

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

EXECUTIVE SESSION

July 9, 2014

On Wednesday, July 9, 2014, commencing at 9:14 a.m. in the CEO/Manager's Office, 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. Property Transactions § 24-6-402(4)(a)

The Executive Session recessed at 9:26 a.m.

OPEN SESSION

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, July 9, 2014, beginning at 9:31 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
A.C. Bricmont, Director of Finance
S.C. Covington, Director of Public
Affairs
B.D. Good, Deputy Manager of
Organizational Improvement

P.L. Wells, General Counsel
R. Steger, *Acting* Director of Planning
J.A. Anderson, Director of Customer
Relations
T.J. Roode, Director of Operations and
Maintenance

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A. Turney, <i>Acting</i> Director of Engineering	C.R. Dermody, Director of Information Technology
G. Cagle, Director of Human Resources	P.A. Carey, Manager of Purchasing and Contracting
U. Sharma, Treasurer	P.B. Coleman, Chief Internal Auditor
M.K. Frishman, Attorney	D. Kennedy, Environmental Scientist
T. Bryant, Controller	T. Segura, Senior Financial Analyst
D.M. Hamm, Staff Analyst	S. Niemi, Senior Financial Analyst
T.E. Lowe, Distributor Relations Manager	B. Gogas, Environmental Scientist
S. Snyder, Special Projects Coordinator	T. Bray, Environmental Scientist
G. Boothe, Manager of Real Estate	K. Petrik, Chief of Construction Management
D. Shable, Engineer	M. Thomas, IT Infrastructure Technician
M. Cassalia, Conservation Specialist	A. Chavez, Staff Analyst
A. Beth, Superintendent of Process Control	Y. Her, Contract Specialist
	J. Shaw, Conservation Specialist
	K. Kuykendoll, Staff Analyst
Dan Jiron, U.S. Forest Service	Ian Clampert, Jefferson County Public Schools
Rick Cooksey, U.S. Forest Service	
Claire Harper, U.S. Forest Service	Greg Vernon, Jefferson County Public Schools
Aaron Burns, MWH	

Commissioner Austin called the meeting to order.

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.

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Ceremonies, Awards, and Introductions

Dan Jiron, Regional Forester for the Rocky Mountain Region of the U.S. Forest Service, thanked Denver Water for its partnership and leadership in the Forests to Faucets program. Both parties have invested in the program to complete forest treatment and watershed protection to reduce the likelihood of catastrophic wildfires. Mr. Jiron reported that 24,000 acres of national forest have been treated and that treatment is underway for 11,000 additional acres.

Commissioners Austin and Tate thanked Mr. Jiron and U.S. Forest Service staff. Mr. Lochhead noted the importance of watersheds in producing a high-quality water supply for Denver and the region. He encouraged solidifying the organizations' partnership at every level.

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 OPEN MEETINGS**

The reading of the Minutes of the Regular Meetings of June 11, 2014, and June 25, 2014, was dispensed with and such Minutes were approved.

2. **ITEM II-A-2: MINUTES OF EXECUTIVE SESSION**

The Minutes of the Executive Session of June 25, 2014, were approved.

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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 July 1, 2014, unless otherwise noted:

Employee Name	Employment Date	Division/Section
Lucas, Tanisha A.	2013-12-09	Customer Relations Division QA & Reporting, #463
Ditterline, Michael T.	2013-12-09	Engineering Division Design Drafting, #216
Han, Tommy	2013-12-12	Human Resources Division HR Information Systems, #429
Hunninghake, Daniel O.	2013-12-09	Information Technology Division Administration & Operations, #176
Jiang, Ying	2013-12-16	Information Technology Division Infrastructure & Technology, #173
Wittler, James M.	2013-12-09	Legal Division Legal, #050
Guntharp II, Robert R.	2013-12-09	Operations and Maintenance Division Mechanical Shop, #950
Jenkins, Lloyd G.	2013-12-09	Operations and Maintenance Division Mechanical Shop, #950
Miller, Aubrey M.	2013-12-21	Operations and Maintenance Division Water Quality, #230
Miller, Jim C.	2013-12-21	Operations and Maintenance Division Water Quality, #230
Gordon, James D.	2013-12-16	Operations and Maintenance Division Winter Park Area, #520

4. ITEM II-A-4: WIRELESS COMMUNICATIONS CONSULTANT

Approved Agreement 15443A with Pericle Communications Company for wireless communications consulting services for the period July 9, 2014,

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through July 8, 2015, for a total contract amount not to exceed \$128,120.00. A copy of the Agreement is attached to and incorporated in these Minutes as Exhibit "A."

5. **ITEM II-A-5: WATER-SAVING LETTER AGREEMENT WITH JEFFERSON COUNTY PUBLIC SCHOOLS**

Approved Water-Saving Letter Agreement 15548A with Jefferson County Public Schools, whereby Denver Water will contribute funding for central controller equipment that the school district will install at 12 schools. The Agreement is estimated to save 52 acre-feet of water annually at those schools, for a project cost to Denver Water of \$4,600.00 per acre-foot. A copy of the agreement is attached to and incorporated in these Minutes as Exhibit "B."

Mr. Clampert, Energy Manager for Jefferson County Public Schools, said he hopes to showcase the district's improved water system to other school districts and public entities to encourage them to make their own water improvements. Mr. Vernon reported this is the second major collaboration between Denver Water and the school district, and he thanked Denver Water for its support.

6. **ITEM II-A-6: AMENDMENT TO CONTRACT WITH CH2M HILL ENGINEERS, INC.**

Approved the Sixth Amendment to Contract 12376A with CH2M Hill Engineers, Inc., to prepare an Environmental Assessment for the FERC Hydropower License Amendment Application for the expansion of Gross Reservoir. The amendment extends the contract through December 31, 2015, and adds \$60,156.00 for a total amended contract amount not to exceed \$158,474.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "C."

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**7. ITEM II-A-7: CONTRACT FOR 10-INCH AND 16-INCH MAIN
INSTALLATION AT EAST DRY CREEK ROAD AND BIG DRY CREEK**

Approved Contract 15475A with Layne Heavy Civil, Inc., for the 10-Inch and 16-Inch Main Installation at East Dry Creek Road and Big Dry Creek Project for a total contract amount not to exceed \$412,950.00.

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

Ratified Construction Contract Change Orders and Amendments to Agreements authorized in the period May 2014 through June 2014 as follows:

Change Order No. 2 to Contract 14624A with Concrete Works of Colorado, Inc., for Vault Modifications 2013/2014;

Change Order No. 1 to Contract 14977A with M.A. Mortenson Company for Foothills Treatment Plant – 2013/2014 Projects;

Change Order No. 2 to Contract 14999A with Geo-Solutions, Inc., for Antero Dam Rehabilitation Phase I;

Sixth Amendment to Agreement 14064A with Information & Computing Services, Inc., for Warehouse Bar Coding Technology – RF-Smart;

Second Amendment to Agreement 15034A with Carollo Engineers, Inc., for Marston Treatment Plant Chemical Systems Upgrade; and

First Amendment to Agreement 15175A with Kenneth H. Carlson, Ph.D., for On-Call Technical Assistance for Piloting Bench Scale Testing at the Moffat Treatment Plant,

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all as more particularly described in the attachment to Agenda Item II-A-8, which is attached to and incorporated in these Minutes as Exhibit "D."

9. **ITEM III–A: BOARD’S ROLE IN BUDGET PROCESS**

Ms. Bricmont presented the new process to be implemented to develop and approve the 2015 budget. She sought the Commissioners’ input on the level of involvement they would like to have.

The new process will begin with a decision by the Executive Team on the strategic priorities for the following year, after which the goals and metrics will be determined and reviewed by the Board, and finally the budget will be established. The revised timeline maintains the 90-day contractual obligation to notify the distributors of any rate adjustments.

Mr. Good described a sample tool that can be used to determine the strategic priorities each year. The Executive Team used that tool to determine the three main priorities for 2015 – Employer of the Future, Operations Complex redevelopment, and improving the budgeting system.

The Commissioners agreed with the new approach to establish priorities before the budget.

The presentation is attached to and incorporated in these Minutes as Exhibit "E."

10. **ITEM IV–B: CFO REPORT**

Ms. Bricmont reported that staff intends to issue \$50 million in bonds in September 2014 to repay a line of credit previously borrowed. Staff will seek the Board’s approval of the bond issuance in August.

Commissioner Tate requested information on whether it would be advisable to borrow more money on a line of credit to fund capital projects due to historically low rates available now. Mr. Lochhead suggested the Operations

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Complex redevelopment could be completed sooner by borrowing more on a line of credit.

11. **ITEM IV–C: OPERATIONS REPORT**

Mr. Roode mentioned a rapid improvement event taking place this week to develop the next piece of the flow cell for the Transmission and Distribution section. The event is intended to establish a new process for connecting copper service lines to new pipelines installed in the street.

12. **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, which is attached to and incorporated in these Minutes as Exhibit “F.”

13. **ITEM V–B: EVENT CALENDAR**

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

14. **ITEM V–C: 2014 (“ON-CALL”) GENERAL ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES CONTRACTS**

The Board received a tabulation of contracts entered into under On-Call General Engineering Design Services and Construction Management Services Contracts for the period August 2012 through June 2014, which is attached to and incorporated in these Minutes as Exhibit “H.”

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15. **ITEM V-D: STATUS OF CONTRACT WORK AND CONSULTANT SERVICES**

The Board received the reports "Status of Contract Work" and "Status of Consultant Services" dated June 30, 2014, which are attached to and incorporated in these Minutes together as Exhibit "I."

No further business appearing, the Board voted unanimously to adjourn the Open Session and reconvene the Executive Session at 10:55 a.m.

RECONVENED EXECUTIVE SESSION

On Wednesday, July 9, 2014, commencing at 10:55 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners reconvened the 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 Reconvened Executive Session:

1. Property Transactions § 24-6-402(4)(a)

There being nothing further for the Board to consider, the Reconvened Executive Session concluded at 11:18 a.m.


Secretary


President