

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

August 8, 2012

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, August 8, 2012 beginning at 9:21 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
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
M. L. Walker, Attorney	P. B. Coleman, Chief Internal Auditor
G. Fisher, Manager of Demand Planning	A. Strasser, Manager of Treated Water Planning
J. S. Walker, Contracts Supervisor	M. D. Bond, Community Relations Specialist
D. M. Hamm, Staff Analyst	J. M. Barbier, Engineer

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J. M. Ross, Engineer	K. M. Balu, Contract Specialist
C. L. Cervantez, Contract Specialist	J. Olson, Materials Coordinator, Operations & Maintenance
M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation	D. Portillo, Water Resources GIS Coordinator
G. C. Berg, Treasury Analyst	M. Radice, Planner
K. Balu, Manager of Employment and Compensation	A. P. Altaras, Law Clerk
S. A. Miller, Manager of Health Care and Benefits Administration	S. M. Franey, Senior Internal Auditor
S. L. Chesney, Manager of Media and Executive Communications	T. R. Thompson, Media Relations Coordinator
R. J. Martinez, Manager of Emergency Response	R. Weber, Engineer
Kenneth Ho, Trammel Crow Company	Jill Wuertz, City and County of Denver, Department of Parks & Recreation
Rob Buirgy, Buirgy Consulting, Inc.	Annette Hoeffler, Fox, Lawson and Associates
Larry Moore, Roxborough Water and Sanitation District	William Goetz, TSI Infrastructure

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 July 11 and 25, 2012 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Sessions of July 11 and July 25, 2012 were approved.

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Public Comment

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.

Ceremonies and Introduction of Employees

Mr. Roode introduced Rebecca Martinez, Manager of Emergency Response.

Ms. Elam-Floyd introduced Annette Hoeffler of Fox, Lawson and Associates, new compensation consultants to Denver Water.

Mr. Little introduced Diego Portillo, Water Resources GIS Coordinator and Arnie A. Strasser, Manager of Treated Water Planning.

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 August 8, 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 **August 1, 2012**, unless otherwise noted:

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Employee Name	Employment Date	Retirement Plan Participation Date <i>Unless otherwise noted^</i>	Division/Section
Wilson, David A.	2012-01-17	2012-01-17	Engineering Division Construction Project Management, #271
Santa, Joseph J.	2012-01-05	2012-01-05	Information Technology Division, Director of Information Technology, #160
Stansauk, Robert A., Jr.	2012-01-30	2012-01-30	Information Technology Division, Director of Information Technology, #160
Van Den Bulk, Henri	2012-01-13	2012-01-13	Information Technology Division, Director of Information Technology, #160
Romero, Eduardo E.	2012-01-30	2007-06-20 Prior Service Counted	Operations and Maintenance Division T&D Construction & Maintenance, #710

3. ITEM V-A-3: INTERGOVERNMENTAL AGREEMENT WITH THE NORTH FORK FIRE PROTECTION DISTRICT

Approved entering into an Intergovernmental Agreement with the North Fork Fire Protection District, Contract 14281A, to provide services to Board properties from Cheesman to Strontia Springs Reservoirs and along the North Fork of the South Platte River, at a cost of \$30,000 per year for five years, and a total cost of \$150,000, all as more particularly described in the Intergovernmental Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

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4. **ITEM V-A-4: CONTRACT FOR YOUTH EDUCATION PROGRAM DEVELOPMENT**

Authorized entering into a contract with Buirgy Consulting, Inc., Contract No. 14048A, to furnish youth education program development services for the contract period August 8, 2012 through July 31, 2013, at a cost not to exceed \$190,000, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "C."

In response to comments and questions from the Commissioners, Ms. Covington explained an in-depth presentation of the educational program would be scheduled for an up-coming study session.

5. **ITEM V-A-5: AWARD OF CONTRACT FOR THE 555 QUIVAS STREET PARKING LOTS IMPROVEMENTS PROJECT**

Authorized award of a contract to Colorado Asphalt Services, Inc., for the 555 Quivas Street Parking Lot Improvements Project, at a cost not to exceed \$112,444.75.

6. **ITEM V-A-6: AWARD OF CONTRACT FOR VAULT MODIFICATIONS 2012 – 2013 PROJECT**

Authorized award of a contract to Concrete Works of Colorado, Inc., for the 2012 – 2013 Vault Modifications Project at a cost not to exceed \$3,100,000.

7. **ITEM V-A-7: AWARD OF CONTRACT FOR THE MARSTON TREATMENT PLANT HEADWORKS BUILDING HVAC IMPROVEMENTS PROJECT**

Authorized award of a contract to McDade-Woodcock, Inc., for the Marston Treatment Plant Headworks Building HVAC Improvements Project, at a cost not to exceed \$1,100,077.

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8. **ITEM V-A-8: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS**

Ratified the following Construction Contract Change Orders and Amendments to Agreements which were authorized by the CEO/Manager in June and July 2012:

Change Order No. 4 to Contract 12865A with Archer Western Construction LLC for the Elizabeth Street Pump Station Conversion Project;

Change Order No. 1 to Contract 12981A with R.E. Monks Construction Company LLC for the Harriman Dam Renovation Project;

Change Order No. 3 to Contract 13419A with Concrete Works of Colorado, Inc. for the 2011 – 2012 Vault Modification Project;

Change Order No. 1 to Contract 13492A with Interstate Highway Constructors, Inc., for the Taxiway AA Vault Improvement Project at Denver International Airport;

Change Orders No. 2 and 3 to Contract 13577A with T. Lowell Construction for the Conduit 13 Internal Joint Seal Blow Off Improvements and 60" Butterfly Valves and Appurtenances Project;

Change Order No. 2 to Contract 13901A with JACOR Mechanical, Inc. for Upgrades to the Marston Treatment Plant Safety Shower and Eyewash Station;

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Fourth Amendment to Task Order Agreement 11124Q with Kumar and Associates for the construction of the Alum Residuals Drying Bed No. 3 at the Ralston Management Facility;

Sixth Amendment to Agreement 12767A with the Applegate Group for the Harriman Lake Dam Final Design;

Third Amendment to Construction Management Task Order Agreement 13036C with CH2M Hill Engineers, Inc., for the Williams Fork Small Hydro/Outlet Works Project;

Second Amendment to Agreement 13491A with Jviation for the Taxiway AA Vault Improvements Project;

First Amendment to Agreement 13530A with Brown and Caldwell for the Highlands Treated Water Basin 1 and 2 Replacement Project;

First Amendment to Agreement 13820A with Western Summit for the Ashland Storage Basin Replacement Project; and

Second Amendment to Agreement 12751A with P&H Equipment, Inc., for hauling services,

all as more particularly described in the Attachment to Agenda Item V-A-8 dated August 8, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

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9. **ITEM V-A-9: FIRST AMENDMENT TO AGREEMENT WITH CBRE, INC., FOR REAL ESTATE ACQUISITION BROKERAGE SERVICES**

At the request of Staff, this item was withdrawn from the Agenda.

10. **ITEM V-A-10: PURCHASE OF AN ENTERPRISE INFORMATION STORAGE ARRAY**

Approved purchase of one HP EVA8400 storage array and associated hardware from Vibrant Technologies, together with associated software from Clearview Computer for a total amount not to exceed \$181,357.

11. **ITEM V-E-1: INTERCONNECT AGREEMENT WITH ROXBOROUGH WATER & SANITATION DISTRICT**

Approved entering into an Interconnect Agreement with Roxborough Water & Sanitation District to provide emergency water service to the Roxborough District during construction of the Roxborough Treatment Plant, all as more particularly described in, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

Mr. Strasser introduced Larry Moore, General Manager of the District and William Goetz of TST Infrastructure, the District's engineer. Mr. Strasser explained the Roxborough Water Treatment Plant will be reconstructed over a four year period with projection completion expected by August 2016. The project will include times of treatment plant outages during which Denver Water would provide an emergency water supply. Two emergency interconnections are planned to be constructed by the District: one on Conduit 27 and the other on Conduit 133. Both connections will be one-way to the District. The District will pay for water delivered under the Agreement at the Board's Master Meter rate. The interconnects will be operated by Denver Water when, in its sole discretion, a determination is made that an emergency exists.

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12. **ITEM V-E-2: CONTRACT FOR POTHOLING**

Authorized award of a contract to Safe Site, Inc. to furnish potholing services for the contract period July 15, 2012 through July 14, 2013, at the hourly rates set forth in the Tabulation of Bidder's Proposal No. 14269A, dated August 8, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "F," at a total cost not to exceed \$200,000.

Mr. Roode provided a short presentation describing the need for potholing services. Mr. Roode reported that Denver Water had been identified by Xcel as creating a high rate of utility damage in 2011. Mr. Roode explained a utility damage improvement plan had been developed pursuant to which Xcel will dedicate an individual to locate gas lines for Denver Water projects. Under the improvement plan, Denver Water field crews have already undergone awareness training and Xcel has sponsored a pilot potholing program. Based upon the results of the pilot program, it was clear that potholing would both increase productivity and reduce costs while improving the external relationship with Xcel.

13. **ITEM V-E-3: GENERAL ENGINEERING, CONSTRUCTION MANAGEMENT AND GENERAL PLANNING SERVICES ON-CALL AGREEMENTS**

Approved entering into no-cost general engineering, construction management and general planning on-call consultant agreements with consulting engineering firms as are more particularly described in Exhibit "G," attached to and incorporated in these Minutes.

Mr. Mahoney explained the on-call consultant agreements are for a three-year period with an option to extend for two additional one-year terms, depending upon individual consultant performance. The consultant agreements cover thirty-two separate technical disciplines and will be used to support engineering, construction management, operations, maintenance and planning functions.

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14. **ITEM VI-B-1: DISCUSSION AND INFORMATION: MANAGEMENT ISSUES – CAMPUS PLAN DISCUSSION**

Mr. Ross reported the consultants had begun working to develop the necessary campus plan alternatives. As a part of that process, results of earlier studies have been provided to the consultant team and questionnaires were distributed at a July 19 kickoff meeting.

Mr. Kenneth Ho of Trammel Crow then described the scope of work and the major milestones. Copies of the slides detailing both the scope of work and major milestones are attached to and incorporated in these minutes as Exhibit "H." During the presentation, it was agreed meetings would be scheduled to discuss both status of the project and initial findings which would coincide with Board study sessions on August 22, November 14, and early March 2013. Mr. Ho explained that as part of the scope of work the consultant team would be providing an assessment of the existing facilities, including general building conditions, suitability of existing facilities from both an operational and functional standpoint as well as, sustainability and energy efficiency. As part of the study the consultant team will also review the existing site, an expanded site, and consider relocation of appropriate office components to an offsite location. The consultant team's Workplace of the Future design will incorporate the concept of the Employee of the Future, which is currently under consideration.

15. **ITEM VI-C-1: DISCUSSION AND INFORMATION: WATER SUPPLY AND DEMAND**

Mr. Fisher provided a water use and supply update. Mr. Fisher reported, although July temperatures were the hottest on record, treated water use dropped off. As a comparison, Mr. Fisher noted that in 2000, when Denver experienced similar weather conditions, there were 50 days when water use exceeded over 400 million gallons per day. In contrast, this year's water use had not yet reached that 400 million per day plateau. Although Denver Water's system-wide reservoir storage amounts are dropping, they continue to be above 2002 levels. According to the U.S. Drought Monitor, over 60% of the United States is in some version of drought and that portion of Colorado along the Front Range is experiencing extreme drought conditions. Mr.

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Fisher noted that although it is too early to forecast 2013 reservoir levels, Staff will continue to monitor reservoir levels and water usage to determine whether more severe restrictions should be imposed. Recommendations concerning restrictions will be made at the Board's September meeting.

16. **ITEM VI-F-1: DISCUSSION AND INFORMATION: MONTHLY INVESTMENT PORTFOLIO REPORT**

The Commissioners received the unaudited report titled "Denver Water Monthly Investment Portfolio Report, July 31, 2012," as set forth in Agenda Item VI-F-1 dated August 8, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "I."

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

The Commissioners received the report "Denver Board of Water Commissioners Employees' Retirement Trust Fund Monthly Performance Snapshot June 2012" as set forth in Agenda Item VI-F-3 dated August 8, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "J."

18. **ITEM VI-F-3: DISCUSSION AND INFORMATION: BOARD SUMMARY OPERATING RESULTS**

The Commissioners received an unaudited report of revenues and expenses for the six months ending June 30, 2012 and 2011, as set forth on Exhibit "K", attached to and incorporated in these Minutes.

19. **ITEM VI-F-4: DISCUSSION AND INFORMATION: VARIANCE MEMORANDUM**

The Commissioners received a Variance Report dated August 8, 2012, identifying variances from the original Budget, a copy of which is attached to and incorporated in these Minutes as Exhibit "L."

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

The Board confirmed a Study Session will take place on **Wednesday, August 22, 2012**, at **9:00 a.m.** in the Board Room, Room 309, 1600 W. 12th 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 Board confirmed a Regular Meeting would take place on **Wednesday, September 12, 2012**, at **9:00 a.m.** in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado.

No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 10:22 a.m.

EXECUTIVE SESSION

On Wednesday, August 8, 2012, commencing approximately at 10:25 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 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 11:45 a.m.


Secretary


President