

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

December 11, 2013

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, December 11, 2013, beginning at 8:25 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during portions of the Regular Meeting were:

H. Gregory Austin, President
John R. Lucero, First 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.J. 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	P.B. Coleman, Chief Internal Auditor
M.K. Frishman, Attorney	S. Miller, Manager of Health Care and Benefits Administration
T. Bryant, Controller	V. Gaiter, Engineering Specialist
D.M. Hamm, Staff Analyst	J. Bogner, Treasury Analyst
J.S. Walker, Contracts Supervisor	S. Dominick, Water Resource Engineer
D. Biren, IT Project Manager	J. Shaw, Conservation Specialist
M. Aragon, Customer Service Field Manager	D. Bennett, Environmental Scientist

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A. Chavez, Staff Analyst	E. Helgeson, Rate Analyst
B. Peters, Water Resource Engineer	S. Niemi, Rate Analyst
P. Kraft, Asset Management Coordinator	T. Johnson, Manager of Rewards and Recognition
M. Iverson, Division Office Business Manager	A. Rettig, Treasury Analyst
B. Honeycutt, Conservation Specialist	A. Pokua-Nuako, Finance Analyst
K. Balu, Contract Specialist	K. Bates, Attorney
J. Tejral, Manager of Water Conservation	J. Bandy, Water Resource Engineer
	J. Light, Engineer
	T. Welch, Law Clerk

Commissioner Austin called the meeting to order.

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

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meetings of November 13, 2013, and November 20, 2013, was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Sessions of November 13, 2013, and November 20, 2013, were approved.

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.

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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 V-A-1: HUMAN RESOURCES CHANGES

Approved the human resources changes set forth in Agenda Item V-A-1 dated December 11, 2013, 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 December 1, 2013, unless otherwise noted:

Employee Name	Employment Date	Retirement Plan Participation Date <small>Unless otherwise noted[^]</small>	Division/Section
Dowds, Molly J.	2013-05-28	2013-05-28	Customer Relations Division Central Services, #445
Elliott, Mandy M.	2013-05-20	2013-05-20	Customer Relations Division Central Services, #445
Anderson, Eric J.	2013-05-11	2013-05-11	Engineering Division Distribution Drafting, #257
Martinez, Mark H.	2013-05-28	2013-05-28	Information Technology Division Enterprise Resource Planning, #167
Brubaker, Patricia A.	2013-06-03	2005-07-22 [^] Exclude prior service – terminated 6/9/2011 and rehired 6/3/2013	Operations and Maintenance Division Marston, #630

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Nickerson, Daniel L.	2013-05-28	2013-05-28	Operations and Maintenance Division Operational Technology, #720
Bollig, Coveah L.	2013-05-29	2013-05-29	Operations and Maintenance Division Recycled Water Plant, #650
Ranker, Terry	2013-05-11	2013-05-11	Operations and Maintenance Division Recycled Water Plant, #650
Horrie, Mitchell G.	2013-06-03	2013-06-03	Planning Division Demand Planning, #350

3. ITEM V-A-3: AMENDMENTS TO CONTRACTS FOR AGGREGATE MATERIALS

Approved the following amendments to contracts for aggregate materials, for additional funds and an extension through April 30, 2015:

First Amendment to Contract 13995A with Ready Mixed Concrete Company for squeegee sand, for an addition of \$80,000.00 and a total amended contract amount not to exceed \$300,000.00;

First Amendment to Contract 13995B with Martin Marietta Materials Inc. for aggregate road base and ¾" crushed granite, for an addition of \$350,000.00 and a total amended contract amount not to exceed \$820,000.00;

First Amendment to Contract 13995C with Ready Mixed Concrete Company for 1½" washed river rock, for an addition of \$30,000.00 and a total amended contract amount not to exceed \$70,000.00; and

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Second Amendment to Contract 13995D with Pioneer Sand Company Inc. for bulk top soil, for an addition of \$110,000.00 and a total amended contract amount not to exceed \$190,000.00.

4. ITEM V-A-4: AMENDMENT TO AGREEMENT FOR SERVICE AND SUPPLY OF PRINTERS AND COPIERS

Authorized the Second Amendment to Agreement 13940A with All Copy Products, Inc., for maintenance services and supplies for Denver Water's printer and copier fleet. The amendment extends the agreement through March 14, 2016, and adds \$224,000.00 for a total amended contract amount of \$474,000.00.

5. ITEM V-A-5: COOPERATIVE STREAM GAUGING PROGRAM WITH USGS

Approved entering into Joint Funding Agreement for Water Resources Investigations 15296A with the U.S. Geological Survey for a cooperative stream gauging program for the period January 1, 2014, through December 31, 2014. After reimbursements, Denver Water will be responsible for \$234,213.00 of the total cost to operate and maintain the 26 gauging stations.

6. ITEM V-A-6: CONTRACTS SCHEDULED TO RENEW AND/OR REQUIRE ADDITIONAL FUNDING IN THE 1ST QUARTER OF 2014

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

Contract 05481A with Bloomberg LP for the license and lease of software and equipment for the period January 7, 2014, through January 6, 2015, at an additional cost of \$24,000.00;

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Contract 10850A with Western Union Phone Pay Service for electronic payment service for the period April 1, 2014, through March 31, 2015, at an additional cost of \$250,000.00;

Contract 06967A with USA Mobility Wireless Inc. for pagers and airtime for approximately 275 pagers for the period April 1, 2014, through March 31, 2015, at an additional cost of \$10,000.00;

Contract 12113A with Cannon Solutions America for maintenance for OCE Colorware Plotter/Scanner for the period February 1, 2014, through January 31, 2015, at an additional cost of \$13,000.00;

Contract 10504A with Total Resource Management for Rules Manager Software for the period August 16, 2014, through October 15, 2014, at an additional cost of \$36,000.00;

Contract 10249A with DLT Solutions for AutoCAD software for the period April 1, 2014, through March 31, 2015, at an additional cost of \$87,000.00;

Contract 07307A with Checkpoint Software Technologies for Smart Defense software for the period January 1, 2014, through December 31, 2014, at an additional cost of \$10,000.00;

Contract 06920A with Itron Inc. for meter reading hardware/software for the period April 1, 2014, through March 31, 2015, at an additional cost of \$28,000.00;

Contract 12499A with Cyber-Ark Software Inc. for Password Vault Software through August 31, 2014, at an additional cost of \$6,000.00; and

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Contract 11431B with Mythics for Oracle License & Service Agreement through August 31, 2014, at an additional cost of \$86,000.00,

all as more particularly described in the attachment to Agenda Item V-A-6, which is attached to and incorporated in these Minutes as Exhibit "B."

7. **ITEM V-A-7: CONTRACT FOR MAIN INSTALLATIONS**

Approved entering into Contract 14580A with BT Construction, Inc., for the 12-Inch and 20-Inch Mains – Main Installations at Smith Road and Syracuse Street and East 40th Street and Blake Street Project in the amount of \$766,860.00, at the prices shown in the tabulation of proposals attached to and incorporated in these Minutes as Exhibit "C."

8. **ITEM V-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 October 2013 through November 2013 as follows:

Change Order No. 10 to Contract 14024A with HCP Constructors for Conduit No. 302 – 36-Inch Recycled Water Pipeline;

Change Order No. 1 to Contract 14062A with Garney Construction for Highlands Reservoir & Pump Station Replacement of Basin Nos. 1 & 2;

Change Order No. 2 to Contract 14616A with Sturgeon Electric Company, Inc., for Williams Fork Electrical Security and Miscellaneous Improvements;

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First Amendment to Agreement 15000A with RJH Consultants, Inc., for Antero Dam Rehabilitation Project;

First Amendment to Agreement 14099A with CH2M Hill Engineers, Inc., for Marston Treatment Process Improvements;

First Amendment to Task Order Agreement 14315B with CH2M Hill Engineers, Inc., for Marston Treatment Plant Washwater Recovery Improvements; and

First Amendment to Agreement 15269A with Colorado Total Maintenance for Modular Concrete Block Wall Construction – Howe-Haller B First Creek Inlet,

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

9. **ITEM V–A–9: REMEDIATION REIMBURSEMENT FROM RTD**

Approved reimbursement to Denver Water of \$540,199.17 by the Regional Transportation District (“RTD”) for half of the costs incurred by Denver Water to remediate contamination discovered during the relocation of Conduit No. 74 for the RTD FasTracks East Corridor project. The reimbursement will be credited to Contract 13506A.

10. **ITEM V–A–10: AMENDMENT TO WISE WATER DELIVERY AGREEMENT**

Approved the Amended and Restated WISE Partnership – Water Delivery Agreement between Denver Water, the City of Aurora, acting by and through its Utility Enterprise, and the South Metro WISE Authority. The agreement was amended to extend all of its deadlines by one year to complete the remaining contingencies required by the agreement. The amended agreement is attached to and incorporated in these Minutes as Exhibit “E.”

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11. **ITEM V–A–11: MESA CORTINA (FUTURE DILLON) WATER AGREEMENT**

Approved the Mesa Cortina (Future Dillon) Water Agreement with the Board of County Commissioners of Summit County, Colorado, and the Mesa Cortina Water and Sanitation District. Under the agreement, Mesa Cortina will provide replacement water to Denver Water, and Denver Water will provide releases of Future Dillon Reservoir Water for Mesa Cortina. The agreement is attached to and incorporated in these Minutes as Exhibit “F.”

12. **ITEM V–E–1: AGREEMENT FOR AQUIFER STORAGE AND RECOVERY PILOT PROJECT – PHASE 1**

Approved Agreement 15197A with Brown and Caldwell for Phase 1 of the aquifer storage and recovery pilot project for a total contract amount not to exceed \$177,120.00. The agreement is attached to and incorporated in these Minutes as Exhibit “G.”

Mr. Peters explained that this pilot project was developed as a task of the Integrated Resource Planning process. The pilot project will involve constructing a water well within the City and County of Denver to test the Denver Basin aquifer as a possible future option for water supply. This technology has been successful for other Front Range water providers. Mr. Peters’ presentation is attached to and incorporated in these Minutes as Exhibit “H.”

Ms. Wells advised that Denver Water has the legal right to obtain water from the Denver Basin aquifer within the City and County of Denver under an implied consent decree.

13. **ITEM V–E–2: CONTRACT FOR ULTRA-HIGH EFFICIENCY PLUMBING FIXTURES**

Awarded Contract 15160A to Niagara Conservation for 18,600 ultra-high efficiency plumbing fixtures for the period January 1, 2014, through

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December 31, 2016, for a total contract amount not to exceed \$2,200,000.00 at the unit prices shown in the tabulation of bids attached to and incorporated in these Minutes as Exhibit "I." The fixtures will replace existing fixtures for Denver Water customers who are low-income, non-profit, multi-family, or community associations.

14. **ITEM V-E-3: AGREEMENT FOR WATER CONSERVATION AUDIT AND RETROFIT/REPAIR PROGRAM**

Approved entering into Agreement 15085A with Mile High Youth Corps for the Water Conservation Audit and Retrofit/Repair Program for Low-Income and Non-Profit Customers for the period January 1, 2014, through December 31, 2016, for a total contract amount not to exceed \$1,482,911.00.

15. **ITEM V-E-4: AMENDMENT TO AGREEMENT FOR EMPLOYER OF THE FUTURE CONSULTING SERVICES**

Approved the Second Amendment to Agreement 14516A with The Schnur Consulting Group for consulting services for Denver Water's Employer of the Future initiative. The amendment extends the agreement through December 31, 2014, and adds \$377,020.00 for a total amended contract amount not to exceed \$745,020.00.

Mr. Good described the Employer of the Future initiative's accomplishments to date and plans for 2014.

16. **ITEM V-E-5: AMENDMENT TO AGREEMENT FOR LEAN CONSULTING SERVICES**

Approved the Second Amendment to Agreement 13913A with Simpler North America, L.P., for consulting services for the Lean program. The amendment extends the agreement through December 31, 2014, and adds \$350,123.00 for a total amended contract amount of \$1,188,668.00.

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Mr. Good and Mr. Helgeson reviewed the Lean program's accomplishments, metrics, and plans for 2014.

Mr. Good's presentation for Agenda Items V-E-4 and V-E-5 is attached to and incorporated in these Minutes as Exhibit "J."

17. **ITEM V-E-6: CONTRACT FOR TANABE RESERVOIR OUTLET AND INTERCONNECT PROJECT**

Awarded Contract 14913A to T. Lowell Construction, Inc., for the Tanabe Reservoir Outlet and Interconnect Project for a total contract amount not to exceed \$5,775,000.00.

Mr. Mahoney explained that this project will connect Tanabe Reservoir to the rest of the North Complex, which is the largest of the downstream reservoir complexes, and will allow the complex to run by gravity. The complex is shown in the aerial photograph attached to and incorporated in these Minutes as Exhibit "K."

18. **ITEM V-E-7: RTD FASTRACKS UTILITY RELOCATION AGREEMENT**

Approved RTD FasTracks Utility Relocation Agreement 13954A with the Regional Transportation District ("RTD") to define design, construction, and funding responsibilities for utility relocations as part of the RTD FasTracks I-225 Rail Line, North Metro Rail Line, Central Corridor Extension, and Southwest Corridor Extension. The agreement is attached to and incorporated in these Minutes as Exhibit "L."

19. **ITEM V-E-8: AMENDMENT TO AGREEMENT FOR MOBILE WORKFORCE DEVELOPMENT**

Approved the Tenth Amendment to Agreement 12206A with The Confluence Group, LLC, for mobile workforce development. The amendment extends the

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agreement through December 31, 2014, and adds \$767,000.00 for a total amended contract amount not to exceed \$4,085,800.00.

Ms. Biren and other staff explained that this technology provides more organized dispatching of employees, collaboration among work groups, tracking of the history and condition of assets, and easier notifications to customers. Ms. Biren's presentation is attached to and incorporated in these Minutes as Exhibit "M."

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

The Commissioners received the Denver Water Monthly Investment Portfolio Report dated November 30, 2013, as set forth in Agenda Item VI-F-1, which is attached to and incorporated in these Minutes as Exhibit "N."

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

The Board confirmed a Study Session will take place on **Wednesday, December 18, 2013**, at **9:00 a.m.** in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado. A portion of the meeting will take place in Executive Session.

The Board confirmed a Regular Meeting will take place on **Wednesday, January 8, 2014**, at **9:15 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 a Trustee Meeting at 9:47 a.m.

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TRUSTEE MEETING

The Board of Water Commissioners, serving in their capacity as Trustees of the Employees' Retirement Plan Trust Fund and as Sponsor of the Supplemental Retirement Savings Plan of the Board of Water Commissioners of the City and County of Denver, met on Wednesday, December 11, 2013, commencing at 9:48 a.m., in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. The Minutes of the Trustee Meeting are maintained separately. The Trustee Meeting concluded at 10:12 a.m., at which time the Board voted unanimously to adjourn.


Secretary


President