

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

#### OPEN SESSION

June 25, 2014

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, June 25, 2014, beginning at 9:17 a.m. in the Board Room, Room 309, 1600 West 12<sup>th</sup> Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

**H. Gregory Austin, 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	G. Fisher, <i>Acting</i> 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
S. Miller, <i>Acting</i> 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. Bond, Communication Specialist
T. Bryant, Controller	Z. Campbell, Superintendent of Water Quality and Treatment
D.M. Hamm, Staff Analyst	S. Price, Engineer
T.E. Lowe, Manager of Sales Administration	T. Johnson, Manager of Compensation and Performance Management
S. Snyder, Special Projects Coordinator	A. Turney, Chief of Distribution and Property Management

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

R. Wirth, Supervisor of Treasury  
Operations

J. Bogner, Finance Analyst

W.C. Austin, Manager of Safety and  
Security

G. Boothe, Manager of Real Estate

C. Funk, Attorney

Y. Shrum, HR Generalist

A. Hall, Law Clerk

Joel Stewart, Milliman

Pat Fitzgerald, Platte Canyon Water  
and Sanitation District

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried,  
Commissioners Lucero and Gougeon were found to be absent for substantial cause  
and were excused.

#### **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.

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: AMENDMENT TO AGREEMENT FOR MAINTENANCE  
AND SUPPORT OF PHONE SYSTEM**

Approved the Fourth Amendment to Consulting Agreement 13537A with Dice  
Communications, Inc., for maintenance and support of the Board's Alcatel-  
Lucent OmniPCX communication system. The amendment extends the

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

agreement through April 30, 2016, and adds \$40,000.00 for a total amended contract amount not to exceed \$117,051.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "A."

2. **ITEM II-A-2: AUTHORIZATION FOR ADDITIONAL FUNDS FOR AGREEMENT WITH REINHART BOERNER VAN DEUREN S.C.**

Authorized additional contract funds of \$200,000.00 for Agreement for Legal Services 14693A with Reinhart Boerner Van Deuren S.C. for legal work involving the retirement program and tax and fiduciary duties. The authorization, a copy of which is attached to and incorporated in these Minutes as Exhibit "B," brings the total amended contract amount to \$500,000.00.

3. **ITEM II-A-3: CONTRACT FOR MARSTON TREATMENT PLANT FLOCCULATION AND SEDIMENTATION EQUIPMENT REPLACEMENT**

Approved Contract 15326A with Archer Western Construction, LLC, for the Marston Treatment Plant Flocculation and Sedimentation Equipment Replacement for a total contract amount not to exceed \$7,346,103.00, at the prices shown in the tabulation of proposals attached to and incorporated in these Minutes as Exhibit "C."

4. **ITEM II-A-4: AGREEMENTS FOR PROPANE DELIVERY SERVICES TO OUTLYING FACILITIES**

Approved Agreement 15398A with Ferrellgas, Inc., and Agreement 15398B with Independent Gas Company for delivery of propane to outlying Source of Supply facilities and caretaker residences for the term July 1, 2014, through June 30, 2016, for total contract amounts not to exceed \$190,000.00 and \$110,000.00, respectively.

**RECORD OF PROCEEDINGS**

---

**MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS**

**5. ITEM II–A–5: SECOND AMENDMENT TO CONTRACT FOR HAULING SERVICES**

Approved the Second Amendment to Contract 14027A with Toby Cordova's Trucking LLC for hauling solid waste material and aggregates. The amendment extends the contract through June 30, 2015, and adds \$750,000.00 for a total amended contract amount not to exceed \$3,350,000.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "D."

**6. ITEM II–A–6: PERSONNEL POLICIES CHANGES REGARDING PROMOTION PAY**

Approved changes to Chapters 1 and 12 of the Personnel Policies concerning changes in job status, including promotions, demotions, and lateral moves. The revised chapters are attached to and incorporated in these Minutes as Exhibit "E."

**7. ITEM II–B–1: 2014 AMENDMENT TO 1995 SETTLEMENT AGREEMENT WITH ENGLEWOOD AND CLIMAX**

Approved the Amendment to 1995 Settlement Agreement with Cyprus Climax Metals Company and the City of Englewood. Ms. Wells explained the amendment is intended to clarify that, in addition to historic operations, Denver Water may use the Cabin Meadow Creek System to divert and operate water under its Environmental Flow Application. The amendment also acknowledges Englewood's consent to a 2013 amendment between Climax and Denver Water to the same settlement agreement. A copy of the 2014 amendment is attached to and incorporated in these Minutes as Exhibit "F."

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

8. **ITEM II-B-2: PERSONNEL POLICIES CHANGE REGARDING  
OFFSITE HOUSING PAY AND BENEFITS**

Approved changes to Chapters 2, 12, and 14 of the Personnel Policies concerning housing provided by Denver Water as a condition of employment, as well as overtime, holiday pay, and on-call policies. The revised chapters are attached to and incorporated in these Minutes as Exhibit "G."

Mr. Roode explained the policy changes are the outcome of an internal audit of the Source of Supply section. They establish that caretaker housing is for the sole benefit of Denver Water and therefore is not a taxable benefit. They also address housing allowances and geographic differences in compensation and on-call pay, which the Human Resources Division will periodically review.

9. **ITEM II-B-3: COLORADO RIVER SYSTEM CONSERVATION  
AGREEMENT**

Authorized Mr. Lochhead to enter into the proposed Colorado River System Conservation Agreement, so long as no substantive changes are made prior to execution in the opinion of General Counsel. Under the agreement, Denver Water, the Central Arizona Water Conservation District, the Metropolitan Water District of Southern California, the Southern Nevada Water Authority, and the United States Bureau of Reclamation would provide money for a two-year pilot program designed to reduce system demands through voluntary reductions in water use in the upper and lower basins of the river, with the stipulation that the conserved water will be used solely to increase storage in Colorado River reservoirs. There will be no budget impact to Denver Water until 2015, at which time the Board will be asked to approve payment of up to \$2 million as the maximum expected funding from Denver Water.

Mr. Lochhead reiterated that Denver Water gets half of its water supply from the Colorado River and opined that this program will help the state avoid a

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

compact call on the river. A draft of the agreement is attached to and incorporated in these Minutes as Exhibit "H."

#### 10. **ITEM III-A: PROPERTY DISCUSSION**

Ms. Turney and Mr. Boothe discussed Denver Water's philosophy of property ownership, including whether and how to declare properties surplus. They noted that Denver Water's mission statement says the organization will be a "responsible steward of the resources, assets and natural environments entrusted to us."

The Commissioners indicated that Denver Water should retain open space properties to allow for flexibility and control. They also cautioned against allowing private development of property that Denver Water has declared surplus with the intent that the property be used for a public purpose.

Mr. Mahoney noted the Board will see three upcoming presentations on Denver Water properties in the Denver metropolitan area, Summit County, and Grand County. Denver Water owns 60,000 acres in Colorado.

A copy of the property ownership philosophy is attached to and incorporated in these Minutes as Exhibit "I."

#### 11. **ITEM IV-A-1: CEO REPORT**

Mr. Lochhead reported on the recent value stream assessments on the budgeting system and the Operations Complex redevelopment. At a later meeting, staff will seek input from the Board on implementation of a new budgeting system. Mr. Lochhead also noted the start of efforts to examine the specific needs of staff in a new administration building.

He also met with the Mayor of Bow Mar recently regarding complaints of airborne dust around Marston Treatment Plant due to drawing down the water in the forebay for construction projects. Mr. Lochhead indicated Denver

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

Water's willingness to consider new ideas to mitigate the dust so long as they do not cause water quality problems.

#### 12. **ITEM IV-B-1: CFO REPORT**

The Board received the Monthly Financial Report dated May 31, 2014, as set forth in Agenda Item IV-B-1, which is attached to and incorporated in these Minutes as Exhibit "J."

Ms. Bricmont noted the recent wet weather and said staff will watch revenues this summer. She reported year-to-date revenues are as expected at this time except for system development charges. Year-to-date expenditures are under budget, but construction is expected to increase during the summer.

Commissioner Tate inquired about the current water supply. Mr. Fisher responded that runoff is expected to continue until the end of July and that reservoirs are expected to fill.

#### 13. **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 "K."

#### 14. **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 "L."

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at 10:08 a.m.

RECORD OF PROCEEDINGS

---

MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS

**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, June 25, 2014, commencing at 10:09 a.m., in the Board Room, Room 309, 1600 West 12<sup>th</sup> Avenue, Denver, Colorado. The Minutes of the Trustee Meeting are maintained separately. The Trustee Meeting concluded at 10:47 a.m., at which time the Board voted unanimously to adjourn into Executive Session.

**EXECUTIVE SESSION**

On Wednesday, June 25, 2014, commencing at 10:48 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:

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 11:30 a.m.

  
Secretary

  
President