

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

February 12, 2014

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, February 12, 2014, beginning at 9:17 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
John R. Lucero, First Vice 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
U. Sharma, <i>Acting</i> 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
P.B. Coleman, Chief Internal Auditor	C.R. Dermody, Director of Information Technology
M.K. Frishman, Attorney	P.A. Carey, Manager of Purchasing and Contracting
D.M. Hamm, Staff Analyst	M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation
T.E. Lowe, Manager of Sales Administration	A. Guire, Administrative Assistant
J.S. Walker, Contracts Supervisor	B. Schulte, Design Drafting Supervisor
W.C. Austin, Manager of Safety and Security	G. Rygh, Superintendent of Water Distribution
S. Snyder, Special Projects Coordinator	

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

P. Mcmanus, Water Distribution Foreman	S. Solomon, Technical Writing Specialist
G. Dellacroce, Equipment Operator	K. Knoll, Manager of Stakeholder Relations
L. Maya, Equipment Operator	D. De Francesco, Manager of Marketing and Special Projects
R. Montano, T&D Mechanic	M. McGavin, Engineer
E. Redin, Equipment Operator	N. Smith, Engineer
D. Serravo, Utility Worker	L. Billeter, SBE/MWBE Program Outreach Coordinator
M. Mercier, Distribution Supervisor	A. Chavez, Staff Analyst
R. Christensen, District Foreman	S. Reum, Chief of Engineering
T. Stengel, Assistant District Foreman	Y. Her, Contract Specialist
D. Beverly, Caretaker	K. Long, Information Security Manager
S. Bauman, Caretaker	A. Ingram, Contract Specialist
R. Abbott, Caretaker	R. Wirth, Supervisor of Treasury Operations
J. Schwartz, Lead Print Shop Operator	K. Riegler, Attorney
D. Hunninghake, IT Support Specialist	J. Adams, Communication Specialist
G. Hempelman, Engineer	S. Franey, Senior Internal Auditor
S. Price, Engineer	A. Beth, Superintendent of Process Control
J. Reddig, Graphic Designer	B. DeWitt, <i>Acting</i> Superintendent of Source of Supply
A. Pokua-Nuako, Associate Finance Analyst	H. Stauffer, Administrative Assistant
T. Mountfort, Environmental Compliance Supervisor	K. Ross, Engineer
	J. Novak, Office Management Assistant
	E. Anderson, Engineering Specialist
Allison Beth	Linda Martin, Boulder County resident
Heidi Dineen, Denver resident	Ed Budde, Boulder County resident
Brandi McCarty, Boulder County resident	John Revelle, Boulder County resident
Bryant Roth, Boulder County resident	Len Houle, Boulder County resident

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Commissioner Austin called the meeting to order.

Public Comment and Communications

Heidi Dineen, a Denver resident, voiced concerns about a high water bill for her property and the response she received from the Customer Care department when she inquired about the bill. The high water bill resulted from an equipment failure. She asked the Board to look into the situation and to revise its policies and procedures to deal with customers more fairly. Commissioner Austin agreed the Board would look into the situation. Mr. Lochhead indicated Ms. Anderson, Director of Customer Relations, would contact Ms. Dineen.

Ceremonies, Awards, and Introductions

The Board and staff recognized the following employees who assisted the Coal Creek Canyon community by rebuilding private roads following the September 2013 floods: Pat Mcmanus, Geno Dellacroce, Louis Maya, Ron Montano, Enock Redin, Dave Serravo, Mike Mercier, Rusty Christensen, Tony Stengel, Dale Beverly, Steve Bauman, Rich Abbott, and Garth Rygh. In addition to the road repairs, Denver Water opened Gross Dam Road for use by the local community until Highway 72 was reopened. Six local residents in attendance thanked Denver Water for the work. Mr. Lochhead conveyed Denver Water's appreciation for its relationship with the local community. Commissioner Austin thanked the residents and commended the employees involved in the repair work.

Additionally, two new employees were introduced to the Board: Yua Her, Contract Specialist in the Purchasing and Contracting section, and Matt McGavin, Engineer.

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

1. ITEM II-A-1: MINUTES OF OPEN MEETINGS

The reading of the Minutes of the Regular Meetings of January 8, 2014, and January 22, 2014, was dispensed with and such Minutes were approved.

2. ITEM II-A-2: MINUTES OF EXECUTIVE SESSIONS

The Minutes of the Executive Sessions of January 8, 2014, and January 22, 2014, were approved.

3. ITEM II-A-3: HUMAN RESOURCES CHANGES

Approved the human resources changes set forth in Agenda Item II-A-3 dated February 12, 2014, which is attached to and incorporated in these Minutes as Exhibit "A."

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 February 1, 2014, unless otherwise noted:

Employee Name	Employment Date	Retirement Plan Participation Date <small>Unless otherwise noted^A</small>	Division/Section
Bowman, Robert W.	2013-07-08	2013-07-08	Engineering Division Construction Project Inspect, #272
Begly, Gina E.	2013-07-15	2013-07-15	Engineering Division Property Management, #251
Parfitt, Jordan S.	2013-07-08	2013-07-08	Information Technology Division Geospatial Asset Management, #169

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

Jaramillo, Joseph J.	2013-08-03	2013-08-03	Operations and Maintenance Division Foothills, #610
Duff, Nicholas D.	2013-07-06	2013-07-06	Operations and Maintenance Division South Platte Area, #530
Ransom, Donald E.	2013-07-08	2013-07-08	Operations and Maintenance Division Winter Park Area, #520
Lechtenberg, Thomas D.	2013-07-08	2013-07-08	Planning Division Treated Water Planning, #360

5. ITEM II–A–5: CONTRACT FOR COLD PATCH MATERIAL

Awarded Schedule I of Contract 15310A to Colorado Asphalt Services, Inc., for cold patch material for the contract period April 1, 2014, through March 31, 2016, for a total contract amount not to exceed \$3,101,200.00.

6. ITEM II–A–6: REIMBURSEMENT FROM THE COLORADO DIVISION OF PARKS AND WILDLIFE

Ratified Agreement 15215B with the Colorado Division of Parks and Wildlife for reimbursement of \$121,889.72 for repairs Denver Water made to Kneale Road in Eldorado Canyon in Boulder County following the September 2013 floods. A copy of the agreement is attached to and incorporated in these Minutes as Exhibit "B."

7. ITEM II–A–7: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS

Ratified Construction Contract Change Orders and Amendments to Agreements authorized in the period December 2013 through January 2014 as follows:

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Change Order No. 3 to Contract 14011A with McDade-Woodcock, Inc., for Foothills Treatment Plant HVAC Improvements;

Change Order No. 2 to Contract 14063B with Western Summit Constructors, Inc., for Ashland Reservoir Replacements;

Amendment No. 1 to Contract 14506A with T. Lowell Construction, Inc., for Conduit No. 1 Relocation from West 14th Avenue and Federal Boulevard to West 16th Avenue and Federal Boulevard;

Change Order No. 2 to Contract 14506A with T. Lowell Construction, Inc., for Conduit No. 1 Relocation from West 14th Avenue and Federal Boulevard to West 16th Avenue and Federal Boulevard;

Change Order No. 2 to Contract 15092A with Rock Solid Solutions Corporation for South Boulder – Abutment Rock Stabilization Areas #2;

Change Order No. 1 to Contract 15149A with Standard Fencing Company for South Platte Collection System – North Metro Dunes and Howe-Haller B Reservoirs – Property Fencing;

Change Order No. 1 to Contract 15215A with Rock Solid Solutions Corporation for Emergency Road Repair of Eldorado Springs Drive/Kneale Road;

Thirteenth Amendment to Agreement 13020A with Lewan and Associates, Inc., for Master Lease Agreement for Printer/Copiers;

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

First Amendment to Task Order Agreement 14300C with AECOM Technical Services, Inc., for FERC 2013 EAP High Flow Operations Plan;

First Amendment to Task Order Agreement 14342C with Olsson Associates for Marston Reservoir Drainage Analysis; and

First Amendment to Agreement 15135A with Honey Creek Resources, Inc., for Water Treatment Plate Site Selection: Evaluation of Cost and Other Uncertainties,

all as more particularly described in the attachment to Agenda Item II-A-7, which is attached to and incorporated in these Minutes as Exhibit "C."

8. **ITEM II-A-8: NALCO POLYMERS**

Approved the Third Amendment to Contract 12591A with Nalco Company for nonionic polymers used in the water treatment process, for an extension through December 31, 2015, and for additional funds of \$225,000.00 for a total amended contract amount not to exceed \$675,000.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "D."

9. **ITEM II-B: CONTRACT FOR HILLCREST POWERHOUSE PREVENTATIVE MAINTENANCE TEARDOWN OF HYDRO EQUIPMENT**

Approved entering into Contract 15329A with USA Construction for the Hillcrest Powerhouse Preventative Maintenance Teardown of Hydro Equipment Project for a total contract amount not to exceed \$774,000.00.

10. **ITEM III-A: INTEGRATED SECURITY STRATEGY**

Mr. Austin and Mr. Long gave a presentation on an integrated security strategy, which they developed along with Ms. Beth, to identify, prioritize, and protect Denver Water's critical infrastructure and key resources in line with

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

established national policy. They also propose including security in the new budget program structure, which will set priorities on spending for security and other program needs. Mr. Roode reported Denver Water already addresses security risks at a higher level than most other utilities, but he emphasized there are no industry standards on how much should be spent. The presentation is attached to and incorporated in these Minutes as Exhibit "E."

11. ITEM III-B: CAPITAL PROJECTS CONSTRUCTION STANDARDS

Ms. Ross presented the second edition of the Capital Projects Construction Standards and reviewed the history of the standards, which were developed in 2011. With implementation of the first edition of the standards, Denver Water saved more than \$500,000.00 and more than one million sheets of paper. The standards also helped to save on consultant fees and drafters' and engineers' time. The broader second edition is expected to increase savings to Denver Water and to its construction contractors and consultants. The presentation is attached to and incorporated in these Minutes as Exhibit "F."

12. ITEM IV-A-1: CEO REPORT: EMPLOYEE SURVEY

Mr. Lochhead reported that the employee survey was completed with a response rate of more than 80 percent. The response rate for the prior employee survey was approximately 60 percent. The results are expected in early March 2014, and they will be provided to the Board.

13. ITEM IV-A-2: CEO REPORT: DISTRIBUTORS

Mr. Lochhead reminded the Board that a survey was completed in 2013 of Denver Water customers and distributors. The survey showed there is some room for improvement in service and communication with distributors. For a one-year pilot project, Mr. Lowe, Manager of Sales Administration, has been

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

designated the full-time distributor liaison to work on improving these relationships.

14. ITEM IV-A-3: CEO REPORT: GRAND COUNTY

Mr. Lochhead reported that Denver Water has reached an agreement with Grand County on a mitigation package for the Gross Reservoir enlargement project. Denver Water will deliver the mitigation package to the U.S. Army Corps of Engineers by February 14, 2014, for approval. Staff expects Trout Unlimited and the landowner group to endorse the mitigation package. This will provide momentum in the permitting process for the project.

Ms. Wells explained that the plan includes mitigation for the impacts identified in the Environmental Impact Statement. Additionally, it includes enhancements to which Denver Water committed under the Colorado River Cooperative Agreement ("CRCA"). If any of the mitigation or enhancement measures do not perform as intended, then under the mitigation plan Denver Water would have to pay \$1 million for each failed measure.

15. ITEM IV-A-4: CEO REPORT: BOARD RETREAT

Mr. Lochhead noted that the Board retreat scheduled for March 7, 2014, has been canceled.

16. ITEM IV-A-5: CEO REPORT: STATE WATER PLAN

Mr. Lochhead mentioned there have been contentious discussions on the state water plan and that Denver Water staff is meeting with the Colorado River District to address transmountain diversions. The river district has two new Board members, whom Mr. Lochhead would like the Commissioners to meet in order to reaffirm the parties' relationship under the CRCA. Mr. Lochhead also would like to schedule a similar meeting with the board of the Northern Colorado Water Conservancy District.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

17. **ITEM IV–C–1: OPERATIONS REPORT: BLOOD DRIVES**

Ms. Novak was recognized for her efforts in planning numerous blood drives at Denver Water to benefit Bonfils Blood Center. The last three blood drives produced 192 units of blood, which is enough to help almost 600 patients.

18. **ITEM IV–C–2: OPERATIONS REPORT: 2013 ACTIVITY REPORT**

Mr. Roode provided a report on the activities of the Transmission and Distribution (“T&D”) section in 2013. The T&D work and a distribution valuestream have resulted in a reduced number of main breaks and more replacement and preventative maintenance of pressure-reducing valves. The T&D section also has replaced more lead service lines and serviced more hydrants. The report is attached to and incorporated in these Minutes as Exhibit “G.”

19. **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 “H.”

No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 11:20 a.m.

EXECUTIVE SESSION

On Wednesday, February 12, 2014, commencing approximately at 11:20 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:

RECORD OF PROCEEDINGS

MINUTES
OF THE
BOARD OF WATER COMMISSIONERS

1. Litigation § 24-6-402(4)(b)
2. Attorney-Client Matters § 24-6-402(4)(b)
3. Negotiations § 24-6-402(4)(e)

There being nothing further for the Board to consider, the Executive Session concluded at 11:36 a.m.



Secretary, S.S. LOCKMEAD



President