

## RECORD OF PROCEEDINGS

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### MINUTES OF THE BOARD OF WATER COMMISSIONERS

#### OPEN SESSION

June 10, 2015

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, June 10, 2015, 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**  
**Paula Herzmark, 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	M. Waage, <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	M. Price, <i>Acting</i> 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.B. Coleman, Chief Internal Auditor
M.K. Frishman, Attorney	T. LaPan, Landscape Architect
T. Bryant, Controller	M. Wittern, Community Relations Specialist
D.M. Hamm, Staff Analyst	L. Dennis, Engineer
D. Gaylinn, Staffing Agency Temporary	J. Bogner, Finance Analyst
S. Hallam-Eames, Business/ Technical Intern	M. Turney, Engineer
S. Miller, Manager of Health Care and Benefits Administration	K. Knoll, Manager of Stakeholder Relations
	M. Nealey, Hydraulic Engineer
	A. Flori, Engineer

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B. McKenna, Recycled Water  
Program Manager

D. Engleman, Senior Benefits  
Administrator

A. Rettig, Finance Manager/  
Supervisor

G. Brockett, Human Resources Specialist

Joel Stewart, Milliman

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioners Gougeon and Tate 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: MINUTES OF MAY 13, 2015**

The reading of the Minutes of the Regular Meeting of May 13, 2015, was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of May 13, 2015, were approved.

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**2. ITEM II–A–2: MINUTES OF MAY 27, 2015**

The reading of the Minutes of the Regular Meeting of May 27, 2015, was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of May 27, 2015, were approved.

**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 June 1, 2015, unless otherwise noted:

<b>Employee Name</b>	<b>Employment Date</b>	<b>Division/Section</b>
Hassan, Beatrice	2014-12-01	Customer Relations Division Customer Care, #460
DeCoursey, Rita V.	2014-12-02	Finance Division Accounting, #140
Jesik, Kevin S.	2014-12-01	Information Technology Division Enterprise Resource Planning, #167
Kattel, Pravish	2014-11-10	Information Technology Division Infrastructure & Technology, #173
Huynh, Vinh H.	2014-12-01	Information Technology Division Operational Asset Management, #170
Cast, Kelly L.	2014-11-17	Information Technology Division Support Services, #174
Tittiger, Christopher M.	2014-11-24	Information Technology Division Support Services, #174
Gandolfo, Sean W.	2014-11-24	Operations and Maintenance Division Metal Shop, #930
Gillest, Keith R.	2014-11-10	Operations and Maintenance Division Plumbing Shop, #940
Rybolt, Jeffrey T.	2014-11-10	Operations and Maintenance Division South Platte Area, #530

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4. **ITEM II-A-4: CONTRACT FOR CONDUIT NOS. 12 AND 72  
RECTIFIER AND GROUNDBED INSTALLATIONS**

Awarded Contract 15871A to T. Lowell Construction, Inc., for Conduit Nos. 12 and 72 Rectifier and Groundbed Installations for the contract period June 10, 2015, through November 24, 2015, for a total contract amount not to exceed \$340,000.00.

Ms. Dennis presented maps showing the locations of the work being performed under the contracts approved in Agenda Items II-A-4 through II-A-9. Copies of the maps are attached to and incorporated in these Minutes as Exhibit "A."

5. **ITEM II-A-5: CONTRACT FOR 64<sup>TH</sup> AVENUE PUMP STATION AND  
DECENTRALIZATION FACILITY LANDSCAPE AND IRRIGATION  
RENOVATIONS**

Awarded Contract 15856A to CTM Inc. for the 64<sup>th</sup> Avenue Pump Station and Decentralization Facility Landscape and Irrigation Renovations Project for the contract period June 10, 2015, through October 2, 2015, for a total contract amount not to exceed \$174,879.99.

6. **ITEM II-A-6: AMENDMENT NO. 1 WITH HEITKAMP, INC., FOR  
CONDUIT NO. 10 CEMENT-MORTAR LINING REMOVAL AND  
REPLACEMENT**

Approved Amendment No. 1 to Contract 14795A with Heitkamp, Inc., for the Conduit No. 10 Cement-Mortar Lining Removal and Replacement Project. The amendment adds \$137,449.25 for a total amended contract amount not to exceed \$3,747,000.59.

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7. **ITEM II-A-7: CONTRACT FOR VAULT MODIFICATIONS 2015-2016**

Awarded Contract 15736A to Concrete Works of Colorado, Inc., for the Vault Modifications 2015-2016 Project for the contract period June 10, 2015, through June 24, 2016, for a total contract amount not to exceed \$3,996,000.00. A copy of the tabulation of bids is attached to and incorporated in these Minutes as Exhibit "B."

8. **ITEM II-A-8: CONTRACT FOR 16-INCH DIAMETER MAIN RELOCATION AT WEST BARBERRY PLACE AND SOUTH PLATTE RIVER**

Awarded Contract 15373A to T. Lowell Construction, Inc., for the 16-Inch Diameter Main Relocation at West Barberry Place and South Platte River for the contract period June 10, 2015, through October 15, 2015, for a total contract amount not to exceed \$200,000.00.

9. **ITEM II-A-9: CONTRACT FOR CONDUIT NO. 309 – 24-INCH DIAMETER RECYCLED WATER PIPELINE FROM EAST 47<sup>TH</sup> AVENUE AND HAVANA STREET TO PRAIRIE MEADOW DRIVE AND CENTRAL PARK BOULEVARD**

Awarded Contract 14897A to T. Lowell Construction, Inc., for the Conduit No. 309 – 24-Inch Diameter Recycled Water Pipeline from East 47<sup>th</sup> Avenue and Havana Street to Prairie Meadow Drive and Central Park Boulevard Project for the contract period June 10, 2015, through September 1, 2016, for a total contract amount not to exceed \$3,000,000.00.

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

Ratified Construction Contract Change Orders, Amendments, and Amendments to Agreements authorized in April 2015 and May 2015 as follows:

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Change Order No. 2 to Contract 14203A with Archer Western Construction for the Green Mountain Pump Station Renovation;

Amendment No. 1 to Contract 14203A with Archer Western Construction for the Green Mountain Pump Station Renovation;

Change Order No. 2 to Contract 14961A with T. Lowell Construction, Inc., for the South Boulder Collection System Siphon No. 4 Replacement;

Change Order No. 3 to Contract 15187A with Moltz Construction, Inc., for the Cherry Hills Pump Station Modifications;

Amendment No. 1 to Contract 15326A with Archer Western Construction, LLC, for Marston Treatment Plant Flocculation and Sedimentation Equipment;

Change Order No. 2 to Contract 15574A with Aslan Construction, Inc., for the Vault Modifications 2014-2015;

Fourth Amendment to Contract 13336A with Duffy Crane & Hauling, Inc., for Crane Hauling Services;

Third Amendment to Contract 13947A with Swingle Lawn, Tree and Landscape Care for Tree and Shrub Maintenance and Removal;

Third Amendment to Task Order Agreement 14308N with Brierley Associates for the 40<sup>th</sup> and Blake Street 20-Inch Water Main Installation;

Second Amendment to Agreement 15285A with GEI Consultants, Inc., for the Marston Dam Outlet Works Abandonment; and

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First Amendment to Agreement 15511A with Mortenson  
Construction for General Contractor – Construction Manager at  
Risk – Operations Complex Redevelopment,

all as more particularly described in the attachment to Agenda Item II-A-10.

11. **ITEM II–A–11: PERSONNEL POLICIES AMENDMENTS REGARDING  
CHAPTER 6 – DRUG AND ALCOHOL POLICIES**

Approved changes to Chapter 6 of the *Personnel Policies* to reflect state and federal law regarding random and biennial drug and alcohol testing for employees required to drive vehicles weighing between 10,001 and 26,000 pounds. A copy of the revised policies is attached to and incorporated in these Minutes as Exhibit “C.”

12. **ITEM II–B–1: AGREEMENT WITH NATIONAL RENEWABLE ENERGY  
LABORATORY**

Approved Agreement 16116A with the National Renewable Energy Laboratory (“NREL”) for peer review and design support services for the contract period June 10, 2015, through June 30, 2016, and a total contract amount not to exceed \$75,000.00.

In addition to providing peer review support on the Operations Complex Redevelopment Project, NREL will assist Denver Water in developing a decision support tool to maximize energy generation and minimize energy use in Denver Water’s system. Mr. Lochhead explained that NREL would like this agreement to become a model for utilities across the country and that NREL may receive grant money to help with funding the projects. He added that Xcel Energy, with which Denver Water has a power purchase agreement, is supportive of exploring these possibilities.

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13. **ITEM IV–A: CEO REPORT**

Mr. Lochhead reported that he and Ms. Cagle continue to hold employee forums to discuss the Operations Complex Redevelopment Project and Total Rewards. The notes from those sessions will be compiled and made available to employees and the Board.

Mr. Lochhead and Ms. Covington discussed an open letter recently written by Steve Snyder, Special Projects Coordinator, to celebrity entertainer Jay Z, which received 33 million views online by the general public. Ms. Covington said the story was carried by *Time Magazine*, *USA Today*, MSNBC, and 9News, and it brought more visitors to Denver Water's web site than during all of 2014.

Lastly, Mr. Lochhead noted that staff will begin bringing monthly reports on the Operations Complex Redevelopment Project to the Board beginning with its first meeting in July 2015.

14. **ITEM IV–B: CFO REPORT**

Ms. Bricmont reported that operating revenue through May 2015 was down by \$5 million compared with the projected budget. However, she explained it is a small amount in proportion to the overall operating revenue budget of \$269 million. The biggest revenue months for Denver Water are June, July, and August, and staff will watch those closely. Ms. Bricmont explained Denver Water also receives revenue from other sources such as hydropower and system development charges.

15. **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 "D."

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#### 16. **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 “E.”

No further business appearing, the Board voted unanimously to adjourn into a Trustee Meeting at 9:35 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 County of Denver, met on Wednesday, June 10, 2015, commencing at 9:35 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 10:14 a.m., at which time the Board voted unanimously to reconvene the Regular Meeting.

#### **RECONVENED OPEN SESSION**

At 10:14 a.m., on Wednesday, June 10, 2015, in the Board Room, Room 309, 1600 W. 12<sup>th</sup> Avenue, Denver, Colorado, Commissioner Austin reconvened the Regular Meeting of the Board of Water Commissioners, which had been commenced and adjourned earlier in the day. Members of the Board present were:

**H. Gregory Austin, President**  
**John R. Lucero, First Vice President**  
**Paula Herzmark, Vice President**

Board employees and others present during portions of the reconvened meeting were:

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R.J. Mahoney, Director of Engineering	C.R. Dermody, Director of Information Technology
G. Cagle, Director of Human Resources	P.B. Coleman, Chief Internal Auditor
M.K. Frishman, Attorney	J. Bogner, Finance Analyst
D. Gaylinn, Staffing Agency Temporary	D. Engleman, Senior Benefits Administrator
S. Hallam-Eames, Business/ Technical Intern	G. Brockett, Human Resources Specialist
S. Miller, Manager of Health Care and Benefits Administration	A. Rettig, Finance Manager/ Supervisor
	B. Haggerty, Human Resources Specialist
	A. Pokua-Nuako, Associate Finance Analyst

Joel Stewart, Milliman

Ms. Wells announced that the State of Colorado decided the previous day that Marston Forebay would not be considered waters of the state under state law. She explained that state regulations were changed three years ago to include lakes and reservoirs into stream segments, which subjected them to water quality standards. Marston Forebay was listed as impaired for dissolved oxygen. The operational challenge results from water flowing back into the forebay after being used to wash filters in the treatment plant. Continuing with this practice would have required Denver Water to obtain a discharge permit. Since the standards changed, staff including Attorney Dan Arnold, System Manager for Water Quality and Treatment Zeke Campbell, and former Manager of Water Quality Steve Lohman made several attempts to convince the state to remove Marston Forebay from the list of waters of

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the state. They were finally successful when the state considered the status of the entire South Platte River basin.

There being nothing further for the Board to consider, the reconvened Open Session concluded at 10:18 a.m.

**EXECUTIVE SESSION**

On Wednesday, June 10, 2015, commencing at 10:18 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. Litigation § 24-6-402(4)(b)
3. Attorney-Client Matters § 24-6-402(4)(b)
4. Negotiations § 24-6-402(4)(e)
5. Personnel Matters § 24-6-402(4)(f)(I)

There being nothing further for the Board to consider, the Executive Session concluded at 10:28 a.m.

  
Secretary

  
President