

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

February 10, 2016

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, February 10, 2016 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:

Penfield W. Tate, III President
John R. Lucero, First Vice President
Thomas A. Gougeon, Vice President
Paula Herzmark, Vice President
H. Gregory Austin, 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	M. King Director of Planning
S. Covington, Director of Public Affairs	J.A. Anderson, Director of Customer Relations
B.D. Good, Deputy Manager of Organizational Improvement	T.J. Roode, Director of Operations and Maintenance
R.J. Mahoney, 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
K. Bates, Attorney	M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation
D. Arnold, Attorney	M. Price, Division Office Business Manager
T. Bryant, Controller	B. Maulis, Contract Specialist
D.M. Hamm, Staff Analyst	
S. Snyder, Special Projects Coordinator	

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J. Seagren, Distributor Relations Manager	A. Chotiner, Division Office Business Manager
J. Lorton, Manager of Accounting	G. Fisher, Manager of Demand Planning
L. Martinez, Manager of Total Rewards	Y. Her, Contracts Supervisor
C. Piper, Intergovernmental Affairs Coordinator	M. Faulkner, Talent Acquisition Manager
D. Wyman, Distribution Projects Coordinator	J. Spitze, IT Project Manager
B. McKenna, Reusable Water Program Manager	R. Batts, Engineering Specialist
D. Raitt, Construction Project Manager	M. Almond, Construction Project Manager
A. Chavez, Staff Analyst	D. Shable, Engineer
J. Light, Engineer	J. Figurelli, Sr. Financial Analyst
M. Moreau, Gallagher	R. Plakke, Water Treatment Plant Supervisor
	P. Marrs, Gallagher
	A. Stevens, Gallagher

Commissioner Tate called the meeting to order at 9:18 a.m.

Public Comment and Communications

Commissioner Tate 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.

Introductions, Awards and Ceremonies

Mr. Lochhead welcomed and introduced Denver Water's new Director of Planning, Mike King.

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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 JANUARY 13, 2016

The reading of the minutes of the Regular Meeting of January 13, 2016 was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of January 13, 2016 were approved.

2. ITEM II-A-2: MINUTES OF JANUARY 27, 2016

The reading of the Minutes of the Regular Meeting of January 27, 2016 was dispensed with and such Minutes 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 February 1, 2016, unless otherwise noted:

Name	Employment Date	Division/Section
Christina L. Owen	07-20-2015	Customer Relations/QA & Reporting
Casey G. Dick	08-04-2015	Engineering/Dam Safety
Julie Lorton	07-27-2015	Finance/Accounting
Keghley E. Gedney	07-13-2015	Finance/Purchasing
Patricia A. Holschuh	07-06-2015	Human Resources/ Employee Health Services
Michael J. Frishman	07-13-2015	IT/Operational Asset Management
Jonathan D. Husted	07-13-2015	Operations & Maintenance/Fleet
Cary D. Kern	08-03-2015	Operations & Maintenance/Foothills

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John M. Blackwell	07-13-2015	Operations & Maintenance/South Platte
Brian K. Fields	08-01-2015	Operations & Maintenance/Construction

4. ITEM II-A-4: AMENDMENT NO. 1 WITH PURE TECHNOLOGIES U.S., INC. FOR CONDUIT 94 INSPECTION AND ACOUSTIC FIBER OPTIC MONITORING SYSTEM AGREEMENT

Approved the First Amendment to Contract 15617A with Pure Technologies U.S., Inc. The Amendment extends the contract period through December 31, 2020 and adds \$560,255.00, for a total amended contract amount of \$2,185,761.00.

5. ITEM II-A-5: SECOND AMENDMENT FOR TRENCH SHORING EQUIPMENT RENTAL

Approved the Second Amendment to Contracts 14793A-D with Master Trench Shoring Equipment Rentals, United Rentals Northwest, Inc., Trench Shoring Services and Sunbelt Rental, Inc. The Amendment adds \$120,000.00, for a total amended contract amount of \$470,000.00.

6. ITEM II-A-6: CHANGE ORDER NO. 1 WITH MAINLINING AMERICA, LLC FOR 2015 PIPE REHABILITATION

Ratified Change Order No. 1 with Mainlining America, LLC for the 2015 pipe rehabilitation project.

7. ITEM II-A-7: CONTRACT FOR 2016 PIPE REHABILITATION

Approved Contract 16419A with Mainlining America, LLC for the 2016 pipe rehabilitation project, for the contract period of February 10, 2016 through October 21, 2016 and for a total contract amount not to exceed \$2,945,512.00.

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

Ratified Construction Contracts Change Orders and Amendments to Contracts/Agreements authorized in December 2015 and January 2016 as follows:

First Amendment to Contract 16152A with D & D Roofing, Inc.;

Fourth Amendment to Contract 13557A with NAPA Auto Parts, Genuine Parts Company;

Fourth Amendment to Contract 13947A with Swingle Lawn, Tree and Landscape Care;

Sixth Amendment to Contract 14498A with Customer Care Measurement & Consulting, LLC;

Seventh Amendment to Contract 14498A with Customer Care Measurement & Consulting, LLC; and

First Amendment to Contract 15920A with Breo Solutions, LLC.

9. **ITEM II-B-1: COLORADO DEPARTMENT OF TRANSPORTATION
I-70 EAST DESIGN-BUILD PROJECT UTILITY RELOCATION
AGREEMENT**

Approved amended Contract 16561A with the Colorado Department of Transportation (CDOT), defining responsibilities for the construction of the I-70 East Project. Mr. Batts presented an overview of the project, which will require Denver Water to relocate three water conduits. A copy of the presentation is attached and incorporated in these Minutes as Exhibit A.

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10. ITEM II-B-2: TEMPORARY STAFFING SERVICES AGREEMENT

Approved Contracts 16105A-G with Sempera Professional Services, Accounting Principals, Inc. (d/b/a Ajilon Professional Staffing), Colorado Network Staffing, Inc., Express Services, Inc. (d/b/a Express Employment Professionals), The Doyle Group, LLC and Quantix Consulting, Inc., for a contract period of February 10, 2016 through March 31, 2019 and for a total contract amount not to exceed \$3,742,629.00.

Ms. Faulkner said that these contracts represent a new strategy of engaging a variety of vendors that will be able to provide the full range of staffing needs for Denver Water. This will allow for improved tracking, reporting and oversight of temporary staffing.

11. ITEM III-A: ORCA UPDATE

Mr. Spitze presented the Board with an update of the ORCA project. A copy of the presentation is attached to and incorporated in these Minutes as Exhibit B.

Mr. Spitze reminded the Board that the core purpose of the ORCA project is to enable budget and spending accountability, with one chart of accounts, for systems, projects, programs and day to day operations. Originally, the project was intended to encompass three increments and to be finalized in three years. The first increment included changes to the time and labor systems, work management improvements, budgeting, accounting and actual to budget reporting system, program, project and cost center. However, the time and labor systems improvements have been postponed due to organizational capacity and Human Resource's desire to analyze whether to maintain the Kronos system. This has permitted the ORCA team to focus primarily on the financial systems. Increment two will include timekeeping enhancements and increment three will include project management and payroll improvements. Increment one is expected to be finalized and implemented July 5, 2016.

The Board asked Internal Audit to review whether the list of incremental items follows the project charter documents. Internal Audit will present the Board with this review on February 24, 2016.

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12. **ITEM IV-A: CEO UPDATE**

Mr. Lochhead presented the Board with a report entitled Denver Water Year 2015 Year in Review, a copy of which is attached to and incorporated in these Minutes as Exhibit C.

13. **ITEM IV-B: CFO REPORT**

Ms. Sharma presented the Board with the Fourth Quarter 2015 financial report, a copy of which is attached to and incorporated in these Minutes as Exhibit D. She noted that all three of Denver Water's financial targets are at the median those noted by AAA-rated utilities.

14. **ITEM IV-C: OPERATIONS REPORT/LEGISLATIVE REPORT**

The Board received a Legislative Report, a copy of which is attached to and incorporated in these Minutes as Exhibit E.

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 into an Executive Session at approximately 10:42 a.m.

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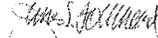
EXECUTIVE SESSION

On Wednesday, February 10, 2015, commencing approximately at 10:51 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 matters, which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34, were discussed during the Executive Session:

Personnel Matters § 24-6-402(4)(f)(I)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:45 a.m.

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Secretary

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President