

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

June 13, 2012

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, June 13, 2012, beginning at 9:30 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
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. Roode, Director of Operations and Maintenance
R. J. Mahoney, Director of Engineering	C. R. Dermody, Director of Information Technology
S.A. Miller, <i>Acting</i> Director of Human Resources	P. A. Carey, Manager of Purchasing and Contracting
T. Lowe, Manager of Sales Administration	P. B. Coleman, Chief Internal Auditor
K. Unger, Customer Relations	M.K. Frishman, Attorney
E. Chavez, Customer Relations	J. Light, Engineer
D. Hamm, Staff Analyst	J. Walker, Contracts Supervisor
K. Balu, Contract Specialist	S. Sprague, Contract Specialist
V. Gaiter, Distribution Engineering	

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	M. Leister, Chief of Construction Management
G. Fisher, Manager of Demand Planning	J.M. Barbier, Engineer
R. Wirth, Supervisor of Treasury Operations	G. Gulley, Engineer
A. Rettig, Treasury Analyst	D.M. Raitt, Construction Project Manager
C. Berg, Treasury Analyst	K. Petrik, Construction Project Manager
D. Bennett, Environmental Scientist	J. Fischer, Engineer
	D. Brinker, Engineer
	E. Brandt, Intern
	A.P. Altaras, Legal Intern

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioners Herzmark and Gougeon were found to be absent for substantial cause and were excused.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meetings of May 9 and May 23, 2012, was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Session of May 9, 2012, were approved.

Public Comment

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.

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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 V-A-1: HUMAN RESOURCES CHANGES**

Approved the human resources changes set forth in Agenda Item V-A-1 dated June 13, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "A," effective the pay period ending **May 25, 2012**, unless otherwise noted.

2. **ITEM V-A-2: EMPLOYEES ELIGIBLE FOR REGULAR STATUS**

The following employees were classified as regular employees of the Board, with all rights and privileges thereof, effective **June 1, 2012**, unless otherwise noted:

Employee Name	Employment Date	Retirement Plan Participation Date <small>Unless otherwise noted[^]</small>	Division/Section
Laurette A. Evora	11/14/2011	11/14/2011	Customer Relations #030
Brett E. Cochran	5/25/2010	11/26/2011 [^] Exclude prior service as temporary status 05/25/2010 to 11/25/2011	Dam Safety #214
Tung M. Nguyen	11/14/2011	11/14/2011	Information Technology #160
Tracy M. Gomez	11/21/2011	11/21/2011	Legal #050
Nathan E. Damp	11/17/2011	11/17/2011	Electrical Shop #960
Craig M. Lamacraft	11/16/2011	11/16/2011	Foothills #610
Mac Noah	11/28/2011	11/28/2011	Recycled Water Plant #650
Jennifer L. Nowaczewski	11/21/2011	11/21/2011	Recycled Water Plant #650
Jose L. Salayandia	11/28/2011	11/28/2011	Recycled Water Plant #650

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**3. ITEM V-A-3: CONTRACTS SCHEDULED TO RENEW AND/OR
REQUIRE ADDITIONAL FUNDING IN THE 3RD QUARTER OF 2012**

Approved renewal and/or additional funding as necessary for the following contracts, which are scheduled to expire in the Third Quarter 2012:

Contract No. 08466A with IBM Corporation for the period August 1, 2012, through July 31, 2013, for an additional cost of \$140,000.00;

Contract No. 02985A with AssetWorks for the period October 1, 2012, through September 30, 2013, for an additional cost of \$44,000.00;

Contract No. 07915B with Genesys Telecomm Lab, Inc., for the period October 1, 2012, through September 30, 2013, for an additional cost of \$40,000.00;

Contract No. 11799A with Microsoft Services for the period July 8, 2012, through July 7, 2013, for an additional cost of \$69,000.00;

Contract No. 06968A with Bowe Bell & Howell for the period July 1, 2012, through June 30, 2013, for an additional cost of \$14,200.00;

Contract No. 04312A with Oracle Corporation for the period October 1, 2012, through September 30, 2013, for an additional cost of \$100,000.00;

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Contract No. 12499A with Cyber-Ark Software, Inc., for the period September 1, 2012, through August 31, 2013, for an additional cost of \$15,000.00;

Contract No. 08470A with Tidal Software for the period October 1, 2012, through September 30, 2013, for an additional cost of \$35,000.00;

Contract No. 06801A with SAP America, Inc., for the period April 18, 2012, through April 17, 2013, for an additional cost of \$8,500.00; and

Contract No. 11807B with Kronos Incorporated for the period August 21, 2012, through August 20, 2013, for an additional cost of \$61,000.00,

all as more particularly described in the attachment to Agenda Item V-A-3, dated June 13, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

4. **ITEM V-A-4: CONTRACTS FOR BAR CODING SOFTWARE AND HARDWARE FOR WAREHOUSE INVENTORY**

Authorized award of Contract No. 14064A to RF-SMART for warehouse bar code technology for the contract period June 13, 2012, through December 31, 2012, for a total contract amount not to exceed \$106,774.80 and the award of Contract No. 14064B to RF-SMART for ongoing software maintenance for the contract period July 13, 2012, through July 12, 2013, for a total contract amount not to exceed \$76,800.00. The total cost of both contracts is not to exceed \$183,574.80.

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5. **ITEM V-A-5: CONTRACT WITH THE DOYLE GROUP FOR IT
DISASTER RECOVERY PROJECT MANAGEMENT SERVICES**

Approved Contract No. 14217A with The Doyle Group for the project management services of Willie Post through April 30, 2014, for an amount not to exceed \$352,000.00.

6. **ITEM V-A-6: CONTRACT EXTENSION WITH AELLIUS
PROFESSIONAL RESEARCH & CONSULTING, LLC, FOR JDE SYSTEM
TECHNICAL SUPPORT**

Approved extension of the July 2007 contract with Aellius Professional Research & Consulting, LLC, Contract 10948A, for technical support services related to the JDE system for an additional twelve months at a cost of \$50,000.00. This extension brings the total contract amount to \$327,000.00.

7. **ITEM V-A-7: WORK ORDER REVISION NO. 2 WITH RTD TO
FURNISH AND INSTALL CONDUIT NO. 83 – STEELE STREET AT UPRR
TRACKS**

Approved Work Order Revision No. 2 under Utility Relocation Agreement No. 12208A with the Regional Transportation District to furnish and install Conduit No. 83 – Steele Street at UPRR Tracks – in the amount of \$84,606.00.

8. **ITEM V-A-8: WORK ORDER REVISION NO. 2 WITH RTD TO
MODIFY CONDUIT NO. 301 – MILWAUKEE STREET AT UPRR TRACKS**

Approved Work Order Revision No. 2 under Utility Relocation Agreement No. 12208A with the Regional Transportation District to furnish and install Conduit No. 301 – Milwaukee Street at UPRR Tracks – in the amount of \$368,622.00.

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9. **ITEM V-A-9: CONTRACT FOR CONDUIT NO. 58 EXTENSION, PRV VAULT AND CONDUIT NO. 74 RELOCATION**

Authorized award of Contract No. 13611A to Layne Heavy Civil, Inc., for the Conduit No. 58 extension and PRV vault and Conduit No. 74 relocation project in the amount of \$3,097,618.00.

10. **ITEM V-A-10: CHANGE ORDER NO. 4 WITH BT CONSTRUCTION, INC., FOR THE DUNES RESERVOIR OUTLET WORKS**

Approved Change Order No. 4 to Contract No. 12582A with BT Construction, Inc., for the Dunes Reservoir Outlet Works in the amount of \$46,950.86, all as more particularly described in the Change Order, a copy of which is attached to and incorporated in these Minutes as Exhibit "C".

11. **ITEM V-A-11: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS**

Ratified Construction Contract Change Orders and Amendments to Agreements authorized by the CEO/Manager in April and May 2012 as follows:

Change Order No. 6 to the contract with T. Lowell Construction Co. for the 2010/2011 Vault Modification Project, Contract No. 12916A;

Change Order No. 2 to the contract with Construction Concepts, Inc., for the Ralston Dam and Reservoir Caretaker Residences, Contract No. 13103A;

Change Order No. 1 to the contract with Gracon Corporation for the Dillon Dam Outlet Works Gate Repairs, Contract No. 13327A;

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Change Order No. 3 to the contract with W.M. Brown for the Bennett Flume Replacement, Contract No. 13460A;

Amendment No. 3 to the contract with T. Lowell Construction, Inc., for the Conduit No. 13 Internal Joint Seals, Blowoff Improvements and 60-inch Butterfly Valves and Appurtenances Project, Contract No. 13577A;

Change Order No. 1 to the contract with JCOR Mechanical, Inc., for the Moffat Treatment Plant Safety Shower and Eyewash Station Project, Contract No. 13788A;

Change Order No. 1 to the contract with JCOR Mechanical, Inc., for the Marston Treatment Plant Safety Shower and Eyewash Station Upgrades, Contract No. 13901A;

Change Order No. 1 to the contract with Black Sand Reclamation for the 2012 Reclamation of Hazeltine Gravel Pit, Contract No. 14014A;

First Amendment to Task Order Agreement with Kumar and Associates, Inc., for On-Call Construction Observation and Materials Testing Services, Denver Front Range and Inter-Mountain Areas of Colorado, Task Order Agreement No. 11124R;

Third Amendment to Agreement with BAB Associates, PC/Architects, for the Antero Caretaker Residence, Agreement No. 12928A;

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Second Amendment to Agreement with Aggregate Industries to supply Bituminous Cold Patching, Agreement No. 12702A;

Tenth Amendment to Agreement with Bickerman Dispute Resolution, PLLC, for additional mediation/facilitation services, Agreement No. 11041A; and

Second Amendment to Agreement with P & H Equipment, Inc., to provide Hauling Services, Agreement No. 12715A,

all as more particularly described in the attachment to Agenda Item V-A-11, dated June 13, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

12. **ITEM V-A-12: RATIFICATION OF 7TH AMENDMENT TO AGREEMENT WITH BLACK AND VEATCH ENGINEERING**

Ratified the Seventh Amendment to Agreement No. 11484A with Black and Veatch Engineering for engineering investigations of the proposed WISE Partnership, extending the completion date and adding work for an additional \$20,000.00 in compensation, all as more particularly described in the Seventh Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "E".

13. **ITEM V-C-1: AMENDMENTS TO OPERATING RULES REGARDING LICENSE CANCELLATION PROCESS**

Approved amendments to Operating Rules in Chapters 2, 3 and 9 as are more particularly set forth in legislative fashion in the attached Exhibit "F," regarding the license cancellation process.

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As revised, the Operating Rules will no longer require license cancellations after water service becomes inactive. Instead, the Operating Rules will require that a meter be set within three days of a tap connection into a main, without a deadline for tapping after payment of system development charge and issuance of license. Additionally, for water service that becomes unused, the Rules will allow the customer to pay the monthly service charge, keeping the account active, or to request deactivation of the account. To reactivate service, certain fees may apply, and repairs and inspection may be required, but the customer will not be required to pay a system development charge.

14. **ITEM V-E-1: RENEWAL OF INSURANCE POLICIES**

Ratified the payments of \$65,187.00 to Argonaut Insurance for excess liability insurance; \$539,608 to XL Insurance for property and boiler coverage; \$4,300 to Travelers Insurance for crime coverage; and \$20,404 to Ace Insurance for Fiduciary coverage, all for the period June 1, 2012 through June 1, 2013.

15. **ITEM V-E-2: 2012 SUBSCRIBER FEES FOR THE WATER RESEARCH FOUNDATION**

Approved payment of 2012 subscriber fees to the Water Research Foundation in the amount of \$130,666.95.

16. **ITEM V-E-3: ADOPTION OF RESOLUTION TO UPDATE DELEGATION OF DUTIES TO THE CEO/MANAGER**

Adopted a Resolution, a copy of which is attached to and incorporated in these Minutes as Exhibit "G" regarding the delegation of duties by the Board to the CEO/Manager. The 2012 Resolution supersedes the April 13, 2005 Resolution.

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17. **ITEM V-E-4: AWARD OF CONTRACT FOR CONDUIT NO. 302 – 36-INCH RECYCLED WATER PIPELINE**

Jessica Barbier, Engineering Division, explained the project involves the third phase of the Conduit No. 302 by extending the construction of the recycled water pipeline from 56th Avenue east from Chambers Road to Tower Road. The project will be completed in coordination with the Urban Drainage and Flood Control District and with the City and County of Denver, both of which have projects in the same area.

The Board authorized award of Contract No. 14024A to HCP Constructors, Inc., for the third phase of the Conduit No. 302 – 36-Inch Recycled Water Pipeline Project in the amount of \$4,362,685.00.

18. **ITEM V-E-5: CONTRACT AMENDMENT NO. 3 TO 2010 CONTRACT FOR PIPE REHABILITATION WITH MAINLINING SERVICES, INC., FOR THE 2012 PIPE REHABILITATION PROGRAM**

Jim Light, Engineering Division, explained the contract amendment covers the third year of a three-year contract for pipe rehabilitation. The original contract involved rehabilitation of 50,000 feet of water lines, and this amendment provides for lining of 9,700 additional feet.

The Board approved Contract Amendment No. 3 to Contract No. 12729C with Mainlining Services, Inc., for additional work to be completed as part of the 2012 Pipe Rehabilitation Program in the amount of \$828,986.50, all as more particularly provided in the Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "H."

19. **ITEM VI-F-1: DISCUSSION AND INFORMATION: STATUS OF THE INVESTMENT PORTFOLIO**

The Commissioners received the report titled "Denver Water Monthly Investment Portfolio Report" dated May 31, 2012, as set forth in Agenda Item

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VI-F-1 dated June 13, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "I."

20. **ITEM VI-F-2: DISCUSSION AND INFORMATION: DENVER WATER EMPLOYEES' RETIREMENT PLAN TRUST FUND**

The Commissioners received the report titled "Denver Board of Water Employees' Retirement Trust Fund Monthly Performance Snapshot" dated April 2012, as set forth in Agenda Item VI-F-2 dated June 13, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "J."

21. **ITEM VI-F-3: DISCUSSION AND INFORMATION: EMPLOYEES' RETIREMENT PLAN TRUST FUND – QUARTERLY REVIEW**

The Commissioners received the report titled "Employees' Retirement Plan Trust Fund – Quarterly Review" dated May 23, 2012, as set forth in Agenda Item VI-F-3 dated June 13, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "K."

22. **ITEM VI-G-1: SCHEDULING OF FUTURE BOARD MEETINGS**

The Board confirmed a Study Session will take place on **Wednesday, June 27, 2012, at 9:00 a.m.** in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado. An agenda will be posted prior to the meeting. A portion of the meeting will take place in Executive Session.

23. **ITEM VI-G-2: SCHEDULING OF FUTURE BOARD MEETINGS**

The Board confirmed a Regular Meeting will take place on **Wednesday, July 11, 2012, at 9:15 a.m.** in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado.

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

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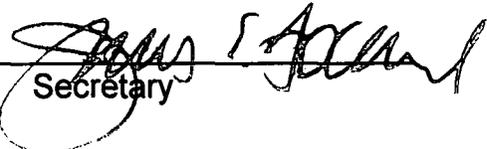
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EXECUTIVE SESSION

On Wednesday, June 13, 2012, commencing approximately at 10:30 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 matter which is authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 was discussed during the Executive Session:

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

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:30 a.m.


Secretary


President