

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

April 8, 2015

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, April 8, 2015, beginning at 9:18 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

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
M.K. Frishman, Attorney	P.B. Coleman, Chief Internal Auditor
D.M. Hamm, Staff Analyst	K. Knoll, Manager of Stakeholder Relations
S. Snyder, Special Projects Coordinator	L. CdeBaca, Senior Financial Analyst
J. Seagren, Distributor Relations Manager	C. Fikan, Finance Technician
C. Ward, Senior Internal Auditor	J. Tucker, Office Management Assistant
	S. Franey, Senior Internal Auditor
	K. Urie, Environmental Scientist

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D. Brinker, Engineer	L. Billeter, SBE/MWBE Program Outreach Coordinator
J. Alexander, Environmental Scientist	K. Riegler, Attorney
M. Iverson, Division Office Business Manager	T. Johnson, Manager of Compensation and Performance Management
D. Shable, Engineer	

Andres Capestany, Aurora resident	T.S. Smith
Ricky Jaques	Kristi Crum
Megan Myhre	Bruce Baumann
Greg Gillette	Matt Savarie, Denver resident

Commissioner Austin called the meeting to order.

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

Greg Gillette, Megan Myhre, Bruce Baumann, Matt Savarie, and Kristi Crum voiced their concerns regarding fluoride in drinking water. Some of the speakers also requested the Board hold a public forum to discuss the issue. Commissioner Austin responded that the Board will consider what its role should be in any such forum and asked whether the speakers intend to contribute to the cost of holding a forum.

Commissioner Austin also noted that water coming from the northern half of Denver Water's system contains naturally occurring fluoride and asked whether the

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speakers propose Denver Water remove it. Mr. Baumann indicated that naturally occurring fluoride from erosion need not be removed.

Commissioner Austin further explained the Board accepts the recommendations of the American Dental Association, the National Institutes of Health, and other research organizations that have determined the health benefits of fluoridation substantially outweigh the risks. He stated that Denver Water will not change its position on fluoride unless the referenced organizations change their recommendations.

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 MARCH 4, 2015**

The Minutes of the Executive Session of March 4, 2015, were approved.

2. **ITEM II-A-2: MINUTES OF MARCH 11, 2015**

The reading of the Minutes of the Regular Meeting of March 11, 2015, was dispensed with and such Minutes were approved.

3. **ITEM II-A-3: MINUTES OF MARCH 25, 2015**

The reading of the Minutes of the Regular Meeting of March 25, 2015, was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of March 25, 2015, were approved.

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4. ITEM II-A-4: EMPLOYEES ELIGIBLE FOR REGULAR STATUS

The following employees were classified as regular employees of the Board, with all rights and privileges thereof, effective April 1, 2015, unless otherwise noted:

Employee Name	Employment Date	Division/Section
Hughes, David O.	2014-09-22	Engineering Division Mechanical Engineering, #212
Dominguez, Marcus A.	2014-09-29	Operations and Maintenance Division Metal Shop, #930
Miller, Michelle M.	2014-09-22	Operations and Maintenance Division Moffat, #640

5. ITEM II-A-5: 2015 ASSESSMENT TO THE SOUTH PLATTE WATER RELATED ACTIVITIES PROGRAM, INC.

Approved payment of \$397,523.16 for Denver Water's 2015 assessment to the South Platte Water Related Activities Program, Inc., a Colorado non-profit corporation established by Colorado water users for the purpose of representing their interests in the Platte River Recovery Implementation Program, which protects existing and future water use as well as endangered species.

6. ITEM II-A-6: CONTRACT FOR THE SOUTH PLATTE COLLECTION SYSTEM NORTH METRO HAZELTINE RESERVOIR SLURRY WALL REPAIR PROJECT

Approved Contract 15670A with Envirocon, Inc., for the South Platte Collection System North Metro Hazeltine Reservoir Slurry Wall Repair Project for the contract period April 8, 2015, through October 14, 2015, for a total contract amount not to exceed \$542,822.50.

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7. **ITEM II-A-7: PURCHASE OF LARGE DIAMETER STEEL PIPE FOR CONDUIT NO. 94**

Approved the purchase of large diameter steel pipe for Conduit No. 94 from Ameron Water Transmission Group for a total amount not to exceed \$104,900.00.

8. **ITEM II-A-8: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS, AMENDMENTS, AND AMENDMENTS TO AGREEMENTS**

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

Change Order No. 13 to Contract 13327A with Gracon, LLC, for Dillon Dam Outlet Works Gate Repairs;

Amendment No. 4 to Contract 13327A with Gracon, LLC, for Dillon Dam Outlet Works Gate Repairs;

Change Order No. 2 to Contract 13906A with SEMA Construction, Inc., for Marston Dam and Forebay Multiple Level Outlet and Upgrade;

Change Order No. 2 to Contract 14795A with Heitkamp, Inc., for Conduit No. 10 – CML Relining;

Change Order No. 1 to Contract 15084A with Garney Construction for Marston Treatment Plant Treatment Process Improvements;

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

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Change Order No. 1 to Contract 15464A with Aslan Construction, Inc., for Conduit No. 27 Rectifier and Groundbed Replacements;

Amendment No. 1 to Contract 15574A with Aslan Construction, Inc., for Vault Modifications 2014/2015;

Change Order No. 1 to Contract 15633A with M.A. Mortenson for Operations Complex Building No. 6 Demolition; and

Second Amendment to Task Order Agreement 14316B with Civil Technology, Inc., for Inspection Services at DIA,

all as more particularly described in the attachment to Agenda Item II-A-8.

9. **ITEM III–A: SBE/MWBE PROGRAM 2014 REVIEW AND 2015 GOALS**

Ms. Hamm reviewed the participation statistics for the Small Business Enterprise and Minority- and Women-Owned Business Enterprise (“SBE/MWBE”) Program in 2014. She explained that contract spending in 2014 totaled more than \$146 million, of which \$121 million was spent on work eligible for the program. More than \$11 million was paid to SBE contractors; Ms. Hamm noted this amount may be underreported because some contractors do not self-identify as small business enterprises. More than \$89 million in contract spending was eligible for the MWBE component of the program in the areas of construction and construction-related work. Denver Water paid approximately \$6 million to certified MWBEs in 2014.

Ms. Knoll reported on the participation targets for the program in 2015: 15 percent for SBEs; 10 percent for MWBEs for goods and services; and 8 percent for construction and construction-related work by MWBEs. For the Operations Complex Redevelopment Project, the MWBE participation goal for design is 12 percent and for construction and construction-related work is

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18 percent. Ms. Knoll described the program's outreach events and the recently formed external advisory committee, which was consulted on setting the 2015 goals. Commissioner Austin indicated the established goals are satisfactory to the Board.

A copy of the presentation is attached to and incorporated in these Minutes as Exhibit "A."

10. **ITEM IV–A: CEO REPORT**

Mr. Lochhead reported he attended a state roundtable summit last month, which included report-outs by each of the basin roundtables and the Interbasin Compact Committee. Mr. Lochhead explained the state water plan is a good summary of the water issues throughout the state but contains no action plans. Therefore, the roundtable group is pushing for an action agenda to be adopted by the governor by the end of this year. The group set up subcommittees as part of this effort, and Mr. Lochhead will be serving on the legislative reform subcommittee. He also is emphasizing the inclusion of efficiency and reuse in the plans.

Mr. Lochhead also attended the Association of Metropolitan Water Agencies ("AMWA") annual meeting in Washington, D.C., recently with Ms. Covington. The conference attendees discussed municipal bond legislation in Congress, and Mr. Lochhead led a panel discussion on the lead and copper rule. He explained the EPA is considering revamping the rule, which could lead to significant operating costs if Denver Water were required to replace all lead service lines. Staff is closely monitoring the issue. Mr. Lochhead also noted he sits on the AMWA board and serves as the chair of the sustainability committee. The group is currently planning a worldwide climate conference to be held in San Diego in December 2015.

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11. 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 “B.”

12. ITEM V–B: REPORTING OF STAFF-ADMINISTERED CONSTRUCTION CONTRACT CONTINGENCIES AND ALLOWANCES

The Board received the Project Contingency Report for the Ashland Reservoir Replacement – Construction Project under Contract 14063B, the Conduit No. 16 Replacement & Conduit No. 22 Abandonment – Design Project under Contract 14978A, the Foothills Treatment Plant Switchgear Project under Contract 13474A, and the Foothills Treatment Plant HVAC Project under Contract 14011A. The report is attached to and incorporated in these Minutes as Exhibit “C.”

13. ITEM V–C: 2015 (“ON-CALL”) GENERAL ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES CONTRACTS

The Board received a tabulation of contracts entered into under On-Call General Engineering Design Services and Construction Management Services Contracts for the period August 2012 through March 2015, which is attached to and incorporated in these Minutes as Exhibit “D.”

No further business appearing, the Board voted unanimously to adjourn into Executive Session at 9:52 a.m.

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EXECUTIVE SESSION

On Wednesday, April 8, 2015, commencing at 9:53 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)
4. Personnel Matters § 24-6-402(4)(f)(I)

The Executive Session recessed at 10:58 a.m.

RECONVENED EXECUTIVE SESSION

On Wednesday, April 8, 2015, commencing at 11:15 a.m. in the CEO/Manager's Office, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners reconvened the 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 Reconvened Executive Session:

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

There being nothing further for the Board to consider, the Reconvened Executive Session concluded at 11:55 a.m.


Secretary


President