

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

May 14, 2014

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, May 14, 2014, beginning at 9:09 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
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	P.L. Wells, General Counsel
A.C. Bricmont, Director of Finance	D.L. Little, Director of Planning
S.C. Covington, Director of Public Affairs	M. Aragon, <i>Acting</i> 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.L. McGuire-Collier, Assistant Director of Public Affairs – Communications and Marketing	T. Thompson, Media Relations Coordinator
T. Bryant, Controller	K. Petrik, Chief of Construction Management
D.M. Hamm, Staff Analyst	A. Chavez, Staff Analyst
S. Snyder, Special Projects Coordinator	C. Cervantez, Contract Specialist
M. Gutierrez, Construction Project Manager	H. Stauffer, Administrative Assistant
	A. Rettig, Treasury Analyst
	B. Balley, Engineer

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

D. Raitt, Construction Project Manager	D. Brinker, Engineer
V. Gaiter, Engineering Specialist	D. Bennett, Environmental Scientist
J. Ross, Engineer	J. Bogner, Finance Analyst
J. Barbier, Engineer	S. Price, Engineer
B. Ransom, Manager of Recreation	R. Wirth, Supervisor of Treasury Operations
G. Hempelman, Engineer	K. Bates, Attorney
D. De Francesco, Communications Specialist	A. Pokua-Nuako, Associate Finance Analyst
L. Orcholski, Communications Technician	D. Chase, Public Affairs
J. Heath, Engineer	J. Reddig, Graphic Designer
	S. Miller, Manager of Health Care and Benefits Administration
	K. Knoll, Manager of Stakeholder Relations
Tony Thornton, RNL	Dale Connors, Watershed
Jason Miller, Mortenson	Mike Suple, Suple Advertising
Aaron Burns, MWH	Mackie Sweatman, Suple Advertising
Alex Brown, Trammell Crow	Mike Sullivan, Trammell Crow

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioners Tate and Lucero 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.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

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: MINUTES OF OPEN MEETINGS**

The reading of the Minutes of the Regular Meetings of April 9, 2014, and April 23, 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 April 9, 2014, and April 23, 2014, 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 May 1, 2014, unless otherwise noted:

Employee Name	Employment Date	Division/Section
Ransom, Brandon B.	2013-10-14	Engineering Division Recreation Management, #252
Johnson, Timothy S.	2013-10-21	Human Resources Division Rewards, #439
Rodriguez, John L.	2013-10-21	Operations and Maintenance Division Recycled Water Plant, #650
Green, Ryan E.	2012-10-01 [^] [^] Excludes prior service as temporary status 10/1/2012-10/26/2013	Operations and Maintenance Division T&D Construction & Maintenance, #710
Padilla, Joseph M-Q.	2013-08-08 [^] [^] Successful bidder while in introductory period	Operations and Maintenance Division T&D Construction & Maintenance, #710

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

Good, Clayton A.	2013-10-07	Planning Division Water Rights, #330
Adams, Jay B.	2013-11-04	Public Affairs Division Communications and Marketing, #021

4. ITEM II-A-4: NON-POTABLE WATER LEASE WITH GILPIN COUNTY

Approved a Non-Potable Water Lease Agreement with Gilpin County, under which Denver Water will permanently supply up to five acre-feet of non-potable water each year to the county for purposes of dust suppression, subject to Denver Water's water use restrictions. This water will count against the 4,000 acre-foot limit for permanent leases outside the Combined Service Area under the Colorado River Cooperative Agreement. A copy of the lease is attached to and incorporated in these Minutes as Exhibit "A."

5. ITEM II-A-5: CONTRACT FOR CAST IRON VALVE BOX COMPONENTS

Awarded Contract 15493A to Castings, Inc., to furnish cast iron valve box components for the period June 1, 2014, through May 31, 2016, for a total contract amount not to exceed \$450,000.00 at the prices shown on the tabulation of bids attached to and incorporated in these Minutes as Exhibit "B."

6. ITEM II-A-6: RELOCATION OF CONDUIT NO. 61 AND VARIOUS DISTRIBUTION MAINS

Approved Intergovernmental Agreement 15105A with the City and County of Denver for reimbursement by Denver Water of the costs to relocate Conduit No. 61 and various distribution mains as part of the City's project to improve South Broadway between Arizona Avenue and Kentucky Avenue and Mississippi Avenue east and west of Broadway. The total contract amount is not to exceed \$1,145,149.82. A copy of the agreement is attached to and incorporated in these Minutes as Exhibit "C."

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

7. ITEM II-A-7: INTERGOVERNMENTAL AGREEMENT WITH COLORADO DIVISION OF PARKS AND WILDLIFE

Approved Intergovernmental Agreement 15515A with the Colorado Division of Parks and Wildlife for aquatic nuisance species inspections and decontamination services at Williams Fork and Antero Reservoirs for fiscal years 2014 through 2016. The total contract amount is not to exceed \$100,000.00 per year. A copy of the agreement is attached to and incorporated in these Minutes as Exhibit "D."

8. ITEM II-A-8: CONTRACT FOR SOUTH PLATTE COLLECTION SYSTEM – NORTH METRO NORTH COMPLEX OUTLET PROJECT

Awarded Contract 15253A to Concrete Works of Colorado for the South Platte Collection System – North Metro North Complex Outlet Project for a total contract amount not to exceed \$2,090,000.00.

9. ITEM II-A-9: CONTRACT FOR CHERRY HILLS PUMP STATION MODIFICATIONS

Awarded Contract 15187A to Moltz Construction, Inc., for the Cherry Hills Pump Station Modifications Project for a total contract amount not to exceed \$6,836,940.00.

10. ITEM II-A-10: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS

Ratified Construction Contract Change Orders and Amendments to Agreements authorized in the period March 2014 through April 2014 as follows:

Change Order No. 10 to Contract 12865A with Archer Western Construction, LLC, for the Elizabeth Street Pump Station Conversion;

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Change Order No. 1 to Contract 14624A with Concrete Works of Colorado, Inc., for the Vault Modifications 2013-2014;

Change Order No. 1 to Contract 14895A with Weathercraft of Colorado for the Strontia Springs Dam Valve House Roof Replacements, Cheesman Valve House Roof Replacement, and Hillcrest Hydroelectric Powerhouse Roof Replacement;

Change Order No. 2 to Contract 14977F with M.A. Mortenson Company for the Foothills Treatment Plant – Evaporator Equipment Installation;

Change Order No. 1 to Contract 14999A with Geo-Solutions, Inc., for the Antero Dam Rehabilitation, Phase I;

Change Order No. 2 to Contract 15150A with CTM, Inc., for the South Platte Collection System – North Metro Dunes and Howe-Haller B Reservoirs – Fulton Ditch Structures;

Second Amendment to Agreement 13517A with RSI Company for SCADA System Software and Hardware;

First Authorization for Additional Contract Funds to Agreements 13633B with Honnen Equipment, 13633C with Power Motive Corp., and 13633D with Power Equipment Co. for Rental of Heavy Equipment;

Second Amendment to Agreement 14217A with The Doyle Group, LLC, for a Consultant on the IT Disaster Recovery Project;

Second Amendment to Task Order Agreement 14325C with Hatch Mott MacDonald for the Foothills Treatment Electrical and HVAC Improvements;

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

Fourth Amendment to Agreement 14498A with Customer Care Measurement & Consulting, LLC, for the Customer Rate Perception Survey; and

Second Amendment to Agreement 15012A with Engineering Solutions, LLC, for the Gross Dam Enlargement Preliminary Engineering Studies – Project Construction Cost Estimating,

all as more particularly described in the attachment to Agenda Item II-A-10, which is attached to and incorporated in these Minutes as Exhibit “E.”

11. ITEM II–A–11: SECOND AMENDMENT TO AGREEMENT WITH HOGAN LOVELLS US LLP

Approved the Second Amendment to Agreement 14510A with Hogan Lovells US LLP for professional legal services to assist with permitting for the Moffat Project. The amendment extends the agreement through December 31, 2014, and adds \$240,000.00 for a total amended contract amount not to exceed \$540,000.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit “F.”

12. ITEM II–B–1: CHANGE ORDER NO. 1 FOR MARSTON DAM AND FOREBAY MULTIPLE LEVEL OUTLET AND UPGRADE PROJECT

Approved Change Order No. 1 to Contract 13906A with SEMA Construction for the Marston Dam and Forebay Multiple Level Outlet and Upgrade Project in the amount of \$798,000.00, a copy of which is attached to and incorporated in these Minutes as Exhibit “G.”

Ms. Gutierrez explained the change order is needed to facilitate an alternative point of discharge for the water drawn down from the forebay during the project. Her presentation is attached to and incorporated in these Minutes as Exhibit “H.”

Commissioner Gougeon asked about the dust control issues that have arisen on site due to another project. Ms. Gutierrez explained that the water in the

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

forebay must be drawn to low levels to meet dam safety requirements, resulting in the exposure of fine organic material. The current practices to minimize the dust meet the requirements of the Colorado Department of Public Health and Environment; nevertheless, staff and a consultant are researching options to reduce the blowing dust in response to concerns of local residents.

13. **ITEM II-B-2: MASTER ARCHITECT FOR OPERATIONS COMPLEX REDEVELOPMENT PROJECT**

Approved entering into Agreement 15485A to hire RNL Design as the Master Architect for the Operations Complex Redevelopment Project for a total contract amount not to exceed \$395,662.00. A copy of the Agreement is attached to and incorporated in these Minutes as Exhibit "I."

Mr. Ross presented an update on the project and described the competitive selection process that was used to hire a Master Architect and a General Contractor-Construction Manager at Risk. The latter contract is addressed in Agenda Item II-B-3 below. At this time, both contracts will focus on assisting the internal core team and Trammel Crow, the external program manager, in planning the project. Design and construction are expected to begin at the end of 2014.

As Master Architect, RNL Design will be responsible for all of the facilities within the operations complex. It will develop design standards, building layouts, preliminary plans, project goals, and a phased schedule.

Staff will update the Board after the team has developed final objectives and goals and a final design, schedule, and budget.

Mr. Ross' presentation is attached to and incorporated in these Minutes as Exhibit "J."

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

14. **ITEM II–B–3: GENERAL CONTRACTOR-CONSTRUCTION
MANAGER AT RISK FOR OPERATIONS COMPLEX REDEVELOPMENT
PROJECT**

Approved entering into Agreement 15511A to hire Mortenson Construction as the General Contractor-Construction Manager at Risk for the Operations Complex Redevelopment Project for a total contract amount not to exceed \$114,000.00. The General Contractor-Construction Manager at Risk will be responsible for construction, scheduling, cost estimates, and construction phasing. A copy of the Agreement is attached to and incorporated in these Minutes as Exhibit “K.”

15. **ITEM II–B–4: PROPERTY INSURANCE POLICY**

Ratified the binding of a property insurance policy from XL America for coverage of \$500 million through June 1, 2015, for a total premium of \$580,736.00.

Ms. Sharma described Denver Water’s insurance program and the process of competitively seeking coverage every three to five years with the help of an insurance broker, Arthur J. Gallagher Risk Management Services. She explained that the new property insurance policy broadens coverage following the September 2013 floods at an increase of less than market rate. Her presentation is attached to and incorporated in these Minutes as Exhibit “L.”

16. **ITEM III–A: SWITCHGEAR, HVAC, AND CMAR PROJECTS AT
FOOTHILLS TREATMENT PLANT**

Mr. Balley provided an update on numerous projects completed and in progress to improve the reliability of Foothills Treatment Plant. The work has been performed under three separate construction contracts for electrical, HVAC, and CMAR work. In addition, employees of the Operations and Maintenance Division completed 15 rehabilitation projects at the plant. Commissioner Austin congratulated staff on completing the projects under

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

budget and with minimal change orders. Mr. Balley's presentation is attached to and incorporated in these Minutes as Exhibit "M."

17. **ITEM III-B: 2014 CONSERVATION ADVERTISING CAMPAIGN**

Mike Suple of Suple Advertising presented the conservation advertising campaign for the summer of 2014.

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

Mr. Lochhead noted recent speeches he has made at the Denver Metro Chamber of Commerce annual State of the State luncheon, a tour of the Lower Colorado River Basin principals, and a meeting of the Colorado Cooperation Conference.

He also discussed the Interbasin Compact Committee, which has been tasked by the state to address the gap between water needs and supply in Colorado in the context of the state water plan. The committee is attempting to develop consensus on aspects of a potential new transbasin project, which would not be based on a firm supply amount for the Front Range but would include a comprehensive package of benefits for the West Slope. Mr. Lochhead also mentioned that the state is working on a strategy of demand management to move water from Flaming Gorge Reservoir to Lake Powell, in order to avoid Lake Powell dropping below the level at which it generates hydropower. In addition, a provision has been added to proposed federal legislation regarding the California drought that would allow the Secretary of the Interior to provide funding for a demand management program.

Lastly, Mr. Lochhead updated the Board on the status of Senate Bill 103, the legislation promoted by Denver Water regarding high-efficiency water fixtures. The Legislature passed the bill, but the Governor has not signed it.

RECORD OF PROCEEDINGS

**MINUTES
OF THE
BOARD OF WATER COMMISSIONERS**

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 “N.”

20. **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.”

21. **ITEM V–C: REVIEW OF PROPERTY BURDENS AND DISPOSALS, FIRST QUARTER 2014**

The Board received a report for the First 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 adjourn into a Trustee Meeting at 10:27 a.m.

TRUSTEE MEETING

The Board of Water Commissioners, serving in their capacity as Trustees of the Employees’ Retirement Plan Trust Fund and as Sponsor of the Supplemental Retirement Savings Plan of the Board of Water Commissioners of the City and County of Denver, met on Wednesday, May 14, 2014, commencing at 10:27 a.m., in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. The Minutes of the Trustee Meeting are maintained separately. The Trustee Meeting

RECORD OF PROCEEDINGS

MINUTES
OF THE
BOARD OF WATER COMMISSIONERS

concluded at 11:33 a.m., at which time the Board voted unanimously to adjourn into Executive Session.

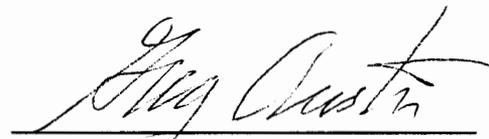
EXECUTIVE SESSION

On Wednesday, May 14, 2014, commencing at 11:33 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 11:43 a.m.


Secretary


President