

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

EXECUTIVE SESSION

January 28, 2015

On Wednesday, January 28, 2015, commencing at 9:03 a.m. in the CEO/Manager's Office, 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. Personnel Matters § 24-6-402(4)(f)(I)

The Executive Session recessed at 9:30 a.m.

OPEN SESSION

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, January 28, 2015, beginning at 9:34 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	D.L. Little, Director of Planning
A.C. Bricmont, Director of Finance	J.A. Anderson, Director of Customer
S.C. Covington, Director of Public Affairs	Relations
B.D. Good, Deputy Manager of Organizational Improvement	T.J. Roode, Director of Operations and Maintenance

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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
U. Sharma, Treasurer	P.B. Coleman, Chief Internal Auditor
M.K. Frishman, Attorney	M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation
T. Bryant, Controller	M. Price, Division Office Business Manager
D.M. Hamm, Staff Analyst	C. Piper, Intergovernmental Affairs Coordinator
S. Snyder, Special Projects Coordinator	A. Chavez, Staff Analyst
D. Bennett, Environmental Scientist	Z. Campbell, System Manager for Water Quality and Treatment
R. Wirth, Finance Manager/Supervisor	R. Decourcey, Finance Manager/Supervisor
J. Ross, Engineer	
B. DeWitt, Staff Analyst	
L. Arbuckle, Accountant	
Y. Her, Contracts Supervisor	
Jason Sand, RTL Networks	
Mike Sullivan, Trammell Crow	
Alex Brown, Trammell Crow	

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. 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 II-A-1: RENEWAL OF WORKERS' COMPENSATION INSURANCE POLICY FOR 2015**

Approved the extension of the Travelers Insurance policy for workers' compensation insurance for 2015, under Contract 13490A. The insurance premium and estimated claim payments for 2015 will total approximately \$1.2 million, with a \$250,000.00 deductible.

2. **ITEM II-A-2: CONTRACTS FOR RENTAL OF HEAVY EQUIPMENT**

Awarded Contract 15661B to Power Equipment Company, Contract 15661C to Power Motive Corporation, Contract 15661D to Honnen Equipment Company, and Contract 15661E to Worldwide Rental Services, all for rental of heavy equipment during the contract period February 1, 2015, through January 31, 2017. The four contracts are subject to one total contract amount not to exceed \$1,000,000.00, which will be accounted for under Contract 15661A.

3. **ITEM II-B-1: WISE PROJECT WATER RESERVATION AGREEMENT**

Mr. Bennett presented the WISE Water Reservation Agreement Among Denver Water, Aurora, acting through its Utility Enterprise, the South Metro WISE Authority, and Douglas County. He explained that, as part of the WISE Project, Denver Water and Aurora agreed to jointly make available 10,000 acre-feet of water annually. South Metro subscribed to 7,225 acre-feet. Douglas County requested a reservation of the remaining 2,775 acre-feet per year for the benefit of other water users in the county.

The agreement requires the reserved water to be used within existing service areas in the county and for the purpose of reducing dependence on non-renewable groundwater. The water will be delivered under the same terms

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and using the same infrastructure as the WISE water supplied to South Metro. The county's option for the water expires January 15, 2021, and the county will pay a reservation fee of \$97,125.00 per year to be split equally between Denver Water and Aurora.

The Board inquired about the county's ability to use the water for the Sterling Ranch development. Mr. Bennett confirmed Sterling Ranch sits within an existing service area; therefore, the water could be supplied there. He opined, however, that Sterling Ranch has enough water supplies already. He explained the county envisions supplying some of the water to rural users that are not served by South Metro and currently rely on groundwater. However, under the agreement the county will control where the water is provided in existing service areas, which could include new development.

The Board approved the agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "A."

4. **ITEM III-A: OPERATIONS COMPLEX REDEVELOPMENT**

Mr. Ross presented the structures for project management, project changes, and cost controls with regard to the redevelopment of the Operations Complex. Depictions of the structures are attached to and incorporated in these Minutes together as Exhibit "B." The structures will govern the decision-making and reporting responsibilities of Denver Water, Trammell Crow as the Owner's Representative, RNL Design as the Master Architect, and Mortenson Construction as the Construction Manager at Risk.

The Board also received a memorandum from Mr. Lochhead dated January 28, 2015, explaining the structures in detail, a copy of which is attached to and incorporated in these Minutes as Exhibit "C."

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5. **ITEM IV–A: CEO REPORT**

Mr. Lochhead provided to the Board a publication addressing Denver Water's initiatives and accomplishments in 2014 as well as goals for 2015. A copy is attached to and incorporated in these Minutes as Exhibit "D."

6. **ITEM IV–B–1: CFO REPORT: MONTHLY FINANCIAL REPORT**

The Board received the Monthly Financial Report for December 2014, as set forth in Agenda Item IV-B-1, which is attached to and incorporated in these Minutes as Exhibit "E."

Ms. Bricmont noted that three significant changes were made to the budgeting process, which staff anticipates will result in spending aligning more closely with the total budget in 2015. The changes were: (1) removing a number of approved, vacant positions; (2) avoiding repeatedly budgeting for the same expenditures committed under multi-year contracts; and (3) creating a new contingency budget.

7. **ITEM IV–D: LEGISLATIVE UPDATE**

Mr. Piper updated the Board on pending legislation. In addition, he reported that staff continues to work with the state and manufacturers of high-efficiency water fixtures to implement Senate Bill 103, which was signed into law in 2014. Staff also is working with the Colorado Department of Public Health and Environment and other cities to draft ordinances on the use of gray water.

8. **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 "F."

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9. **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 "G."

10. **ITEM V-C: STATUS OF CONTRACT WORK AND CONSULTANT SERVICES**

The Board received the reports "Status of Contract Work" and "Status of Consultant Services" dated January 23, 2015, which are attached to and incorporated in these Minutes together as Exhibit "H."

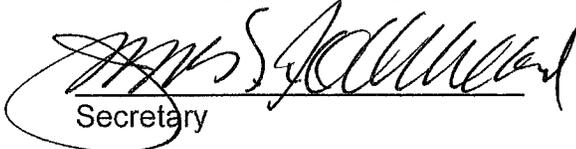
No further business appearing, the Board voted unanimously to reconvene the Executive Session at 10:20 a.m.

RECONVENED EXECUTIVE SESSION

On Wednesday, January 28, 2015, commencing at 10:26 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. Property Transactions § 24-6-402(4)(a)
2. Personnel Matters § 24-6-402(4)(f)(I)

There being nothing further for the Board to consider, the Reconvened Executive Session concluded at 11:12 a.m.


Secretary


President