

## RECORD OF PROCEEDINGS

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### MINUTES OF THE BOARD OF WATER COMMISSIONERS

#### OPEN SESSION

July 22, 2015

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, July 22, 2015, beginning at 9:15 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	B. Bates, <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	T.J. Roode, Director of Operations and Maintenance
R.J. Mahoney, Director of Engineering	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	Y. Her, Contracts Supervisor
T. Bryant, Controller	B. Maulis, Contract Specialist
D.M. Hamm, Staff Analyst	K. Gedney, Contract Specialist
S. Snyder, Special Projects Coordinator	L. Dennis, Engineer
J. Seagren, Distributor Relations Manager	M. Witttern, Community Relations Specialist
J. Ross, Engineer	J. Marks, Environmental Scientist
	E. Helgeson, Senior Financial Analyst

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R. Decourcey, Finance  
Manager/Supervisor  
M. Turney, Engineer

S. Niemi, Senior Financial Analyst  
A. Rettig, Finance Manager/Supervisor  
L. Schulz, Customer Relations Operations  
and Reporting Manager

Bill Mosher, Trammell Crow  
Company  
Mike Sullivan, Trammell Crow  
Company  
Alex Brown, Trammell Crow  
Company  
Jackie Bauer, Trammell Crow  
Company

Alyssa Quinn, Platte Canyon Water and  
Sanitation District  
David Beinhacker, Customer Care  
Measurement and Consulting

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioners Tate and Gougeon 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:

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1. **ITEM II–A–1: AGREEMENT FOR JIM CREEK SIPHON – SIPHON NO. 1 REPLACEMENT PROJECT**

Approved Agreement 16196A with Western Summit Constructors, Inc., for construction management services for the design phase of the Jim Creek Siphon – Siphon No. 1 Replacement Project for the contract period July 22, 2015, through December 31, 2017, for a total contract amount not to exceed \$365,702.00.

2. **ITEM II–A–2: CONTRACT FOR NON-DESTRUCTIVE EXCAVATING, HYDRO-JETTING, VACUUMING, AND POTHOLING**

Awarded Contract 16040A to Locate Holdings, Inc., dba USIC Locating Services, LLC, for hydro excavation, hydro-jetting, vacuuming, and potholing for the contract period August 1, 2015, through July 31, 2017, for a total contract amount not to exceed \$689,862.00.

3. **ITEM II–B–1: REVISIONS TO BYLAWS OF THE DENVER BOARD OF WATER COMMISSIONERS**

Adopted the amended Bylaws of the Denver Board of Water Commissioners, a copy of which is attached to and incorporated in these Minutes as Exhibit “A.”

4. **ITEM III–A: OPERATIONS COMPLEX REDEVELOPMENT UPDATE**

Mr. Mosher of Trammell Crow Company provided the first monthly update to the Board on the Operations Complex Redevelopment Project. He reviewed the actual costs compared with the approved budget, scope changes, the status and timing of the design and construction, and current issues and challenges. He noted the necessary permits and fees from the City and County of Denver may be reduced, but sewer and tap fees imposed by the Metro Wastewater Reclamation District may become an additional expense. The project team is negotiating with both entities.

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Ms. Wells explained that Denver Water was granted immediate possession of the properties to the north that are being acquired by eminent domain effective August 1, 2015; however, staff has agreed to a one-month extension for the auto shop property.

The presentation is attached to and incorporated in these Minutes as Exhibit "B."

#### 5. **ITEM III-B: 2015 CUSTOMER SATISFACTION SURVEY RESULTS**

Ms. Anderson and Mr. Beinhacker of Customer Care Measurement and Consulting gave a presentation on the 2015 customer satisfaction survey.

Ms. Anderson discussed improvements that have been made in response to the 2013 survey, including beginning the Customer Experience value stream, providing customer service training to more employees, instituting flow cells to allow maintenance crews to work more efficiently in the street, establishing the new Distributor Relations Manager position, and creating a self-service portal where customers can pay their bills online.

Mr. Beinhacker discussed the findings of the 2015 survey. The customer response rate was 11.7 percent, and scores increased in all outcome measures since 2013. Customers' overall satisfaction rose from 63 percent to 71 percent, and there were big gains related to street maintenance work. Mr. Roode noted that staff has cut the time crews are working in the street by almost half.

Mr. Beinhacker also discussed the responses to the survey of distributors, which found their overall satisfaction and loyalty to Denver Water have decreased. However, the responses showed positive feedback for the creation of the Distributor Relations Manager position, the transparency of the rate-setting process, and issue resolution.

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The presentation is attached to and incorporated in these Minutes as Exhibit "C."

Commissioners Herzmark and Austin and Mr. Lochhead expressed appreciation for employees' work and how it affected the survey results.

6. **ITEM IV–A: CEO REPORT**

Mr. Lochhead reported 20 employees retired in July 2015.

7. **ITEM IV–B: CFO REPORT: QUARTERLY FINANCIAL REPORT**

The Board received the Quarterly Financial Report dated June 30, 2015, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

Ms. Bricmont noted operating expenses remain under budget. She said staff will present the financial plan to the Board at its meeting on August 12, 2015.

Mr. Helgeson reported revenue was down \$19 million at the end of June 2015; it is projected to continue to \$29 million by the end of July 2015. If the remainder of the year's revenue follows budget projections, the total revenue from water sales for 2015 would be \$240 million. Under a low-revenue scenario, the total revenue from water sales would be \$225 million for the year. However, Mr. Helgeson noted that Denver Water started the year in a strong financial position and that system development charges have already brought in \$17 million in revenue.

8. **ITEM IV–C: OPERATIONS REPORT**

Mr. Roode reported Denver Water staff, including Joel Zdechlik and Water Distribution employees, provided emergency assistance to the City of Thornton when it experienced problems with its treatment facilities on July 3, 2015.

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9. **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, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

10. **ITEM V-B: EVENT CALENDAR**

The Board received a calendar of upcoming community events to be attended by various staff, a copy of which is attached to and incorporated in these Minutes as Exhibit "F."

11. **ITEM V-C: NEW CONTRACT SUMMARY**

The Board received a report of contracts entered into in the Second Quarter of 2015 for amounts between \$20,000.00 and \$100,000.00, a copy of which is attached to and incorporated in these Minutes as Exhibit "G."

12. **ITEM V-D: 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 June 2015, a copy of which is attached to and incorporated in these Minutes as Exhibit "H."

No further business appearing, the Board voted unanimously to adjourn into Executive Session at 10:36 a.m.

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**EXECUTIVE SESSION**

On Wednesday, July 22, 2015, commencing at 10:37 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. Litigation § 24-6-402(4)(b)
2. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at 11:03 a.m.

  
Secretary

  
President