

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

November 12, 2014

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, November 12, 2014, beginning at 9:25 a.m. in the Board Room, Room 309, 1600 West 12th 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
M.E. Elliott, <i>Acting</i> 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
M.K. Frishman, Attorney	P.B. Coleman, Chief Internal Auditor
T. Cristiano, Manager of Rate Administration	J. Dye, System Manager of Support Services
T. Bryant, Controller	J. Light, Engineer
D.M. Hamm, Staff Analyst	B. Dressel, Engineer
T.E. Lowe, Distributor Relations Manager	K. Knoll, Manager of Stakeholder Relations

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S. Snyder, Special Projects Coordinator	J. Stone, Global Positioning Systems Coordinator
S. Miller, Manager of Health Care and Benefits Administration	T. Villegas, Construction Inspector
M. Garcia, Engineer	L. Billeter, SBE/MWBE Program Outreach Coordinator
M. Iverson, Division Office Business Manager	K. Riegle, Attorney
D. Brinker, Engineer	A. Chavez, Staff Analyst
	H. Stauffer, Community Relations Specialist

Jason Sand, RTL Networks

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.

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 October 8, 2014, and October 22, 2014, was dispensed with and such Minutes were approved.

2. ITEM II-A-2: MINUTES OF EXECUTIVE SESSION

The Minutes of the Executive Session of October 8, 2014, were approved.

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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 November 1, 2014, unless otherwise noted:

Employee Name	Employment Date	Division/Section
Agnew, Aimee E.	2014-04-21	Customer Relations Division QA & Reporting, #463
Agrafas, Tracy C.	2014-04-21	Engineering Division Distribution Drafting, #257
Davis, Cian F.	2014-04-14	Engineering Division Electrical Engineering, #213
Mays, Aaron N.	2014-04-28	Finance Division Accounting, #140
Faulkner, Mary K.	2014-04-30	Human Resources Division Employment, #421
Kuhn, Andrew K.	2014-01-06	Information Technology Division Enterprise Integration, #172
Cabral, Martin	2014-04-07	Operations and Maintenance Division T&D Construction & Maintenance, #710
Allen, Jeremy B.	2014-04-28	Planning Division Raw Water Supply, #320

4. ITEM II–A–4: WELLS FARGO BANK ANNUAL CONTRACT RENEWAL

Approved the Fourth Authorization for Additional Contract Funds and/or New Effective Dates for Contract 12725A with Wells Fargo Bank for credit card payment processing. The authorization extends the contract through October 31, 2016, and adds \$324,600.00, for a total amended contract

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amount not to exceed \$939,113.00. It is attached to and incorporated in these Minutes as Exhibit "A."

5. **ITEM II-A-5: PURCHASE OF ADDITIONAL DATA STORAGE CAPACITY**

Approved the purchase of additional data storage capacity from Hewlett Packard for a total contract amount not to exceed \$118,162.85.

6. **ITEM II-A-6: CONTRACT FOR DENVER WATER BUILDING 7 UPPER ROOF REPLACEMENT**

Approved Contract 15739A with Douglass Colony Group, Inc., for the Denver Water Building 7 Upper Roof Replacement Project for a total contract amount not to exceed \$274,400.00.

7. **ITEM II-A-7: UPDATE AND STANDARDIZE GPS EQUIPMENT**

Approved the purchase of 13 GPS units and related equipment from Vectors, Inc., for a total contract amount not to exceed \$184,652.00.

8. **ITEM II-A-8: AGREEMENT FOR RALSTON DAM OUTLET WORKS AND RESERVOIR BYPASS PIPELINE ALTERNATIVES STUDY**

Approved Agreement 15777A with URS Corporation for the Ralston Dam Outlet Works and Reservoir Bypass Pipeline Alternatives Study for a total contract amount not to exceed \$294,370.00. A copy of the Agreement is attached to and incorporated in these Minutes as Exhibit "B."

9. **ITEM II-A-9: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS**

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

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Change Order No. 2 to Contract 13474A with Sturgeon Electric Company, Inc., for the Foothills Treatment Plant – Electrical Service and Main Switchgear Replacement;

Change Order No. 6 to Contract 14011A with McDade-Woodcock, Inc., for the Foothills Treatment Plant HVAC Improvements;

Change Order No. 5 to Contract 14062A with Garney Construction for the Highlands Reservoir & Pump Station Replacement of Basin Nos. 1 & 2;

Change Order No. 3 to Contract 14063B with Western Summit Constructors, Inc., for the Ashland Reservoir Replacements;

Change Order No. 1 to Contract 14257A with T. Lowell Construction, Inc., for Conduit No. 152;

Change Order No. 2 to Contract 14977A with M.A. Mortenson Company for the Foothills Treatment Plant – 2013-2014 Projects;

Change Order No. 1 to Contract 14977B with M.A. Mortenson Company for the Foothills Treatment Plant Fiber Optic Interconnection Project;

Change Order No. 2 to Contract 15099A with T. Lowell Construction, Inc., for the Conduit Nos. 118 & 74 Reconfiguration;

Change Order No. 1 to Contract 15329A with USA Construction for the Hillcrest Powerhouse Preventative Maintenance Teardown of Hydro Equipment;

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First Amendment to Agreement 12493A with Johnson Environmental Consulting for the Denver Water Four-Mile Creek Mire Mitigation Bank;

First Amendment to Agreement 13067A with Milliman, Inc., for Denver Water's Retiree Medical Benefit, Funding Policy GASB 67/68 Implementation;

First Amendment to Task Order Agreement 14341D with Ninyo & Moore for the Moffat Treatment Plant Centrifuge Dewatering System;

First Amendment to Task Order Agreement 14345C with RG and Associates, LLC, for the Foothills Treatment Plant Paving of Roads and Parking Lots;

First Amendment to Task Order Agreement 14352D with Shannon & Wilson, Inc., for the Gross Reservoir Enlargement;

Fifth Amendment to Agreement 14498A with Customer Care Measurement & Consulting, LLC, for End User Customer and Distributor Baseline Surveys;

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

Second Amendment to Agreement 15142A with ASI Constructors, Inc., for the Gross Dam Small Scale Test Quarry Development and Rock Processing; and

First Amendment to Agreement 15333A with TC Denver Development, Inc., for the Denver Water Operations Complex Redevelopment,

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all as more particularly described in the attachment to Agenda Item II-A-9, which is attached to and incorporated in these Minutes as Exhibit "C."

10. **ITEM II-A-10: FIRST AMENDMENT TO CONTRACT FOR CLEANING SERVICES AT DENVER WATER FACILITIES**

Approved the First Amendment to Contract 14801A with DCPS Cleaning, LLC, dba Integrated Cleaning Services for cleaning services at Denver Water facilities. The amendment extends the contract through May 31, 2016, and adds \$330,000.00 for a total amended contract amount not to exceed \$740,000.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "D."

11. **ITEM II-A-11: FIRST AMENDMENT TO AGREEMENT FOR EMPLOYEE BENEFITS CONSULTING SERVICES**

Approved the First Amendment to Agreement 14483A with Gallagher Benefit Services, Inc., for employee benefit consulting services. The amendment extends the contract through December 31, 2015, and adds \$150,000.00 for a total amended contract amount not to exceed \$404,000.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "E."

12. **ITEM II-A-12: AGREEMENT FOR DESIGN PHASE CONSTRUCTION MANAGEMENT SERVICES FOR THE HILLCREST RESERVOIR TANK REPLACEMENT**

Approved Agreement 15678A with MWH Constructors for design phase construction management services for the Hillcrest Reservoir Tank Replacement Project for a total contract amount not to exceed \$122,666.48. A copy of the Agreement is attached to and incorporated in these Minutes as Exhibit "F."

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13. **ITEM III–A: MWBE/SBE PROGRAM**

Ms. Knoll provided an update on the Minority- and Women-Owned Business Enterprise (“MWBE”) and Small Business Enterprise (“SBE”) Program. She also sought the Board’s approval of a Resolution adopting the City of Denver’s recent findings of fact regarding disparity in certain contracts; establishing an MWBE program for certain non-construction services and procurement contracts; re-establishing the MWBE program for construction and construction-related contracts; continuing the SBE program for other contracts; and establishing an Internal Oversight Committee and External Advisory Committee to assist the Board in reaching its participation and outreach goals. The Board approved the Resolution, a copy of which is attached to and incorporated in these Minutes as Exhibit “G.”

Ms. Knoll explained the additional tracking of use of MWBE contractors that provide goods and services to Denver Water would be included in the program’s quarterly reports to the Board starting in 2015.

14. **ITEM IV–A: CEO REPORT**

Mr. Lochhead reported on several conferences he recently attended, including a biannual meeting of municipal water agencies, a panel at Stanford University on the use of water markets to manage water demand, and conferences hosted by the Water Utility Climate Alliance and the Western Urban Water Coalition.

Mr. Lochhead reminded the Board of its upcoming budget workshop on December 4, 2014. He explained staff has been engaged in new processes to prioritize capital expenses and to plan the operational budget for 2015.

Lastly, Mr. Lochhead noted a charrette will be held the week of November 17, 2014, to finalize the new conceptual design of the Operations Complex. Mr. Mahoney added that an internal working group will participate in the charrette

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along with representatives of RNL Design, Trammell Crow, and Mortenson Construction.

Commissioner Lucero inquired whether staff has engaged the City of Denver's Planning Department in the Operations Complex Redevelopment effort. Mr. Lochhead responded that staff has met with Brad Buchanan of the department and presented a conceptual layout. He added that a value stream is examining the current size and age of the Denver Water fleet to determine whether it can be reduced to save space on the redesigned Operations Complex. Additionally, the organization is experimenting with providing a shuttle to and from public transit for employees, which may result in the need for less parking.

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

Ms. Bricmont highlighted a decrease of 13 percent in non-operating expenses since 2012, as shown in the unaudited Management's Discussion and Analysis of the financial activities of Denver Water for the nine months ended September 30, 2014, and 2013, which is attached to and incorporated in these Minutes as Exhibit "H." Ms. Bricmont explained that Denver Water collected a lot of revenue in 2012 due to the hot, drier weather, which revenue carried forward to 2013 and 2014. Additionally, she and Ms. Bryant noted staff was more conservative in its projections for revenue this year, and there were fewer expenditures in 2013.

16. **ITEM IV-B-1: CFO REPORT: BOARD SUMMARY OPERATING RESULTS – UNAUDITED**

The Board received the Board Summary Operating Results – Unaudited for Nine Months Ended September 30, 2014, and 2013, as set forth in Agenda Item IV-B-1, which is attached to and incorporated in these Minutes as Exhibit "I."

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17. **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 "J."

18. **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 "K."

No further business appearing, the Board voted unanimously to adjourn into Executive Session at 9:54 a.m.

EXECUTIVE SESSION

On Wednesday, November 12, 2014, commencing at 9:55 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. Property Transactions § 24-6-402(4)(a)
2. Attorney-Client Matters § 24-6-402(4)(b)
3. Negotiations § 24-6-402(4)(e)

There being nothing further for the Board to consider, the Executive Session concluded at 10:37 a.m.


Secretary


President