

## RECORD OF PROCEEDINGS

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### MINUTES OF THE BOARD OF WATER COMMISSIONERS

#### OPEN SESSION

August 13, 2014

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, August 13, 2014, beginning at 9:14 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**  
**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	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
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	J. Tejral, Manager of Water Conservation
T. Cristiano, Manager of Rate Administration	M. Cassalia, Conservation Specialist
T. Bryant, Controller	J. Ross, Engineer
D.M. Hamm, Staff Analyst	R. Wirth, Supervisor of Treasury Operations
	A. Pokua-Nuako, Associate Finance Analyst

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

T.E. Lowe, Distributor Relations Manager	A. Crouch, Hydraulic Engineer
S. Snyder, Special Projects Coordinator	S. Dominick, Water Resource Engineer
D. Wyman, Distribution Projects Coordinator	L. Weber, Planner
G. Boothe, Manager of Real Estate	Y. Her, Contracts Supervisor
M. Anderson, Engineer	A. Aslamy, Finance Analyst
J. Barbier, Engineer	K. Petrik, Chief of Construction Management
	N. Hansley, Engineering Intern
Alex Brown, Trammell Crow Company	Georgeann Becker, Becker Stowe Partners, LLC
Mike Sullivan, Trammell Crow Company	Erick Stowe, Becker Stowe Partners, LLC
Jeff Lindsay, Mortenson Construction	Ken Guckenberger, Kutak Rock
Josh Gould, RNL Design	Jason Sand, RTL Networks
Tom Hootman, RNL Design	Richard Lowli, RTL Networks
Tony Thornton, RNL Design	Helen Cregger, Piper Jaffray

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.

#### **Ceremonies, Awards, and Introductions**

Mr. Carey introduced Ms. Her as the new Contracts Supervisor in the Purchasing and Contracting section.

## RECORD OF PROCEEDINGS

---

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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 OPEN MEETINGS**

The reading of the Minutes of the Regular Meetings of July 9, 2014, and July 23, 2014, was dispensed with and such Minutes were approved.

2. **ITEM II–A–2: MINUTES OF EXECUTIVE SESSIONS**

The Minutes of the Executive Sessions of July 9, 2014, and July 23, 2014, were approved.

3. **ITEM II–A–3: FIRST AMENDMENT TO AUDIO VISUAL CONTRACT**

Approved the First Amendment to Agreement 14822A with Peak Audio Visual, LLC, dba CCS Presentation Systems for maintenance and repair of Denver Water's audio visual systems. The amendment adds \$390,000.00 for a total amended contract amount not to exceed \$490,000.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "A."

4. **ITEM II–A–4: AMENDMENT TO BOARD BYLAWS**

Amended paragraphs 2.4 and 5.1 of the Board's Bylaws to modify the Secretary's duty with respect to affixing the Seal of the Board.

5. **ITEM II–A–5: EMPLOYEES ELIGIBLE FOR REGULAR STATUS**

The following employees were classified as regular employees of the Board, with all rights and privileges thereof, effective August 1, 2014, unless otherwise noted:

**RECORD OF PROCEEDINGS**

---

**MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS**

<b>Employee Name</b>	<b>Employment Date</b>	<b>Division/Section</b>
Avila, David J.	2014-01-04	Customer Relations Division Customer Care, #460
Persinger, William C.	2014-01-06	Engineering Division Construction Project Inspection, #272
McGavin, Matthew A.	2014-01-27	Engineering Division Mechanical Engineering, #212
Her, Yua	2014-02-03	Finance Division Purchasing, #130
Tate, Scott R.	2014-02-03	Operations and Maintenance Division Foothills, #610
Simpkins, Bradley J.	2014-01-27	Operations and Maintenance Division Maintenance Supervision, #800

6. **ITEM II-A-6: AGREEMENT WITH CDOT FOR BETTERMENT TO CONDUIT NO. 3 IN FEDERAL BOULEVARD SOUTH OF 6<sup>TH</sup> AVENUE**

Approved Agreement 15128B with the Colorado Department of Transportation to replace Conduit No. 3 and associated appurtenances through the new Federal Boulevard Bridge to a new valve at 5<sup>th</sup> Avenue, for a total contract amount not to exceed \$365,041.63. A copy of the agreement is attached to and incorporated in these Minutes as Exhibit "B."

7. **ITEM II-A-7: DESIGNATION OF SURPLUS PROPERTY AT SAND CREEK LATERAL IN CITY OF AURORA**

Declared three parcels of the Sand Creek Lateral in the City of Aurora totaling 4.159 acres as surplus property no longer useful or required for present or future water works purposes. The parcels are shown on the maps attached to and incorporated in these Minutes as Exhibit "C."

**RECORD OF PROCEEDINGS**

---

**MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS**

**8. ITEM II–A–8: CONTRACT FOR KENDRICK PUMP STATION MODIFICATIONS**

Awarded Contract 15363A to Ludvik Electric Company for the Kendrick Pump Station Modifications Project for a total contract amount not to exceed \$2,411,826.00.

**9. ITEM II–A–9: AMENDMENT NO. 1 FOR 2014 PIPE REHABILITATION PROJECT**

Approved Amendment No. 1 to Contract 14421A with Mainlining Service, Inc., for the 2014 Pipe Rehabilitation Project. The amendment adds \$514,531.00 for a total amended contract amount not to exceed \$2,488,120.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "D."

**10. ITEM II–A–10: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS**

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

Change Order No. 1 to Contract 14041A with Intermountain Electric, Inc., for Chatfield Pump Station High Side Pump Run No. 7 Addition;

Change Order No. 3 to Contract 14506A with T. Lowell Construction, Inc., for Conduit No. 1 Relocation from W. 14<sup>th</sup> Ave. and Federal Blvd. to W. 16<sup>th</sup> Ave. and Federal Blvd;

Change Order No. 2 to Contract 14868A with McDade-Woodcock, Inc., for Moffat Treatment Plant High Resistance Grounding Repair Project;

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

Change Order No. 2 to Contract 14977D with M.A. Mortenson Company for Foothills Treatment Plant – Rectifier and Groundbed Replacement;

Contract Amendment No. 2 to Contract 15266A with Ludvik Electric for Gross Reservoir Duct Bank Replacement;

Fourth Amendment to Agreement 12523A with Accu Test Laboratories for services for the Water Quality Laboratory and Environmental Compliance Section;

Third Amendment to Task Order Agreement 14325C with Hatch Mott MacDonald, LLC, for Foothills Treatment Plant Electrical and HVAC Improvements Project;

Second Amendment to Agreement 15288A with URS Corporation for Marston Reservoir Multiple Level Outlet; and

Second Amendment to Contract 13855A with Belfor Environmental, Inc., for Hazardous Material Services,

all as more particularly described in the attachment to Agenda Item II-A-10, which is attached to and incorporated in these Minutes as Exhibit “E.”

#### 11. **ITEM II–B–1:        SERIES 2014A MASTER RESOLUTION BONDS**

Ms. Becker, bond counsel, explained the Seventh Supplemental Bond Resolution dated August 13, 2014, which supplements the original Master Bond Resolution approved in 2007. The latest resolution would delegate to the Director of Finance and the Treasurer the authority to sell Series 2014A revenue bonds at an aggregate principal amount not to exceed \$50 million and a true interest cost not to exceed five percent. The final maturity of the bonds is in December 2044, and the bonds would finance the refunding of a line of credit and capital projects. Ms. Cregger added that borrowing rates

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

remain low compared with historical averages; she projected Denver Water's rates would be near four percent.

Commissioner Tate asked whether Denver Water should borrow more while rates are low and capital projects are planned. In response, Ms. Bricmont cautioned that certain multi-year capital projects cannot be accelerated, and Denver Water could face penalties if the bond funds are not used.

Commissioner Tate also inquired about Denver Water's compliance with reporting and filing requirements. Mr. Guckenberger responded that Denver Water has established a consistent pattern of disclosure with the Securities and Exchange Commission. Commissioner Tate recommended that staff contact Denver Water's underwriters to confirm upcoming filings.

The Board adopted the supplemental resolution, a copy of which is attached to and incorporated in these Minutes as Exhibit "F."

#### 12. **ITEM III-A: OPERATIONS COMPLEX REDEVELOPMENT SUSTAINABILITY**

Mr. Hootman of RNL Design gave a presentation on the integration of sustainability and wellness concepts into the design for the Operations Complex Redevelopment Project.

Commissioner Gougeon opined that the design should be ambitious and include some of the elements that were presented, but he cautioned against striving for particular standards, such as LEED certification. He and Commissioner Tate agreed that the complex should be a model for water conservation. They also inquired about any reduction in employee health care costs that could be achieved by incorporating wellness into the design. All of the commissioners noted the need to consider the costs and Denver Water's responsibility to the ratepayers. Staff will present cost impacts for the various systems at the next Board meeting.

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

A copy of the presentation is attached to and incorporated in these Minutes as Exhibit "G."

#### 13. **ITEM IV–A: CEO REPORT**

Mr. Lochhead gave an update on Denver Water's partnership with the Farm Bureau, Trout Unlimited, the Colorado Cattlemen's Association, the Nature Conservancy, and other organizations to provide funding for outreach, education, and monitoring related to the Colorado River System Conservation Agreement. The group applied for matching funds from the federal government, but the application was denied. Nevertheless, the group plans to move forward. On August 26, 2014, it will meet with representatives of the Department of the Interior and the State of Colorado to discuss potential pilot projects.

Mr. Lochhead and Mr. Roode attended a committee meeting of the High Line Canal working group that is investigating the use of the canal for stormwater detention and treatment. The next step is to develop pilot sections in the canal. Mr. Lochhead noted this use of the canal presents a potential water rights issue because of a rule instituted by the State Engineer that does not permit storing water for more than 72 hours without a storage decree.

Additionally, Mr. Lochhead attended a meeting at the Salt Lake City Chamber of Commerce. The chamber has completed an analysis on its water supply gap and is starting a capital campaign to improve its supplies.

Mr. Lochhead also reported that Trout Unlimited requested that Denver Water release water through the Roberts Tunnel for a fishing event on the North Fork of the South Platte River benefitting the Wounded Warrior Project. Due to the collection system being full and having no place to store the additional water, Denver Water had to deny the request; otherwise, it could have been at risk of violating its Blue River decree water rights. Mr. Little explained that the North Fork is currently carrying 100 cubic feet per second of water, which

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

is well above average. Therefore, the fishing event can take place even without the additional flows from Denver Water.

14. **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 “H.”

15. **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 “I.”

16. **ITEM V–C: REVIEW OF PROPERTY BURDENS AND DISPOSALS, SECOND QUARTER 2014**

The Board received a report for the Second Quarter 2014 of actions taken by the CEO/Manager or his designees under the authority granted to him by the Board to burden or dispose of Board property or involve an expenditure of \$10,000.00 or more, which is attached to and incorporated in these Minutes as Exhibit “J.”

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at 10:41 a.m.

### 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

RECORD OF PROCEEDINGS

---

MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS

County of Denver, met on Wednesday, August 13, 2014, commencing at 10:41 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 10:46 a.m., at which time the Board voted unanimously to adjourn into Executive Session.

**EXECUTIVE SESSION**

On Wednesday, August 13, 2014, commencing at 10:47 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 11:34 a.m.

  
Secretary

  
President