

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

NOVEMBER 16, 2011

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, November 16, 2011 beginning at approximately 8:45 a.m., at which time the Board met in Executive Session in the CEO/Manager's Office. The subject matter of the Executive Session, which is authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 was:

Attorney-Client Matters § 24-6-402(4)(b)

The Executive Session was recessed at approximately 9:30 a.m.

The Commissioners convened the Regular Meeting beginning at 9:37 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

John R. Lucero, President
H. Gregory Austin, 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, Special Assistant to the CEO/Manager	T. Roode, Interim Director of Operations and Maintenance
R. J. Mahoney, Director of Engineering	C. R. Dermody, Director of Information Technology

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C. Elam-Floyd, Director of Human Resources	G. T. Malmberg, Sales Administrator
P. Coleman, Chief Internal Auditor	M. L. Walker, Attorney
G.E. Gulley, Engineer	R.L. Riggs, IT Manager
R. S. Peters, Water Resource Engineer	J. M. Barbier, Engineer
M.E. Elliott, Manager of Water Conservation	G. Fisher, Manager of Demand Planning
M.C. Price, Planner	L.R. Weber, Planner
A. Rettig, Treasury Analyst	S. Chesney, Community Relations Specialist
M. Bond, Community Relations Specialist	M.J. Aragon, Customer Service Field Supervisor
D.L. Biren, IT Project Manager	E.R. Decker, IT Enterprise Architect
J. Light, Engineer	T. Cristiano, Manager of Rate Administration
P. Daukas, Manager of Environmental Planning	U. Sharma, Treasurer
R. Wirth, Supervisor of Treasury Operations	C.S. Funk, Attorney
E. V. Gardener, Local Government Water Conservation Coordinator	N.E. Willis, Community Relations Specialist
L.M. Kaatz, Environmental Scientist	M. D. Waage, Manager of Water Resource Planning

Commissioner Lucero called the meeting to order.

Repair of Conduit No. 2

Mr. Mahoney reported Conduit No. 2, a Conduit installed in the 1940s requires emergency repairs. Because of the location and depth of the pipe at the leak site, it will be necessary to hire an outside contractor to make the repairs. Installation of access and identification of required repairs is expected to cost in the neighborhood of

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\$125,000. Additional costs will be incurred for the actual repairs. Because of the emergency nature of the action, the CEO/Manager approved engaging the contractor and the contract for repair will be on the agenda for ratification at a later meeting.

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 2-A-1: CONTRACT EXTENSION WITH THE CONFLUENCE GROUP FOR MOBILE WORKFORCE APPLICATION DEVELOPMENT**

Approved extension of the March 11, 2009 Agreement with the Confluence Group, LLC, Contract 12206A, for development of Mobile Workforce Applications through 2012, at an additional cost of \$673,400, and a total amended contract amount of \$2,372,200. A copy of the scope of work is attached to and incorporated in these Minutes as Exhibit "A."

2. **ITEM 2-A-2: CONTRACT WITH THE CONFLUENCE GROUP FOR SYSTEM INTEGRATION SERVICES**

Approved entering into a contract with the Confluence Group, LLC, to provide system integration services through 2012, including CIS Upgrade; Maximo Upgrade; Service Registry; TIBCO System administration and support; and TIBCO training and mentoring, at a cost not to exceed \$117,000.

During the Board's consideration of Agenda Items 2-A-1 and 2-A-2, Mr. Dermody provided a time line from First Quarter 2011 through Fourth Quarter 2014 of various mobile workforce projects. Ms. Anderson explained the first portion of the Customer Service Field project was planned for implementation December 12, 2011. Ms. Anderson described the current business process involving work assignments and the streamlining to be attained. Going forward, field technicians will no longer be constrained with paper forms, but will instead utilize laptops to provide real-time work updates. Ms. Anderson explained the savings anticipated to be achieved utilizing the Mobile Workforce Project, as well as improvements and additional applications that are expected in 2012. Mr. Roode then explained a Mobile Workforce Automation Project planned for the Transmission and Distribution Section in

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2012. He also described the current process and the expected optimizations to be gained by use of the project.

3. **ITEM 2-A-3: AWARD OF CONTRACT FOR HARRIMAN LAKE DAM RENOVATION**

Authorized award of a contract to R.E. Monks Construction Company, LLC, for the Harriman Lake Dam Renovation Project, at a cost of \$2,736,780.75.

Mr. Gulley provided information regarding the location and current condition of the Harriman Lake Dam. Mr. Gulley described the scope and need of the project, and the impact of the restoration project on existing wetland and riparian areas adjacent to the Reservoir. Mr. Gulley also described how the Reservoir is currently used. In response to questions from the Commissioners, Ms. Wells explained a portion of the cost of the repairs will be recovered through rates and special assessments to Harriman Lake contract users.

4. **ITEM 2-A-4: FIFTH AMENDMENT TO AGREEMENT WITH APPLGATE GROUP, INC. TO PROVIDE ENGINEERING CONSTRUCTION SERVICES FOR THE HARRIMAN LAKE DAM RENOVATION PROJECT**

Approved a Fifth Amendment to the January 13, 2010 Agreement with the Applegate Group, Inc., Agreement 12767A, to provide engineering services in three separate phases during reconstruction of Harriman dam, at a cost to the Board of \$125,000, for a total amended compensation not to exceed \$282,000, all as more particularly described in the Fifth Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

5. **ITEM 2-A-5: AGREEMENT WITH SIMPLER NORTH AMERICA FOR LEAN CONSULTING SERVICES**

Approved entering into a contract with Simpler North America, LP, to provide Lean Professional consulting services to the Board through December 31, 2012, at a cost of \$300,000.

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Mr. Good described the selection process and the need for a consulting firm to assist in the implementation of lean practices. Mr. Good opined the lean process combined with high level strategy from the Executive Team and grass roots support from employees will result in permanent organizational improvements. Mr. Good explained the individual projects that will be implemented have not been finally determined. The determination of those projects will be made over the next thirty to forty-five days.

6. **SPECIAL ITEM: APPROVAL OF WATER DELIVERY AGREEMENT TO PROVIDE WATER TO GRAND COUNTY UNDER THE COLORADO RIVER COOPERATIVE AGREEMENT**

Approved entering into a Water Delivery Agreement with the Colorado Water Conservation Board and Grand County, Colorado, to provide water from the Fraser River Collection System and Williams Fork Reservoir for environmental flow purposes, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "C."

Ms. Wells explained the Agreement was negotiated between the parties in order to provide a mechanism for delivery of water to be appropriated for instream flows, environmental and municipal purposes. The Agreement was authorized by the Colorado Water Conservation Board at its November meeting and was scheduled for adoption by the Grand County Board of County Commissioners on November 22. The Agreement is necessary under the Colorado River Cooperative Agreement, which has been the subject of extensive and lengthy negotiation. In response to questions from the Commissioners, Mr. Funk and Ms. Wells explained delivery of water would not be made unless the Colorado River Cooperative was signed by all parties and the Gross Reservoir Enlargement Construction Project was completed. The Commissioners noted that by authorizing execution of the Agreement and filing the necessary Application for Water Rights which had been approved by the Board at its July 13, 2011 meeting, Denver Water was continuing to move forward in furtherance of the obligations which it had agreed to undertake pursuant to the Colorado River Cooperative Agreement.

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7. **ITEM 2-B-1: CHANGE ORDER NO. 5 TO THE CONTRACT WITH T. LOWELL CONSTRUCTION, INC. FOR THE VAULT MODIFICATIONS 2010/2011**

Approved Change Order No. 5 in the amount of \$81,018 pursuant to the terms of the September 22, 2010 Agreement with T. Lowell Construction, Inc., for the 2010/2011 Vault Modifications Program, Contract 12916A, all as more particularly described in the Change Order, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

8. **ITEM 2-B-2: AMENDMENT NO. 1 TO THE AGREEMENT WITH T. LOWELL CONSTRUCTION, INC. FOR CONDUIT NO. 58 REPLACEMENT IN 38TH AVENUE FROM MONACO PARKWAY TO QUEBEC STREET**

Approved Amendment No. 1, in the amount of \$91,300 to the June 8, 2011 Contract with T. Lowell Construction, Inc., Contract 12995A, for replacement of Conduit No. 58 in 38th Avenue from Monaco Parkway to Quebec Street, all as more particularly described in the Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

9. **ITEM 2-B-3: RATIFICATION OF PAYMENT FOR DISPOSAL SERVICES**

Ratified payment of \$113,053.56 to Allied Waste for hauling and disposal, at an approved disposal area, of water treatment residuals from the Moffat/Ralston Water Treatment.

10. **ITEM VI-G-1: SCHEDULING OF FUTURE BOARD MEETINGS**

The Board confirmed that meetings in December would take place on **Wednesday, December 7, 2011** and **Wednesday December 14, 2011**, at **9:00 a.m.** in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado. The Annual Meeting will take place on December 7, 2011.

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No further business appearing, the Commissioners recessed to the Study Session of the meeting at approximately 9:50 a.m.

The Study Session consisted of an update of the 2011 Conservation Program, with presentations by Mr. Fisher and Ms. Elliott and a presentation of a proposed Denver Water Cash Reserve Policy by Ms. Bricmont and Ms. Rettig. A report describing highlights and challenges of the 2011 Conservation Program was provided to the Commissioners and a copy is attached to and incorporated in these Minutes as Exhibit "F". A draft cash reserve policy statement and proposed guidelines were provided to the Commissioners. Copies of such documents are attached to and incorporated in these Minutes as Exhibit "G".

No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 11:30 a.m.

RECONVENED EXECUTIVE SESSION

On Wednesday, November 16, 2011, commencing approximately at 11:30 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners reconvened the Executive Session. The following matter which is authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 was discussed during the Executive Session:

Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:48 a.m.


Secretary


President