

AGENDA

Denver Board of Water Commissioners

Denver Water Administration Building
1600 West 12th Avenue
Denver, CO
Board Room, Third Floor

Wednesday, August 12, 2015 9:00 a.m.

I. BOARD ADMINISTRATIVE BUSINESS

A. Call to Order and Determination of Quorum

B. Public Comment and Communications

Any person may address the Board at this time on any item of interest to the public that is within the subject matter and jurisdiction of the Board, and is not on the agenda. Speakers wishing to address a specific Action Item will be invited to address the Board at the time the item is being considered. Three minutes are allowed for each person unless the President determines otherwise. Written customer comments are regularly distributed to the Board.

1. Distributor Communications
2. Citizen Advisory Committee Communications

C. Ceremonies, Awards and Introductions

II. ACTION ITEMS

A. Consent Items

Items listed below are considered routine and may be enacted by one motion and vote. If any Board member desires discussion beyond explanatory questions, or corrections to the Minutes, the President may order that item to be considered in a separate motion and vote.

1. Minutes from July 8, 2015 – Open and Executive
2. Minutes from July 22, 2015 – Open and Executive
3. Employees Eligible for Regular Status
4. Employees Hired Above Mid-Point
5. Ratification of Construction Contract Change Orders and Amendments to Agreements

B. Individual Approval Items

- | | | |
|---|------------------|-----------|
| 1. Purchase and Sale Agreement for Wynetka Reservoir Property to Richmond American Homes of Colorado, LLC. | Lavon Likes | 5 minutes |
| 2. Renewal of Internal Audit Charter | Prescott Coleman | 5 minutes |

III. POLICY MATTERS

- | | | |
|--|-----------------------------------|------------|
| A. 2015 Mid-Year Check-in & Proposed 2016 Goals | E-Team
System/Program Managers | 2 hours |
| B. Rate Structure Update | Todd Cristiano | 30 minutes |

IV. MONTHLY AND QUARTERLY REPORTS

- A. CEO Report**
- B. CFO Report**
- C. Operations Report**

V. INFORMATION ITEMS

- A. Scheduling of Future Board Meetings and Tentative Discussion Topics**
- B. Event Calendar**
- C. Status of Contract Work**
- D. Unaudited Quarterly Financial Statements**

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

VIII. EXECUTIVE SESSION

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by C.R.S. Sec. 24-6-402 or D.R.M.C Sec. 2-34.

- A. Confidential Report § 24-6-402(4)**

Employees Eligible for Regular Status

Board Item: II-A-3

Action by Consent

Action

Information

The following employees have completed the introductory period and are recommended for regular status effective August 1, 2015, unless otherwise noted *:

<u>Employee Name, ID#</u>	<u>Employment Date</u>	<u>Division/Section</u>
OWENS JR,BRIAN S, #64770	2015-01-15	Engineering Division Recreation Management, #252
HANLEY,JAMES E, #63959	2015-01-05	Operations and Maintenance Division Construction Shop, #920
CRUDUP,DARRYL L, #64906	2015-01-05	Operations and Maintenance Division Warehouse, #480
FERGUSON,JOSHUA S, #64909	2015-01-12	Public Affairs Division Govnmnt&Stakeholder Relations, #012

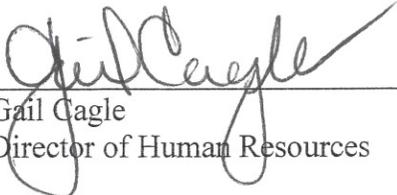
Monthly Employment Totals

	Reg& Intro	Reg P.T.	Reg Total	Temp	Temp P.T.	Temp Total
July 2015 – FTE End of Mo.	1042.0	7.1	1049.1	40.0	1.6	41.6
June 2015 – FTE End of Mo.	1051.0	7.6	1058.6	40.0	1.6	41.6
July 2014 – FTE End of Mo.	1052.0	9.6	1061.6	29.0	0.0	29.0

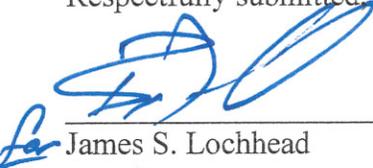
Recommendation:

It is recommended that the Board approve these employees for regular status.

Approvals:



 Gail Cagle
 Director of Human Resources

Respectfully submitted,


 James S. Lochhead
 CEO/Manager

Employees Hired Above Mid-Point

Board Item: II-A-4

Action by Consent

Action

Information

Human Resources has determined that the following individuals should be hired at a rate of pay higher than the midpoint of the pay range. This was based on the candidate's education, experience, certifications, and other qualifications. This request is in accordance with Personnel Policies, 12-3-(1) Entrance Rate of Pay for Introductory Employees that reads as follows:

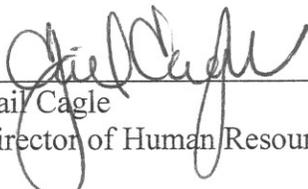
12-3-(1) Entrance Rate of Pay for Introductory Employees. When approving the starting pay of an introductory employee, Human Resources will work collaboratively with the Division Director to place the employee in the pay range based on education, experience, specialized knowledge, internal equity and external market factors. Any recommended placement of an employee above the midpoint of a pay range must be approved by the Board.

Candidate Name	Job Title	Hire Date	Rate of Pay	Midpoint of Range	% Higher than Midpoint
Daniel Fish	Fleet Technician II	7/29/2015	\$54,995.20	\$47,320.00	14.0%
Julie Lorton	Manager of Accounting	7/27/2015	\$105,996.00	\$99,736.00	5.9%
Christina Owen	CR Training Technician	7/20/2015	\$51,001.60	\$48,493.00	4.9%
Jon Blackwell	Caretaker III	7/18/2015	\$57,990.40	\$57,252.00	1.3%
Keghley Gedney	Contract Specialist I	7/13/2015	\$63,003.20	\$61,932.00	1.7%
Michael Frishman	IT Sr. Application Developer	7/13/2015	\$119,000.04	\$101,254.40	14.9%

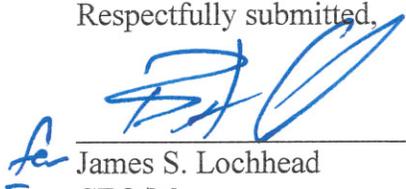
Recommendation:

It is recommended that the Board approve these employees for regular status.

Approvals:


Gail Cagle
Director of Human Resources

Respectfully submitted,


James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 12, 2015

Board Item: II-A-5

**Ratification of Construction Contract
Change Orders and Amendments to Agreements**

Action by Consent

Action

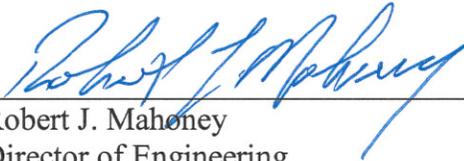
Information

Summary:

The attached are Construction Contract Change Orders, Amendments, and Amendments to Agreements for Board ratification for June and July 2015.

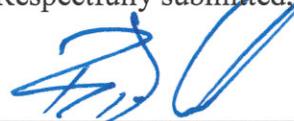
Approvals:

Respectfully submitted,



Robert J. Mahoney
Director of Engineering





James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 12, 2015

Board Item: II-B-1

**Purchase and Sale Agreement for
Wynetka Reservoir Property to
Richmond American Homes of Colorado, LLC
Agreement 16204A**

Action by Consent

Action

Information

Summary:

Since 1940, Denver Water has owned 9.798 acres of vacant land at 4501 West Bowles Avenue in Littleton. Initially the site was intended for a clearwater reservoir named Wynetka. With the development of the Foothills project in the 1980s, the Wynetka Reservoir was no longer needed. With no other waterworks purpose identified for this parcel, it was declared surplus on July 10, 2002.

This property was offered on the market in October of 2014, and five buyers have expressed interest. At first, all of the proposals require Denver Water to pursue entitlements along with the buyer. A second round of negotiations took place to secure a buyer willing to purchase the site without the entitlement contingency. Sopris Homes/Terra Causa Capital, operating under 4501 West Bowles, LLC, submitted the highest offer at \$2,075,000.00, with the ability to close the transaction seventy-five days after the mutual execution of the agreement. The Board approved the Sopris contract in February of 2015. After initial discussions with the neighbors and the Town of Littleton, Sopris asked to renegotiate the terms of the purchase. Denver Water declined and the contract terminated.

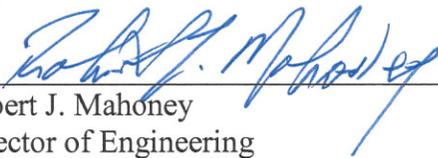
Another round of negotiations occurred with the potential buyers and yielded an offer from Richmond American Homes of Colorado, LLC for \$2,880,000.00 with a 16-lot minimum plus \$180,000.00 per approved lot over and above the minimum. This offer is contingent on final plat approval with the City of Littleton which is anticipated to take 18-24 months.

During the 60 day diligence timeframe, the earnest money of \$50,000.00 is fully refundable. Following the due diligence period and acceptance of the property, the buyer will provide an additional deposit in the amount of \$50,000.00. If the buyer terminates under any of the contractual contingencies, the initial earnest money will be forfeited to Denver Water and the additional deposit released to the buyer.

Recommendation:

It is recommended that the Board approve Agreement 16204A with Richmond American Homes of Colorado, LLC, for the Purchase and Sale Agreement for Wynetka Reservoir Property for the contract period August 12, 2015 through the date of final plat approval for a total contract amount of \$2,880,000.00 less transaction, survey and closing costs plus \$180,000.00 per lot over the minimum.

Approvals:



Robert J. Mahoney
Director of Engineering

Respectfully submitted,



for James S. Lochhead
CEO/Manager



Patti Wells
General Counsel



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: July 22, 2015

Board Item: II-B-2

Renewal of Internal Audit Charter

Action by Consent

Action

Information

Summary:

The Internal Audit Charter (IA Charter) approved by the Board on November 10, 2010, requires that the Chief Internal Auditor periodically review the charter and recommend revisions to senior management and the Board for approval. Several revisions are being recommended to clarify some ambiguities and to better align the IA Charter with the standards of the Institute of Internal Auditors (IIA).

The proposed revisions include:

- Defining the terms “assurance” and “consulting.”
- Establishing a consultative relationship between IA and the General Counsel’s office.
- Clarifying IA’s reporting relationship to the Board and CEO and defining their respective roles, authorities, and responsibilities.
- Stating specifically that Denver Water IA intends to follow the IIA’s standards, often called the “Red Book, rather than following standards promulgated by the Government Accounting Office (GAO), often called the “Yellow Book”. IA has been following the IIA standards since IA's inception in 2009, but this practice has not previously been articulated.
- Establishing that the Board will approve the annual audit plan, rather than just reviewing it.

Recommendation:

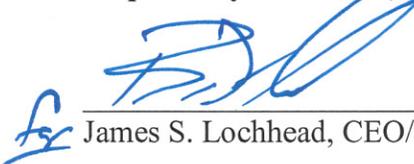
It is recommended that the Board approve the attached revisions to the Internal Audit Charter

Approvals:

Respectfully submitted,



Patricia Wells, General Counsel



James S. Lochhead, CEO/Manager



Prescott Coleman, Chief Internal Auditor