

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

March 14, 2012

Executive Session

Pursuant to Notice, a duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, March 14, 2012 beginning at 8:00 a.m. The first portion of the meeting was an Executive Session, held in the CEO/Manager's Office. The subject matter of the Executive Session, which is authorized by C.R.S. § 24-6-402 or D.R.M.C. 2-34 was:

Personnel Matters, § 24-6-402(4)(f)(1).

The Executive Session recessed at approximately 9:15 a.m.

Open Session

The Regular Meeting of the Board of Water Commissioners was convened in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado beginning at 9:20 a.m. 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:

* Commissioner Gougeon was detained, but arrived during the Board's consideration of Agenda Item V-B-2. Mr. Gougeon participated in consideration of all matters following.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

J. S. Lochhead, CEO/Manager	M.L. Walker, <i>Acting</i> 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
U. Sharma, Treasurer	T. L. McGuire-Collier, Assistant Director PA – Communications & Marketing
M.E. Elliott, Manager of Water Conservation	R. G. Steger, Manager of Raw Water Supply
M. Garcia, Engineer	J. Light, Engineer
C. Ward, Senior Internal Auditor	G.E. Gulley, Engineer
T. Lowe, Manager of Sales Administration	D. Hamm, Staff Analyst
D. Bennett, Environmental Scientist	K.M. Balu, Contract Specialist I
G. Fisher, Manager of Demand Planning	S. Chesney, Community Relations Specialist
W. C. Austin, Manager of Safety and Security	G. C. Berg, Treasury Analyst
S. G. Green, T&D Mechanic/Lean Facilitator	M. A. Thomas, IT Infrastructure Technician
A. S. Seiglie, Tap Sales Rep.	G. Wilcox, Manager of Budgeting/Lean Facilitator
F. J. Sanchez, Water Quality Operations Supervisor	V. L. Serna, Plan Review Coordinator

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Jeffrey Erb, Citizens' Advisory
Committee Candidate

Drew Littell, Citizens' Advisory Committee
Candidate

Mark Gibson, RTL Networks, Inc.

Commissioner Austin called the meeting to order.

Commissioner Austin noted Commissioner Gougeon had been detained, but was expected to arrive shortly.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meetings of February 8 and February 22, 2012 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Sessions of February 8 and February 22, 2012 were approved.

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.

VI-D-I- Citizens Advisory Committee – Denver Residents Position

Commissioner Austin noted that Messrs. Jeffrey Erb and Drew Littell, candidates for the Denver Resident position on the Citizens' Advisory Committee were in attendance and asked that the Board take up the appointment of the CAC as the first agenda item. Commissioner Austin asked that each candidate provide a short statement including personal and professional background and then describe their interest in serving as a member of the Citizens' Advisory Committee. Commissioner Austin explained the Commissioners would take up consideration of the qualifications of the candidates in Executive Session. Following the Executive Session, the Board would reconvene the Regular Meeting to make the appointment.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Mr. Erb, a twelve-year Colorado resident, introduced himself and commented that as a fly fisherman since college, he had developed an appreciation of the need for a well-managed river system which also provides a water supply. Mr. Erb also commented regarding his professional experience as an attorney representing Special Districts, including Districts that provide water through contracts with the Board.

Mr. Littell, also a twelve-year Colorado resident, commented regarding his community involvement and his personal interest in learning more of how water, a finite resource, is managed. Mr. Littell explained that his professional experience in the construction industry touched on involvement with Denver Water.

On behalf of the Commissioners, Commissioner Austin thanked both Mr. Erb and Mr. Littell for attending the meeting and for their interest in volunteering to fill the Denver Resident position. Commissioner Austin reminded both candidates that the Board would consider the appointment in Executive Session, which would take place later in the morning.

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 March 14, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "A" effective the pay period ending **February 17, 2012** unless otherwise noted.

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 **March 1, 2012**, unless otherwise noted:

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Employee Name	Employment Date	Retirement Plan Participation Date <i>Unless otherwise noted[^]</i>	Division/Section
Julie A. Capps	08/15/2011	08-05-2011	Finance Division, Accounting, #140
Courtney R. Campbell	04/11/2011	08-21-2011 [^] Exclude prior Service as Temporary Status	Operations and Maintenance Division, Recycled Water Plant, #650
Katherine C. Nichols	07/12/2011	07/12/2011	Human Resources Division, Employee Health Services, #425
Matthew E. Larson ¹	07/05/2011	02/09/2010 [^] Returning employee who had a break in service	Information Technology Division, Director of Information Technology, #160
Mary D. Thompson ¹	07/11/2011	07/11/2011	Operations and Maintenance Division, Marston, #630
Gregory P. Curran ¹	07/06/2011	07/06/2011	Operations and Maintenance Division, Mechanical Shop, #950
Shana L. Colcleasure ¹	07/25/2011	07/25/2011	Operations and Maintenance Division, Recycled Water Plant, #650

3. ITEM V-A-3: RATIFICATION OF SIXTH AMENDMENT TO AGREEMENT WITH BLACK & VEATCH ENGINEERING

Ratified actions taken by the CEO/Manager in approving the Sixth Amendment to Agreement No. 11484A with Black & Veatch Engineering for continuing assistance involving the WISE Partnership, a cooperative regional water supply project between Denver Water, the City of Aurora, and the South Metro Water Supply Authority, all as more particularly described in the Sixth Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

¹ Effective February 1, 2012

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

4. **ITEM V-A-4: REVISIONS TO PERSONNEL POLICIES – CHAPTERS 1 AND 14**

Effective March 14, 2012, approved revisions to Chapters 1 and 14 of the Personnel Policies to provide up to three days of paid jury service leave to Temporary Employees, all as more particularly described in the revised provisions of Sections 1-1(III) and 14-16-(I) of the Personnel Policies, copies of which are attached to and incorporated in these Minutes as Exhibit "C."

5. **ITEM V-A-5: PURCHASE OF PROPERTY ADJACENT TO TANABE RESERVOIR**

Authorized the CEO/Manager to execute all documents necessary to purchase two parcels of property adjacent to Tanabe Reservoir, a component of the North Complex of the Downstream Reservoir Project, containing approximately by 24.134 acres as more particularly described on the Parcel Map attached to and incorporated in these Minutes as Exhibit "D" from LaFarge West, Inc. for a total consideration of \$150,000.

6. **ITEM V-A-6: CONTRACTS SCHEDULED TO RENEW AND/OR REQUIRE ADDITIONAL FUNDING IN THE 2ND QUARTER OF 2012**

Authorized renewal, additional funding or extension of the following annual contracts:

Contract No. 06967A with Metrocall to supply pagers and airtime for approximately 275 pagers for the period April 1, 2012 through April 1, 2013 at an additional cost of \$6,000;

Contract No. 06409A with Oracle Corporation to provide licensing for data base software for the period May 31, 2012 through May 31, 2013, at an additional cost of \$160,000;

Contract No. 08048A with Sybase, Inc., to provide Power Designer software for the contract period February 28, 2012 through February 28, 2013, at an additional cost of \$4,000;

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Extension of Contract No. 12601A with Digivoice to provide NICE recording software for the contract period April 30, 2012 through April 30, 2013, at no additional cost; and

Contract No. 12499A with Cyber-Ark Software, Inc., to provide Cyber-Ark EPV services through September 1, 2012, at an additional cost of \$20,000,

all as more particularly described in the Attachment to Agenda Item V-A-6 dated March 14, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

7. **ITEM V-A-7: PURCHASE OF VEHICLES AND HEAVY EQUIPMENT FOR 2012**

Authorized the purchase of vehicles under the State of Colorado Master Vehicle Contract at the unit prices described in the tabulation attached to and incorporated in these Minutes as Exhibit "F." Individual awards are as follows:

Items 1 and 2 from Go Toyota, at a cost of \$45,970;

Item 3 from Mike Shaw Chevy, at a cost of \$46,827;

Items 4 – 13 from Heritage Ford, at a cost of \$228,882;

Item 14 from Stone Motors, at a cost of \$22,035;

Item 15 from Dellenbach Motors, at a cost of \$48,038;

Items 16 – 24 from OJ Watson, at a cost of \$94,100;

for a total net cost of all vehicles of \$485,852.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Authorized the purchase of heavy equipment under the State of Colorado Master Vehicle Contract and the Colorado Department of Transportation Contract, as more particularly described in the tabulation attached to and incorporated in these Minutes as Exhibit "G." Individual awards under the contract are as follows:

Items 25 – 34, including trade in of described equipment, from Honnen Equipment Company, at a net cost of \$371,604;

Items 35 and 36, including trade in of described equipment, from Bobcat of the Rockies, at a net cost of \$31,050.08; and

Items 37 and 38, including trade in of described equipment, from Potestio Brothers, at a net cost of \$79,504,

for a total net cost for heavy equipment of \$482,158.08.

8. **ITEM V-A-8: CONTRACT for COLD-PATCH MATERIAL**

Authorized award of a contract to Aggregate Industries to supply Denver Water's requirements of cold-patching asphalt material for use as a temporary surface on major streets and arterials throughout the metropolitan area for the contract period of March 15, 2012 through March 31, 2014, at the unit prices set forth for Schedule I of Bidders' Proposal No. 13816A, dated March 14, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "H" for a total authorized amount of \$2,800,000.

9. **ITEM V-A-9: CONTRACT FOR RENTAL AND CLEANING OF FLOOR MATS, TOWELS, MOPS, SHOP RAGS, COVERALLS, SHIRTS AND PANTS**

Authorized award of a contract to AlSCO, Inc., to provide Denver Water's requirements of floor mats, towels, mops, shop rags, coveralls, shirts and pants for the contract period April 1, 2012 through March 31, 2014, for a contract amount not to exceed \$130,000.

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

10. ITEM V-A-10: CONTRACT FOR TREE AND SHRUB MAINTENANCE AND REMOVAL

Authorized award of a contract to Swingle Lawn, Tree and Landscape Care to provide tree and shrub maintenance and removal services at Denver Water facilities throughout the Denver Metropolitan area, for the contract period April 1, 2012, through March 31, 2014, for a total contract amount not to exceed \$120,000.

11. ITEM V-A-11: CONTRACTS FOR SERVICE AND SUPPLY OF PRINTERS AND COPIERS

Authorized award of contracts to provide service and supplies for printers and copiers for the contract period of April 1, 2012 through March 31, 2014 as follows: to All Copy Products for printers and copiers, excluding Xerox devices, at a cost of \$250,000; and to Lewan and Associates, Inc., for Xerox printers and copiers, at a cost of \$20,000.

12. ITEM V-A-12: CONTRACT TO FURNISH REPLACEMENT BUTTERFLY VALVES FOR THE FOOTHILLS TREATMENT PLANT

Authorized award of a contract to Henry Pratt Company to furnish described butterfly valves for replacement of existing valves at the Foothills Treatment Plant, at a cost not to exceed \$294,112.

13. ITEM V-A-13: CONTRACTS FOR SQUEEGEE, SAND, BULK TOPSOIL, AGGREGATE ROAD BASE, RIVER ROCK AND CRUSHED GRANITE

Authorized award of contracts to supply Denver Water's requirements of described materials for the contract period February 1, 2012 through April 30, 2014 at the unit prices as more particularly described on the Tabulation of Bidder's Proposal No. 13995A, dated January 11, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "I," with individual awards as follows:

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

Schedule I to Ready Mixed Concrete in the amount of \$220,000;

Schedules III and V to Martin Marietta Materials in the amount of \$470,000;

Schedule IV to Ready Mixed Concrete in the amount of \$40,000;
and

Schedule VI to Pioneer Sand Company, Inc. in the amount of \$50,000,

for a total award for all contracts of \$790,000.

14. ITEM V-A-14: CONTRACT EXTENSION WITH THE DOYLE GROUP FOR IT INFRASTRUCTURE PROJECT MANAGEMENT SERVICES

Approved extension of the June 23, 2010 consulting agreement with The Doyle Group, Contract No. 13117A, to provide the services of Delinda Waldren to fill the core position of Infrastructure Project Manager in the Information Technology Division through December 31, 2013, unless the position is filled sooner with a regular employee, for an additional \$297,500, and a total amended contract amount of \$561,500.

15. ITEM V-A-15: CONTRACT EXTENSION WITH PRODIGY RESOURCES LLC FOR IT INFRASTRUCTURE TECHNICIAN SERVICES

Approved extension of the September 28, 2011 consulting agreement with Prodigy Resources, LLC, Contract 13858A, to provide the services of Joshua Ulmer to fill the position of Infrastructure Technician in the Information Technology Division through December 31, 2013, unless the position is filled sooner with a regular employee, at an additional cost of \$264,260, and a total amended contract amount not to exceed \$343,978.

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

**16. ITEM V-A-16: CONTRACT WITH THE DOYLE GROUP FOR
DATABASE ADMINISTRATION SERVICES**

Approved entering into a contract with The Doyle Group to provide the services of Jeff Parton to fill a core database administration position in the Information Technology Division through December 31, 2013, unless the position is filled sooner with a regular employee, at \$105 per hour, and a total contract amount not to exceed \$367,500.

**17. ITEM V-A-17: RATIFICATION OF PAYMENT FOR A DIRECT
TRANSFER TRIP DISTRIBUTED GENERATION INTERCONNECTION
SYSTEM WITH MOUNTAIN PARKS ELECTRIC**

Ratified payment to Mountain Parks Electric, Inc. of \$64,068 for the direct transfer trip distributed generation interconnection system necessary to comply with Mountain Parks Electric and Tri-State Generation and Transmission interconnection requirements for the Board's Williams Fork Dam Hydroelectric Generation Project, pursuant to the requirements of the July 27, 2011 contract between parties, Contract No. 13784A.

**18. ITEM V-A-18: AGREEMENT WITH MWH AMERICAS, INC. FOR THE
DESIGN OF THE TANABE RESERVOIR OUTLET AND INTERCONNECT
PROJECT**

Authorized entering into an Agreement with MWH Americas, Inc., for design of the Tanabe Reservoir Outlet and Interconnect Project, for the North Complex of the Downstream Reservoir Project, at a cost of \$178,987, as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "J."

**19. ITEM V-A-19: FIFTH AMENDMENT TO AGREEMENT WITH MWH
AMERICAS, INC. FOR CONSTRUCTION PHASE ENGINEERING
SUPPORT FOR THE HOWE-HALLER INTERCONNECT STRUCTURES
PROJECT**

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Authorized the Fifth Amendment to Agreement with MWH Americas, Inc., further amending the March 13, 2009 Agreement for design and construction services for the interconnect structures between Howe-Haller Reservoirs A and B, and between Howe-Haller Reservoir B and Hazeltine Reservoir, Contract No. 12351A, at a cost of \$91,090, and a total amended contract amount not to exceed \$497,573, all as more particularly described in the Fifth Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "K."

20. **ITEM V-A-20: CONTRACT FOR THE CONSTRUCTION OF TAXIWAY AA VAULT IMPROVEMENTS AT DENVER INTERNATIONAL AIRPORT**

Authorized award of a contract to Interstate Highway Construction, Inc., for construction of the Taxiway AA Vault Improvements project at Denver International Airport in the amount of \$676,950.

21. **ITEM V-A-21: AMENDMENT NO. 2 TO CONTRACT WITH MAINLINING SERVICES, INC. FOR THE 2012 PIPE REHABILITATION PROGRAM**

Approved Amendment No. 2 to the March 10, 2010 Agreement with Mainlining Services, Contract No. 12729C, for the 2012 pipe rehabilitation project at a cost not to exceed \$3,636,489.50.

22. **ITEM V-A-22: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS**

Ratified the following construction contract change orders and amendments to agreements authorized by the CEO/Manager in January and February 2012 as follows:

Change Order No. 7 to Contract 11596A with Moltz Civil, LLC, for the Williams Fork Small Hydro/Outlet Works Project;

Change Order No. 1 to Contract 12995A with T. Lowell Construction for the replacement of Conduit No. 58 in 38th Avenue from Monaco Parkway to Quebec Street;

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Change Order No. 1 to Contract 13013A with Stanek Constructors for the Marston Headworks Improvement Project;

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

Change Order No. 1 to Contract 13103A with Construction Concepts, Inc., for the Ralston Dam and Reservoir Caretaker Residence Project;

Amendment No. 2 to Contract 13377A with U.S.A. Construction, Inc., for the installation of a new hydro turbine and generator at Williams Fork Reservoir;

Change Order No. 2 to Contract 13460A with W.M. Brown Construction for replacement of the Bennett Flume on the High Line Canal;

Change Order No. 1 to Contract 13466A with Sturgeon Electric Company, Inc., for the Belleview Pump Station Service and Switchgear Replacement Project;

Change Order No. 2 to Contract 12865A with Archer Western Construction, LLC, for the Elizabeth Street Pump Station Conversion Project;

Second Amendment to Task Order Agreement 11124Q with Kumar & Associates, Inc., for the Alum Residuals Drying Bed No. 3 at the Ralston Management facility;

First Amendment to Task Order Agreement 11136N with Shannon & Wilson for geotechnical services for the Conduit No. 58 Extension;

Second Amendment to Task Order Agreement 11138D with Technicad, Inc., for the CAD Standard Drawings Translation;

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Second Amendment to Agreement 12457A with Professional Security, LLC, to provide armed guard services at the Recycling and Foothills Water Treatment Plants; and

Ninth Amendment to Agreement 13020A with LRC Leasing LLC for a Master Lease Agreement,

all as more particularly described in the Attachment to Agenda Item V-A-22, dated March 14, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "L."

23. **ITEM V-B-1: REVISIONS TO CHAPTER 15 OPERATING RULES — DROUGHT RESPONSE**

Adopted a revised Chapter 15 of the Operating Rules, which revisions were made necessary because of the adoption of a revised Drought Response Plan, all as more particularly described in revised Chapter 15, a copy of which is attached to and incorporated in these Minutes as Exhibit "M."

24. **ITEM V-B-2²: PERSONNEL POLICY CHANGES — CHAPTER 10 EMPLOYEE EVALUATIONS**

Approved revisions to Chapter 10 of the Personnel Policies by the adoption of a new Section 10-2-(4), Objection to Performance Rating, a copy of which is attached to and incorporated in these Minutes as Exhibit "N," which revisions are effective March 14, 2012.

Ms. Elam-Floyd explained the need for the policy was identified as a part of the continued implementation of the Pay-for-Performance policy. Under the proposed policy, employees may raise objections to a rating of "does not fully meet", "meets expectations", or "consistently exceeds expectations" on limited and specific grounds. Adoption of the proposed policy will more fairly implement the Pay-for Performance evaluation process.

² Commissioner Gougen joined the meeting during the Board's consideration of Agenda Item V-B-2

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

25. **ITEM V-B-3: PERSONNEL POLICY CHANGES — CHAPTER 12 PAY PLAN**

Ms. Elam-Floyd explained that under the new pay plan, employees whose performance exceeds expectations and who are at the top of their pay ranges would receive lump sum merit payments. The proposed policy would clarify that lump sum payments would be incorporated into the calculations used to evaluate an employee's pension benefits under the Defined Benefit Plan.

Commissioner Tate asked for additional information regarding the impact of the proposed change on the actuarial determination of the funding of the Defined Benefit Plan. Commissioner Tate explained the Commissioners needed the additional information in order to weigh the impact of the proposed change to the Personnel Policies on the financial soundness of the Defined Benefit Plan.

Following discussion, the Commissioners tabled the proposed change to a future meeting.

26. **ITEM V-E-1: CONTRACT WITH EVERBRIDGE INC. FOR MASS-NOTIFICATION SERVICES**

Approved entering into a contract with Everbridge, Inc. to provide mass-notification services for a five-year period at a total cost not to exceed \$818,375.

Mr. Roode and Ms. Covington provided background regarding the need for a service to provide reverse 911 calls which does not rely solely on the use of landline phones. The service would be able to provide critical information both to customers, employees, and government and elected officials. Mr. Dermody explained the service provided by Everbridge uses multiple sets of contact information and will distribute the requested messages using many modes including landline phones, cell phones, smart phones, text messages, instant messages, email and other appropriate means.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

27. ITEM V-E-2: RATIFICATION OF AMENDMENT NO. 2 WITH T. LOWELL CONSTRUCTION, INC. FOR THE CONDUIT NO. 13 INTERNAL JOINT SEALS PROJECT

Ratified Amendment No. 2 to the August 10, 2011 contract with T. Lowell Construction, Contract No. 13577A, to replace and repair seals in Conduit No. 18, at a cost of \$74,961, all as more particularly described in Amendment No. 2, a copy of which is attached to and incorporated in these Minutes as Exhibit "O."

Mr. Mahoney explained T. Lowell Construction was under contract to Denver Water to replace internal joint seals in Conduit No. 13. During the week of March 5, a leak surfaced in Conduit No. 18, a 54" reinforced concrete cylinder pipe. Because of the need to repair the conduit and return it to service by April 1st, Amendment No. 2 was negotiated. An aerial photo showing the location of the conduit repair project was provided to the Commissioners and a copy is attached to and incorporated in these Minutes as Exhibit "P."

28. ITEM VI-B-1: DISCUSSION AND INFORMATION: LEGISLATIVE UPDATE

Mr. Piper provided a summary report to the Commissioners regarding the status of bills of concern to Denver Water, a copy of which is attached to and incorporated in these Minutes as Exhibit "Q."

29. ITEM VI-B-2: DISCUSSION AND INFORMATION: IT DISASTER RECOVERY PROJECT SPENDING

Mr. Dermody provided the Commissioners with a report detailing hardware, software, outside services, employee payroll and contract labor costs associated with implementation of the IT Disaster Recovery Project. The report, a copy of which is attached to and incorporated in these Minutes as Exhibit "R," provides detail involving anticipated expenditures from 2011 through 2014. The project is currently expected to cost \$6,766,000. Mr. Dermody explained the purpose of the Informational Item was to provide more detail regarding scope, schedule and budget for the entire IT Disaster Recovery Project. Mr. Dermody opined the detailed information would further

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

assist the Commissioners when a particular contract necessary for the project is submitted to the Board for authorization.

30. **ITEM VI-B-2: DISCUSSION AND INFORMATION: STUB-IN POLICY**

Mr. Lowe reported regarding a recent Rapid Improvement Event undertaken to evaluate the Board's Stub-In Policy. Mr. Lowe introduced members of the Rapid Improvement Team who were in attendance, Jim Lochhead, Grace Wilcox, Sabrina Greene, Ana Seigle, Valerie Serna and Fred Sanchez. Mr. Lowe explained in excess of 1400 stub-ins in the system are covered by an Operating Rule Amendment authorized by the Board September 14, 2011. The policy review was initiated because of the long periods of time now occurring between the installation of a stub-in and the activation of the tap. Mr. Lowe outlined the recommendations flowing from the Rapid Improvement Event which will involve both amendments to the Operating Policies and refund of previously paid deposits. Mr. Lowe explained that as a part of the Rapid Improvement Event, Denver Water will gather input from the Homebuilder's Association, the City and the Distributors. Development of the new process will also require development of a communication plan. The goal is to bring proposed Operating Rule changes to the Board at the March 28, 2012 meeting.

31. **ITEM VI-C-1: DISCUSSION AND INFORMATION: WATER SUPPLY UPDATE**

Mr. Steger provided a short update regarding snowpack and water supply conditions. Mr. Steger noted that, with the ongoing dry weather, the snowpack above Denver Water's facilities is beginning to mirror the 2002 snowpack conditions. Changes from 2002 include the fact that Denver Water's customers are more attuned to wise water use, and the fact that Denver Water's reservoirs are at 90% of full. Mr. Steger explained Staff will continue to monitor snowpack and water use, and provide periodic reports to the Board. Mr. Steger noted that Denver Water historically receives a significant amount of precipitation in its watersheds in March and April. If conditions do not improve, Denver Water will begin an outreach program to its customers.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

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

The Commissioners received the report, "Denver Water Investment Portfolio as of February 29, 2012" as set forth in Agenda Item VI-F-1 dated March 14, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "S."

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

The Commissioners received the report "Monthly Performance Snapshot: January 2012" regarding the performance of the Retirement Plan Trust Fund, a copy of which is attached to and incorporated in these Minutes as Exhibit "T."

34. **ITEM VI-F-3: DISCUSSION AND INFORMATION: 2011 DISPOSAL OF USED VEHICLES AND EQUIPMENT**

The Commissioners received the 2011 Surplus Report Summary detailing the sale and trade-in of vehicles and equipment, the sale of scrap iron and metals and items sold or donated, a copy of which is attached to and incorporated in these Minutes as Exhibit "U."

35. **ITEM VI-F-4: DISCUSSION AND INFORMATION: BUDGET STATUS REPORT**

The Commissioners received the 2012 Year-to-Date Board Budget Status Summary as of February 29, 2012, as set forth on Agenda Item VI-F-3/(Sic), dated March 14, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "V."

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

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

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

The Board confirmed the First Meeting in April would take place on **Wednesday, April 11, 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 recess into Executive Session for discussion regarding the CAC candidates at approximately 11:05 a.m.

RECONVENED EXECUTIVE SESSION

On Wednesday, March 14, 2012, commencing approximately at 11:06 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners reconvened its 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:

CAC Member Selection § 24-6-402(4)(f)(1)

The Executive Session adjourned at approximately 11:10 a.m., and the Board reconvened its Open Session.

RECONVENED OPEN SESSION

The Board reconvened its Open Session at approximately 11:10 a.m., on Wednesday, March 14, 2012 in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Commissioner Austin commented that during the Executive Session, the Commissioners were all complimentary of the qualifications which would be brought to the Citizens' Advisory Committee by appointment of either of the candidates. Commissioner Austin asked that the unsuccessful candidate consider submitting his name and résumé when, in the future, another opening occurs.

Whereupon, a motion was regularly made, seconded and unanimously carried to appoint Mr. Jeffrey Erb to serve as a Denver Resident representative to the Citizens' Advisory Committee.

No further business appearing, the Board voted unanimously to adjourn into Executive Session at 11:12 a.m.

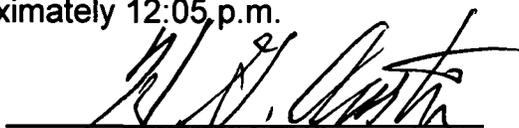
RECONVENED EXECUTIVE SESSION

On Wednesday, March 14, 2012, commencing approximately at 11:15 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 matters which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 were discussed during the Reconvened Executive Session:

1. Attorney-Client Matters § 24-6-402(4)(b)
2. Water Rights §24-6-402(4)(b)&(e)
3. Personnel Matters § 24-6-402(4)(f)(I)

There being nothing further for the Board to consider, the Reconvened Executive Session concluded at approximately 12:05 p.m.


Secretary


President