

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

March 12, 2014

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, March 12, 2014, beginning at 9:12 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
Penfield W. Tate, III, Vice President

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

B.D. Good, <i>Acting</i> 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
R.J. Mahoney, Director of Engineering	T.J. Roode, Director of Operations and Maintenance
G. Cagle, Director of Human Resources	C.R. Dermody, Director of Information Technology
U. Sharma, Treasurer	P.A. Carey, Manager of Purchasing and Contracting
M.K. Frishman, Attorney	P.B. Coleman, Chief Internal Auditor
T. Cristiano, Manager of Rate Administration	M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation
T. Bryant, Controller	G. Fisher, Manager of Demand Planning
D.M. Hamm, Staff Analyst	M. Horrie, Planner
J.S. Walker, Contracts Supervisor	S. Niemi, Senior Financial Analyst
S. Snyder, Special Projects Coordinator	

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

D. Raitt, Construction Project Manager	Y. Her, Contract Specialist
A. Ingram, Contract Specialist	S. Snyders, Engineering/Systems Technician
A. Chavez, Staff Analyst	A. Aslamy, Finance Analyst
L. Weber, Planner	J. Bogner, Associate Finance Analyst
B. Schulte, Design Drafting Supervisor	A. Pokua-Nuako, Associate Finance Analyst
P. Ries, Engineer	J. Shaw, Conservation Specialist
B. Steger, Manager of Raw Water Supply	J. Tejral, Manager of Water Conservation
C. Cervantez, Contract Specialist	K. Bates, Attorney
	M. Cassalia, Conservation Specialist
	B. Reum, Manager of Geospatial Information and Technology
Alyssa Quinn, Platte Canyon Water and Sanitation District	Nhat De, University of Denver
Robin Karnis, University of Denver	Dale Connors, Watershed Investment Consultants, Inc.

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioner Herzmark was found to be absent for substantial cause and was 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.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

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 February 12, 2014, and February 26, 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 February 12, 2014, were approved.

3. **ITEM II-A-3: AMENDMENT TO CONTRACT FOR NATURAL GRASS MOWING**

Approved the First Amendment to Contract 13952B with Terracare Associates, LLC, for natural grass mowing at Denver Water facilities. The amendment extends the contract through March 31, 2016, and adds \$60,000.00 for a total amended contract amount not to exceed \$155,000.00.

4. **ITEM II-A-4: AMENDMENT TO CONTRACT FOR ASBESTOS ABATEMENT AND EMERGENCY RESPONSE**

Approved the First Amendment to Contract 13855A with Belfor Environmental, Inc., for asbestos abatement and emergency response. The amendment adds \$80,000.00 for a total amended contract amount not to exceed \$170,000.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "A."

5. **ITEM II-A-5: AGREEMENT FOR PEOPLESOFT UPGRADE**

Approved entering into Agreement 15385A with Dimension Systems, Inc., for PeopleSoft upgrade services for the contract period March 12, 2014, through October 31, 2014, and a total contract amount not to exceed \$240,000.00.

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

**6. ITEM II-A-6: CONTRACT FOR CONE VALVES FOR 2014-2015
VAULT MODIFICATIONS PROJECT**

Awarded Contract 15369A to Rodney Hunt – Fontaine, Inc., for Roto-Cone Valves for the 2014-2015 Vault Modifications Project for the contract period March 12, 2014, through June 30, 2015, for a total contract amount not to exceed \$285,762.00.

**7. ITEM II-A-7: AGREEMENT FOR FORD ORIGINAL EQUIPMENT
MANUFACTURER AUTO PARTS AND SERVICES**

Approved entering into Agreement 15327A with Landmark Lincoln for Ford original equipment manufacturer auto parts and services for the contract period March 12, 2014, through January 31, 2019, for a total contract amount not to exceed \$300,000.00.

8. ITEM II-A-8: EMPLOYEES ELIGIBLE FOR REGULAR STATUS

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

Employee Name	Employment Date	Retirement Plan Participation Date <small>Unless otherwise noted^</small>	Division/Section
Pokua-Nuako, Akua	2013-08-26	2013-08-26	Finance Division Treasury Operations, #110
Finehout, Jason R.	2013-09-03	2013-09-03	Operations and Maintenance Division Emergency Management, #435

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

9. **ITEM II-A-9: 2014 ASSESSMENT TO SOUTH PLATTE WATER RELATED ACTIVITIES PROGRAM, INC.**

Approved payment of \$399,420.00 as Denver Water's 2014 assessment to the South Platte Water Related Activities Program, Inc. ("SPWRAP"). SPWRAP is a Colorado non-profit corporation established by Colorado water users for the purpose of representing water users' interests in the Platte River Recovery Implementation Program. The program is designed to allow existing and future water use to continue in a way that protects endangered species.

10. **ITEM II-A-10: CONTRACT EXTENSION FOR MICROSOFT SOFTWARE**

Approved extension of Contract 07733B with Insight Public Sector, Inc., for purchases and maintenance of Microsoft software. The extension adds three years to the contract through March 14, 2017, and \$2,173,063.00 for a total amended contract amount not to exceed \$5,588,963.00.

11. **ITEM II-A-11: AMENDMENT TO AGREEMENT FOR SHAREPOINT DEVELOPMENT AND ADMINISTRATION SERVICES**

Approved the Third Amendment to Consulting Agreement 14044A with The Doyle Group for the SharePoint development and administration services of Art Laubach through an extended completion date of December 31, 2014. The amendment adds \$153,600.00 for a total amended contract amount not to exceed \$529,600.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "B."

12. **ITEM II-A-12: AGREEMENT FOR UPDATED ORTHO-PHOTOGRAPHY**

Approved Contract 15394A, a Licensing Agreement with the Denver Regional Council of Governments, for updated ortho-photography of Denver Water's service and collection system areas. A copy of the agreement, for a total

RECORD OF PROCEEDINGS

MINUTES
OF THE
BOARD OF WATER COMMISSIONERS

contract amount not to exceed \$167,000.00, is attached to and incorporated in these Minutes as Exhibit "C."

13. **ITEM II-A-13: AMENDMENT TO CHAPTER 17 OF OPERATING RULES**

Adopted revisions to Chapter 17 of the Operating Rules regarding appeal hearing procedures. The revised chapter is attached to and incorporated in these Minutes as Exhibit "D."

14. **ITEM II-A-14: CHANGE ORDER NO. 4 FOR FoothILLS TREATMENT PLANT HVAC IMPROVEMENTS**

Approved Change Order No. 4 to Contract 14011A with McDade-Woodcock, Inc., for the Foothills Treatment Plant HVAC Improvements Project in the amount of \$168,191.00. A copy of the change order is attached to and incorporated in these Minutes as Exhibit "E."

15. **ITEM II-A-15: CONTRACT FOR BAMBEI-WALKER RESERVOIR EMBANKMENT RECLAMATION**

Awarded Contract 15090A to Western States Reclamation for the Bambei-Walker Reservoir Embankment Reclamation Project for a total contract amount not to exceed \$133,946.95.

16. **ITEM II-A-16: AGREEMENT FOR CREATION, STANDARDIZATION, AND AS-BUILT BASE DRAWING PROJECT**

Approved entering into Agreement 15414A with Arcadis U.S., Inc., for the Creation, Standardization, and As-Built Base Drawing Project for a total contract amount not to exceed \$199,922.00. A copy of the agreement is attached to and incorporated in these Minutes as Exhibit "F."

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

17. ITEM II–A–17: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS

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

Change Order No. 3 to Contract 14981A with Ludvik Electric for Strontia Springs Reservoir and Gross Reservoir Security Improvements;

First Amendment to Task Order Agreement 14363D with URS Corporation for Antero Dam Rehabilitation Senior Technical Review; and

Fifth Amendment to Agreement 12026A with MWH Americas, Inc., for WISE Cost Allocation and Pricing Analysis Model,

all as more particularly described in the attachment to Agenda Item II-A-17, which is attached to and incorporated in these Minutes as Exhibit "G."

18. ITEM III–A: REVISED DROUGHT RESPONSE PLAN

Ms. Weber presented the 2014 Drought Response Plan. The last drought response plan was written in 2011, and the 2014 plan incorporates information learned from implementing drought response in 2012 and 2013. The revised plan is a guidance document intended to provide more flexibility to the Board in determining an appropriate drought response. It redefines the drought stages and begins with a conservation baseline. The next phase is a Drought Watch, during which Denver Water will increase communication and outreach with customers, stakeholders, and the local community about dry conditions; voluntary restrictions were removed. The new drought response stages are: Stage 1 with mandatory restrictions of up to two watering days per week; Stage 2 with a ban on lawn watering; and Stage 3 with rationing of

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

water. Stage 4 has been eliminated. The new plan is more consistent with those of other Front Range water utilities, and it is more transparent for customers. As part of the plan, staff would continue to solicit input from the Citizens Advisory Committee, distributors, and stakeholders prior to recommending that the Board initiate a drought response. Staff will inform the distributors and Citizens Advisory Committee of the new plan.

Ms. Weber also provided an update on current water supply conditions. The snowpack in the South Platte River and Colorado River watersheds is above average. However, portions of southeast Colorado remain in a drought, as well as much of the western United States. Denver Water's reservoirs are 91 percent full, which is higher than the median for this time of year. Staff expects all reservoirs to fill this year. As a result, staff is working to manage flooding risks, including making early releases out of Dillon Reservoir.

Staff has created an incident command structure to be used for future drought response and to address spring runoff in Summit County. For 2014, the drought response incident commander is Ms. Weber, and the spring runoff incident commander is Mr. Steger.

Ms. Weber's presentation is attached to and incorporated in these Minutes as Exhibit "H."

19. **ITEM III-B: RATE STUDY OUTREACH PLAN**

Mr. Cristiano and Ms. Elliott provided an update on the ongoing rate structure study. Staff has developed four guiding principles to frame the goals of the study and has planned various efforts to receive external input on a new rate structure. These efforts include consulting with other utilities who have changed their rate structures, conducting a survey of 15,000 single-family customers, engaging key stakeholders, conducting focus groups, and establishing an advisement committee. Staff expects to return to the Board with a recommended rate structure endorsed by that committee in 2015. The

RECORD OF PROCEEDINGS

MINUTES
OF THE
BOARD OF WATER COMMISSIONERS

new rate structure is intended to be implemented in January 2016. The presentation is attached to and incorporated in these Minutes as Exhibit "I."

20. **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."

21. **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 a Trustee Meeting at 9:51 a.m.


Secretary


President