

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

EXECUTIVE SESSION

February 11, 2015

On Wednesday, February 11, 2015, commencing at 8:14 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. Attorney-Client Matters § 24-6-402(4)(b)

The Executive Session recessed at 9:02 a.m.

OPEN SESSION

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, February 11, 2015, beginning at 9:06 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
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.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
M.K. Frishman, Attorney	P.B. Coleman, Chief Internal Auditor
T. Cristiano, Manager of Rate Administration	M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation
T. Bryant, Controller	T. Thompson, Senior Media Relations Coordinator
D.M. Hamm, Staff Analyst	B. Maulis, Contract Specialist
S. Snyder, Special Projects Coordinator	S. Miller, Manager of Health Care and Benefits Administration
V. Gaiter, Sales Administration Supervisor	Y. Her, Contracts Supervisor
J. Seagren, Distributor Relations Manager	B. Riggs, IT Manager of New Business Solutions Development
J. Spitze, IT Project Manager	Z. Campbell, System Manager of Water Quality and Treatment
P. Ries, Engineer	E. Helgeson, Finance Analyst
D. Wyman, Distribution Projects Coordinator	S. Niemi, Senior Financial Analyst
R. Batts, Engineering Specialist	P. Arp, Contract Specialist
E. Decker, IT PMO Manager	M. Waage, Manager of Water Resource Planning
B. Peters, Water Resource Engineer	L. Schulz, Customer Relations Operations and Reporting Manager
B. Dressel, Engineer	
D. Brinker, Engineer	
Greg Gillette, Denver resident	Jason Bosch, Denver resident
Bruce Baumann, Wheat Ridge resident	John Gallagher, RFC
Taylor Martin, Denver resident	Johnny Hurley

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Commissioner Austin called the meeting to order.

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, Bruce Baumann, Taylor Martin, and Johnny Hurley voiced their concerns regarding fluoride in drinking water. Commissioner Austin responded that the Board has formally decided to support and follow the recommendations on fluoridation made by the World Health Organization, the American Medical Association, the Centers for Disease Control, the American Dental Association, and other professional organizations. He recommended the speakers direct their remarks to those organizations. Commissioner Austin also noted a very high percentage of Denver's water is naturally fluoridated so that Denver Water does not have to add fluoride to it. He stated Denver Water carefully monitors its fluoride levels to comply with the highest standards of water quality.

Commissioner Austin agreed to provide the sources and costs of the fluoride Denver Water uses to Mr. Gillette. Commissioner Tate also asked the speakers to provide copies of any recent information on fluoride for Denver Water staff to review.

Ceremonies, Awards, and Introductions

Ms. Anderson introduced Ms. Seagren, the new Distributor Relations Manager in the Customer Relations division. Ms. Seagren previously worked as a Construction Project Manager in the Engineering division and has years of experience working with the distribution system.

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: MINUTES OF JANUARY 14, 2015**

The reading of the Minutes of the Regular Meeting of January 14, 2015, was dispensed with and such Minutes were approved.

2. **ITEM II-A-2: MINUTES OF JANUARY 28, 2015**

The reading of the Minutes of the Regular Meeting of January 28, 2015, was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of January 28, 2015, were approved.

3. **ITEM II-A-3: 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, 2015, unless otherwise noted:

Employee Name	Employment Date	Division/Section
Keith, John E.	2014-07-21	Engineering Division Electrical Engineering, #213
Dye, James M.	2014-08-04	Operations and Maintenance Division Maintenance Supervision, #800
McClintock, Brad E.	2014-07-07	Operations and Maintenance Division Water Quality, #230
McGonagill, Craig D.	2014-07-07	Operations and Maintenance Division Water Quality, #230
Stetler, Andrew R.	2014-08-04	Operations and Maintenance Division Winter Park Area, #520

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4. **ITEM II-A-4: PERSONNEL POLICIES CHANGES REGARDING FAMILY LEAVE FOLLOWING THE BIRTH, ADOPTION, OR FOSTER CARE PLACEMENT OF A CHILD**

Approved changes to Section 14-10-(1)(g) of the Personnel Policies regarding family leave following the birth, adoption, or foster care placement of a child. The Board also approved deleting the following language from Section 14-10-(1)(j)(ii) of the Personnel Policies: "An employee cannot use donated sick leave during a period of reduced leave after the birth, adoption or placement of a foster child, and." A copy of the changes is attached to and incorporated in these Minutes as Exhibit "A."

5. **ITEM II-A-5: PERSONNEL POLICIES CHANGES REGARDING ENTRANCE RATE OF PAY FOR INTRODUCTORY EMPLOYEES**

Approved changes to Section 12-3-(1) of the Personnel Policies regarding the entrance rate of pay for introductory employees. A copy of the changes is attached to and incorporated in these Minutes as Exhibit "B."

6. **ITEM II-A-6: PERSONNEL POLICIES CHANGES REGARDING THE RECORDING OF CORRECTION ACTION AND PERFORMANCE EVALUATION MEETINGS**

Approved the addition of Section 10-1-(4) and changes to Section 11-3 of the Personnel Policies with regard to the recording of performance evaluation and corrective action meetings and other procedural matters. A copy of the changes is attached to and incorporated in these Minutes as Exhibit "C."

7. **ITEM II-A-7: AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES WITH GBSM, INC.**

Approved the Fourth Amendment to Agreement 14684A with GBSM; Inc., for strategic public policy and issues management consulting services. The amendment extends the Agreement through December 31, 2015, and adds \$120,000.00 for a total amended contract amount not to exceed \$450,000.00.

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

8. **ITEM II-A-8: ADDITIONAL FUNDS FOR CONTRACTS FOR TRENCH SHORING EQUIPMENT RENTAL**

Approved the First Authorization for Additional Contract Funds for Contract 14793B with United Rentals (North America), Inc., Contract 14793C with Trench Shoring Services, and Contract 14793D with Sunbelt Rentals, Inc., for trench shoring equipment rental. The additional funds of \$150,000.00 will be applied to master contract number 14793A, for a total amended contract amount not to exceed \$350,000.00. A copy of the authorization is attached to and incorporated in these Minutes as Exhibit "E."

9. **ITEM II-A-9: STRONTIA SPRINGS 18-INCH RING JET VALVE PROCUREMENT**

Awarded Contract 15808A to Steel Fab, Inc., for the procurement of an 18-inch ring jet valve for Strontia Springs Reservoir for the contract period February 6, 2015, through September 30, 2015, for a total contract amount not to exceed \$116,200.00.

10. **ITEM II-A-10: AGREEMENT WITH HDR ENGINEERING, INC., FOR THE ANTERO DAM REHABILITATION PHASE IV SPILLWAY DESIGN**

Approved Agreement 15893A with HDR Engineering, Inc., for the Antero Dam Rehabilitation Phase IV Spillway Design Project through July 1, 2016, for a total contract amount not to exceed \$502,752.00. A copy of the Agreement is attached to and incorporated in these Minutes as Exhibit "F."

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

Ratified Construction Contract Change Orders and Amendments to Agreements authorized in January 2015 as follows:

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Change Order No. 2 to Contract 14041A with Intermountain Electric, Inc., for the Chatfield Pump Station High Side Pump Run No. 7 Addition;

Change Order No. 1 to Contract 14876A with New Design Construction for East 69th Way;

Change Order No. 2 to Contract 15329A with USA Construction, Inc., for the Hillcrest Powerhouse Preventative Maintenance Teardown of Hydro Equipment;

Fifth Amendment to Agreement 13179A with Drilltech Directional Services for Boring Services; and

Fourth Amendment to Task Order Agreement 14340B with MWH Americas, Inc., for the Williams Fork and Dillon Dam – Seismic Hazard Assessments to FERC Draft Comments,

all as more particularly described in the attachment to Agenda Item II-A-11, which is attached to and incorporated in these Minutes as Exhibit “G.”

12. ITEM II-B-1: AMENDMENT TO WATER SERVICE AGREEMENT – MASTER METER 192

Ms. Wells and Mr. Gaiter explained the need to amend Water Service Agreement (Master Meter) 07274A with the North Washington Street Water and Sanitation District; their presentation is attached to and incorporated in these Minutes as Exhibit “H.”

The 77-acre, former site of ASARCO Globe Smelter in the Globeville neighborhood has been remediated and sold to a developer and is in need of water service. Twenty percent of the property sits in Denver, and the remaining 80 percent sits in unincorporated Adams County. Technical issues and high costs would make it difficult to connect the site to the Denver Water system inside Denver. However, the property is located within Denver

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Water's Combined Service Area and can be served through the District's master meter contract. The District's contract service area will be modified to serve both portions of the property, which is known as Crossroads Commerce Park. Customers served on the property within Denver will pay inside-Denver system development charges but will be charged at the District's standard rates for water service.

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

13. **ITEM II-B-2: INTERGOVERNMENTAL AGREEMENT WITH THE CITY AND COUNTY OF DENVER FOR THE RELOCATION OF THE 12-INCH AND 20-INCH WATER LINES IN BLAKE STREET OVER 38TH STREET**

Approved Intergovernmental Agreement 15750A with the City and County of Denver for the relocation of 12-inch and 20-inch water lines made necessary by the City's Blake Street Bridge project over 38th Street. Denver Water will pay for the relocations at a total contract amount not to exceed \$311,000.00. A copy of the agreement is attached to and incorporated in these Minutes as Exhibit "J."

Commissioners Lucero and Gougeon recused themselves from the vote on this Agenda Item.

Mr. Wyman also described other intergovernmental projects coming up in 2015 that will involve relocations of Denver Water facilities. His presentation is attached to and incorporated in these Minutes as Exhibit "K."

14. **ITEM III-A: ORCA PROJECT UPDATE**

Mr. Spitze presented a timeline for the ORCA project, whose goal is to simplify budgeting and expense management through a single system. The project is expected to take more than three years to complete. The budget for

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2015, including internal costs, is \$4.4 million. Mr. Spitze's presentation is attached to and incorporated in these Minutes as Exhibit "L."

15. **ITEM III-B: RATE STRUCTURE STUDY UPDATE**

Mr. Cristiano and Ms. Elliott provided an update on the rate structure study. Staff has conducted an affordability study, a rate perception survey, and a workshop on rates, as well as forming a 15-member stakeholder committee to examine and advise on alternative rate structures. Upon completion of the study, the committee will formulate a report and recommendations for the Board, which will be presented in May 2015. Staff will seek formal approval of the rate structure in September 2015. The presentation is attached to and incorporated in these Minutes as Exhibit "M."

16. **ITEM IV-A: CEO REPORT**

Mr. Lochhead mentioned a recent story in the Denver Post about water use in Denver, reporting that use in December 2014 was at its lowest rate since 1973 despite having 350,000 more people in the Combined Service Area today.

He also discussed recent protests in Denver against fracking within city limits. Staff provided information to the City Council and Mayor's Office on how fracking relates to Denver's water supply. He said Denver Water monitors the situation in the South Platte River watershed and potential impacts on water quality.

Commissioner Herzmark inquired about the use of Denver's water in fracking operations. Mr. Lochhead noted there are approximately 70 oil and gas wells at Denver International Airport that may experience fracking, but staff is unaware of whether Denver water is used. Ms. Wells explained there is non-tributary water on the airport property that could be the source of water for fracking there; however, she confirmed that Denver Water does not sell water specifically for fracking. She suggested finding out whether Denver Water is

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being paid and at what rate if any of Denver's water is being used for oil and gas operations at the airport.

Lastly, Mr. Lochhead discussed House Bill 1144, which would prohibit the sale of any product that contains microbeads in Colorado. He confirmed that Denver Water's treatment processes can remove microbeads from the water supply. He has instructed Denver Water's intergovernmental affairs coordinator to indicate the organization's support of the legislation for purposes of water quality and concern for wildlife and public health. Ms. Elliott added that the manufacturers of the affected products and the wastewater industry support the legislation as well.

17. **ITEM IV-C: OPERATIONS REPORT**

Mr. Roode reported that staff is on target to meet its reduced goals for the number of injuries on the job since January. Additionally, there have been no lost work days due to injuries this year.

18. **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 "N."

19. **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 "O."

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20. **ITEM V-C: REVIEW OF PROPERTY BURDENS AND DISPOSALS,
FOURTH QUARTER 2014**

The Board received a report for the Fourth Quarter 2014 of actions taken by the CEO/Manager or his designees under the authority granted to him by the Board to burden or dispose of Board property or involve an expenditure of \$10,000.00 or more, which is attached to and incorporated in these Minutes as Exhibit "P."

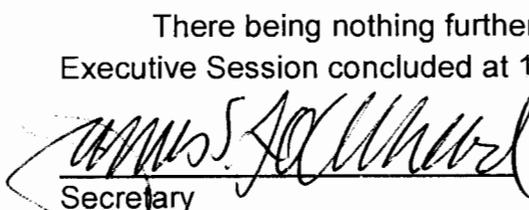
No further business appearing, the Board voted unanimously to reconvene the Executive Session at 10:49 a.m.

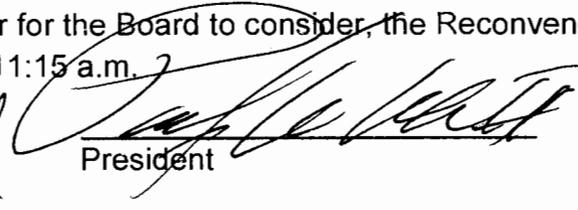
RECONVENED EXECUTIVE SESSION

On Wednesday, February 11, 2015, commencing at 10:50 a.m. in the Board Room, Room 309, 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. Litigation § 24-6-402(4)(b)
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)

There being nothing further for the Board to consider, the Reconvened Executive Session concluded at 11:15 a.m.


Secretary


President