

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

March 26, 2014

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, March 26, 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 portions of the Regular Meeting were:

H. Gregory Austin, 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, 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
C.S. Funk, Attorney	P.B. Coleman, Chief Internal Auditor
T. Bryant, Controller	M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation
D.M. Hamm, Staff Analyst	G. Fisher, Manager of Demand Planning
T.E. Lowe, Manager of Sales Administration	C. Piper, Intergovernmental Affairs Coordinator
S. Price, Engineer	M. O'Neill, Manager of Accounting
J. Light, Engineer	
A. Chotiner, Accountant	

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioner Lucero 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.

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: CONTRACTS SCHEDULED TO RENEW AND/OR REQUIRE ADDITIONAL FUNDING IN 2ND QUARTER 2014**

Authorized renewal, additional funding, or extension of the following annual contracts:

Contract 06409A with Oracle Corporation for data base software for the period June 1, 2014, through May 31, 2015, at an additional cost of \$210,000.00; and

Contract 08466A with IBM Corporation for software maintenance and support for the period May 1, 2014, through April 30, 2015, at an additional cost of \$232,000.00,

all as more particularly described in the attachment to Agenda Item II-A-1, which is attached to and incorporated in these Minutes as Exhibit "A."

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

2. ITEM II-A-2: CONTRACT FOR 2014 PIPE REHABILITATION PROJECT

Approved entering into Contract 14421A with Mainlining Service, Inc., for the 2014 Pipe Rehabilitation Project for a total contract amount not to exceed \$1,973,589.00, at the prices shown on the tabulation of proposals attached to and incorporated in these Minutes as Exhibit "B."

3. ITEM II-A-3: ADDITIONAL CONTRACT FUNDS FOR MAINTENANCE AND SUPPORT OF SCADA SOFTWARE

Approved the First Authorization for Additional Contract Funds for Contract 14982A with Emerson Process Management. The authorization adds \$57,067.50 for a total amended contract amount not to exceed \$146,763.85. It is attached to and incorporated in these Minutes as Exhibit "C."

4. ITEM II-B: AGREEMENT FOR CHART OF ACCOUNTS PROJECT

Approved entering into Agreement 15299A with PricewaterhouseCoopers LLP for consulting services for the Chart of Accounts Project for the contract period March 26, 2014, through July 1, 2014, for a total contract amount not to exceed \$280,000.00. The Agreement is attached to and incorporated in these Minutes as Exhibit "D."

Ms. Bryant gave a presentation on the project, which is intended to establish one standard chart of accounts by building compatibility between the budget and accounting systems. Staff expects to implement the changes in 2015, using Denver Water's current software.

5. ITEM II-C-1: PERSONNEL POLICIES: CHAPTER 4

Approved changes to Chapter 4 of the Personnel Policies regarding the use of criminal background checks in the hiring process. The revised chapter is attached to and incorporated in these Minutes as Exhibit "E."

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

6. **ITEM II-C-2: PERSONNEL POLICIES: CHAPTER 6**

Approved changes to Chapter 6 of the Personnel Policies regarding recreational marijuana. The revised chapter is attached to and incorporated in these Minutes as Exhibit "F."

7. **ITEM II-C-3: PERSONNEL POLICIES: CHAPTERS 12 & 14**

The Board tabled the motion to approve changes to Chapters 12 and 14 of the Personnel Policies regarding management discretion to grant paid administrative leave to hourly employees.

8. **ITEM II-D: AGREEMENT TO IMPLEMENT UPPER COLORADO RIVER HABITAT PROJECT**

Approved the Intergovernmental Grant Agreement to Implement Upper Colorado River Habitat Project with the Colorado Division of Parks and Wildlife. The project is intended to improve existing aquatic habitat in the main stem of the Colorado River between Windy Gap Reservoir and the Kemp-Breeze State Wildlife Area. A total of \$6 million will be spent on the enhancements; Denver Water's share is \$2 million. The agreement is attached to and incorporated in these Minutes as Exhibit "G."

9. **ITEM II-E: SETTLEMENT AGREEMENT AMONG CITY OF ENGLEWOOD, GRAND COUNTY, AND DENVER WATER**

Approved a Settlement Agreement with the City of Englewood and Grand County to resolve the frequent water court litigation between Englewood and Denver Water. As part of the settlement, Denver Water will pay \$600,000.00 to Englewood to assist with resolution of Englewood's occasional water hardness problem that results from low winter flows at its intake on the South Platte River. In return, Englewood will withdraw from and stipulate to resolutions of all ongoing water cases and refrain from opposing future

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Denver Water applications in water court. The agreement is attached to and incorporated in these Minutes as Exhibit "H."

10. **ITEM III–A: LEGISLATIVE UPDATE**

Mr. Piper provided an update on pending legislation. He noted that Senate Bill 103 on high-efficiency water fixtures, which Denver Water developed, passed the House Transportation and Energy Committee. It is scheduled for a second reading on April 3, 2014.

11. **ITEM IV–A: CEO REPORT**

Mr. Lochhead updated the Board on the implementation of alternative work schedules at Denver Water. Generally, they seem to be working well and are not interfering with employees' work. Currently, 166 employees are working on alternative schedules, most of whom work 80 hours over nine days in a two-week period. Since the implementation of alternative work schedules, there has been a decrease in employees taking sick leave.

Mr. Lochhead also discussed the efforts to improve water supply in the Colorado River, specifically to avoid Lake Powell dropping below the level at which it generates hydropower. Additionally, the states are moving forward with a strategy for demand management, along with expanding weather modification efforts. Mr. Lochhead reported that Senator Harry Reid of Nevada intends to attach that three-pronged strategy to legislation related to the California drought.

Lastly, Mr. Lochhead described the three current value streams getting underway as part of the Lean program: the Operations Complex Redevelopment Plan, formerly known as the campus plan; Budget; and Water Distribution.

RECORD OF PROCEEDINGS

MINUTES
OF THE
BOARD OF WATER COMMISSIONERS

12. **ITEM IV-B-1: CFO REPORT: MONTHLY FINANCIAL REPORTS**

The Board received the Monthly Financial Reports dated February 28, 2014, as set forth in Agenda Item IV-B-1, which is attached to and incorporated in these Minutes as Exhibit "I."

13. **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."

14. **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."

There being nothing further for the Board to consider, the Regular Meeting concluded at 11:04 a.m.


Secretary


President