintenance
Alberto L. Perez Gaytan	4/6/2015	Operations & Maintenance
Santiago F. Salas	4/6/2015	Operations & Maintenance
Luke W. Harris	4/6/2015	Planning
Matthew W. Wittern	4/13/2015	Public Affairs

4. ITEM II-A-4: EMPLOYEES HIRED ABOVE MID-POINT

Approved hiring certain employees at a rate of pay higher than the midpoint of the pay range for their respective positions, as shown in Agenda Item II-A-3, a copy of which is attached to and incorporated in these Minutes as Exhibit A.

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5. **ITEM II-A-5: RATIFICATION OF CHANGE ORDER NO. 3 WITH STURGEON ELECTRIC COMPANY FOR THE FOOTHILLS TREATMENT PLANT ELECTRICAL SERVICE AND MAIN SWITCHGEAR AND REPLACEMENT**

Ratified Change Order No. 3 to Contract 13474A with Sturgeon Electric Company in the amount of \$310,076.11 credit to Denver Water.

6. **ITEM II-A-6: RATIFICATION OF CONSTRUCTION CONTRACTS, CHANGE ORDERS AND AMENDMENTS TO CONTRACTS/AGREEMENTS**

Ratified Construction Contract Change Orders, Amendments, and Amendments to Agreements authorized in September and October 2015 as follows:

Change Order No. 4 to Contract 13906A with SEMA Construction, Inc. for the Marston Dam and Forebay multiple level outlet and upgrade;

Change Order No. 5 to Contract 13906A with SEMA Construction, Inc. for the Marston Dam and Forebay multiple level outlet and upgrade;

Change Order No. 6 to Contract 13906A with SEMA Construction, Inc. for the Marston Dam and Forebay multiple level outlet and upgrade;

Amendment No. 3 to Contract 13906A with SEMA Construction, Inc. for the Marston Dam and Forebay multiple level outlet and upgrade;

Change Order No. 9 to Contract 14062A with Garney Construction for the Highlands Reservoir and Pump Station replacement of basins nos. 1 and 2;

Change Order No. 4 to Contract 15326A with Archer Western Construction, LLC for the Marston Treatment Plan flocculation and sedimentation equipment;

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Change Order No. 1 to Contract 15648A with BT Construction, Inc. for the 12-inch Main Relocation at Smith Road and Joliet Street;

Change Order No. 1 to Contract 15670A with Envirocon for the South Platte Collection System North Metro Hazeltine Reservoir slurry wall;

Change Order No. 1 to Contract 15670A with Kantex Industries, Inc. for Conduit Nos. 84, 100, 105 and 116 cathodic protection;

First Amendment to Contract 13769A with Unique Glass, Inc. for auto glass replacement; and

First Amendment to Contract 15706A with Wiss, Janney, Elstner Associates, Inc. for 2015 Roof Replacements,

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

7. **ITEM II-A-7: STREET SWEEPING SERVICES BID TABULATION**

Awarded Contract 16174A to Metropolitan Services for street sweeping services for the contract period December 1, 2015 through November 30, 2017 for a total contract amount not to exceed \$180,000.00. The Tabulation of Bids is attached to and incorporated in these Minutes as Exhibit B.

8. **ITEM II-A-8: PURCHASE OF ADDITIONAL ORACLE SERVERS**

Approved the purchase of additional Oracle server equipment for a total amount not to exceed \$232,142.78.

9. **ITEM II-A-9: FIRST AUTHORIZATION FOR ADDITIONAL FUNDS FOR KENWORTH PARTS AND SERVICE**

Approved the First Authorization for Additional Funds for Contract No. 15660A with Colorado Kenworth, Inc. for the contract period October 24, 2014 through December 31, 2017 for an amount not to exceed \$280,000.00.

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10. **ITEM II-B-1: CONSTRUCTION CONTRACTS WITH MWH CONSTRUCTIONS FOR THE HILLCREST RESERVOIR AND PUMP STATION – CMAR AND WORK PACKAGE NO. 1**

Approved Contract 15979A and Contract Amendment 15979 B (Work Package No. 1) with MWH Constructors for the contract period November 4, 2015 through September 1, 2020 for \$102,000,000.00, and as more particularly described in Exhibit C.

Mr. Garcia introduced Scott Harper and Mary Gearhart from Brown and Caldwell, and Michael Haarmann and Roy Fazio from MWHC. He stated that because a 2011 structural study demonstrated the necessity for replacement of the Hillcrest storage tank, Denver Water will replace the existing facility with three storage tanks and a new pump station, all estimated to be completed in 2020. This project will be completed with the CMAR process, allowing the Board President to approve additional work packages, so long as they fall within the guaranteed maximum price. The Board will be updated quarterly regarding work packages, including monthly regular tracking of actual vs. target and aggregate MWBE/SBE participation.

11. **ITEM III-A: WATER QUALITY FACILITY BRIEFING**

Mr. Fisher and Mr. Campbell briefed the Board regarding an opportunity to explore the concept of relocating the Water Quality Lab to the proposed National Western site and possibly partnering with Colorado State University and National Western to create an innovative product development and/or testing facility at the site. Mr. Lochhead reported that he anticipates meeting with the University's Chancellor to discuss the concept and that the City & County of Denver has invited Denver Water to participate in a charrette and the planning process for the National Western site. Commissioner Tate recommended that Finance be involved with the exploration of the concept. The presentation is attached to and incorporated in these Minutes as Exhibit D.

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12. **ITEM IV–A: CEO REPORT**

Mr. Lochhead reported that Mayor Hancock will visit Denver Water November 5, 2015 for a briefing on the campus redevelopment plan and a tour of the campus, followed by discussion. He invited the Commissioners to participate.

13. **ITEM IV–B–1: CFO REPORT**

The Board received the Quarterly Financial Report dated September 30, 2015, as set forth in Agenda Item IV-B-2, which is attached to and incorporated in these Minutes as Exhibit E.

Ms. Anderson pointed out that the call-center received a high volume of bill inquiries in October, and after research has concluded customer bills for October 2015 are generally higher than those for October 2014 because of abnormal weather patterns.

Ms. Bryant said that the third quarter report reflected an anomaly due to the implementation of GASB 68, which requires Denver Water to report the unfunded pension liability on its financial reports. She said that this report reflects a short-term cash reserve of more than 300 days and includes ratio data that debt service agencies typically review.

14. **ITEM IV–C: OPERATIONS REPORT**

Mr. Roode reported that recent legislation extends the time period in which railroad companies must comply with new safety regulations to December 31, 2018, thereby permitting Denver Water to continue having discussions with chemical suppliers regarding their projected distribution modelling plans.

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15. **ITEM V-A: SCHEDULING OF FUTURE BOARD MEETINGS AND TENTATIVE DISCUSSION TOPICS**

The Board received the Schedule of Future Board Meetings and Tentative Discussion Topics, a copy of which is attached to and incorporated in these Minutes as Exhibit F.

16. **ITEM V-B: EVENT CALENDAR**

The Board received a calendar of upcoming community events to be attended by various staff, a copy of which is attached to and incorporated in these Minutes as Exhibit G.

No further business appearing, the Board voted unanimously to adjourn Executive Session at approximately 11:35 a.m.

EXECUTIVE SESSION

On Wednesday, November 4, 2015, commencing approximately at 11:35 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)
2. Negotiations § 24-6-402(4)(e)

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


Secretary


President