

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

May 28, 2014

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, May 28, 2014, beginning at 9:10 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:

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| 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 |
| R.J. Mahoney, Director of Engineering | T.J. Roode, Director of Operations and Maintenance |
| G. Cagle, Director of Human Resources | C.R. Dermody, Director of Information Technology |
| M.K. Frishman, Attorney | P.A. Carey, Manager of Purchasing and Contracting |
| T. Bryant, Controller | P.B. Coleman, Chief Internal Auditor |
| 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 | M. Price, Division Office Business Manager |
| K. Knoll, Manager of Stakeholder Relations | |

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| M. Iverson, Division Office Business Manager | C. Piper, Intergovernmental Affairs Coordinator |
| L. Billeter, SBE/MWBE Program Outreach Coordinator | R. Wirth, Supervisor of Treasury Operations |
| J. Davis, Attorney | A. Pokua-Nuako, Associate Finance Analyst |
| M. Garcia, Engineer | C. Fikan, Contract Support Technician |
| K. Riegle, Attorney | T. Bray, Environmental Scientist |
| | A. Hall, Law Clerk |

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. There was no response.

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 INSURANCE POLICIES

Approved renewal of insurance policies for crime, fiduciary, and excess liability coverage through June 1, 2015, for premiums totaling \$100,452.00.

2. ITEM II-A-2: CONTRACT FOR DENVER INTERNATIONAL AIRPORT 2014 VAULT IMPROVEMENTS

Awarded Contract 15335A to Interstate Highway Construction, Inc., for the Denver International Airport 2014 Vault Improvements Project for a total contract amount not to exceed \$1,052,000.00.

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3. **ITEM II-B-1: MOFFAT PROJECT 401 CERTIFICATION ANALYSES**

Approved the Second Amendment to Agreement 15103A with CDM Smith, Inc., for preparation of an application for 401 Water Quality Certification from the Colorado Department of Public Health and Environment for the Moffat Project. The amendment adds \$60,000.00 for a total amended contract amount not to exceed \$135,170.00. It is attached to and incorporated in these Minutes as Exhibit "A."

4. **ITEM II-B-2: RESOLUTION IN OPPOSITION TO PROPOSED BALLOT INITIATIVES**

Adopted the *Resolution of the Denver Board of Water Commissioners Stating its Opposition to Initiatives 89 and 103*, dated May 28, 2014, which is attached to and incorporated in these Minutes as Exhibit "B."

5. **ITEM II-B-3: AGREEMENT WITH GREEN MOUNTAIN WATER AND SANITATION DISTRICT**

Approved an Intergovernmental Agreement with Green Mountain Water and Sanitation District to address the impacts to the District's operations due to a Denver Water project to rebuild the Green Mountain Pump Station. A copy of the agreement is attached to and incorporated in these Minutes as Exhibit "C."

6. **ITEM III-A: SBE/MWBE PROGRAM ANNUAL UPDATE**

Ms. Knoll and Ms. Hamm provided an update on the SBE/MWBE Program, including changes made to the program, outreach efforts, and participation rates in 2013. Out of approximately \$118 million in total contract spending in 2013, \$89 million was spent on contracts for which SBE contractors would have been eligible. Of that \$89 million, approximately \$62 million was spent on construction and construction-related contracts. Ultimately, approximately \$11 million was paid to SBE contractors and \$6 million was paid to MWBE

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contractors. The presentation and a summary of program results are attached to and incorporated in these Minutes as Exhibits "D" and "E," respectively.

Mr. Mahoney added that the Engineering Division will establish an overall MWBE participation goal of 10 percent for construction and construction-related contracts in 2014.

For the future, the Board asked to see quarterly reports and an annual participation goal for the overall program. The Board also supported tracking SBE participation at 100 percent of the Small Business Administration standards, exploring the expansion of the MWBE Program to contracts for goods and services, and reconstituting an external committee to regularly review the SBE/MWBE Program.

7. **ITEM III-B: HILLCREST TANK DESIGN**

Mr. Garcia described plans to begin designing new tanks for treated water at Denver Water's Hillcrest facility. The new tanks would replace the existing 30 million gallons of storage with 45 million gallons of storage. The Engineering Division has asked two local design firms, Bates Engineering and Brown and Caldwell, to work together as the design contractor for the project. Only one other firm is qualified to perform the work, but it is currently occupied with work on another Denver Water tank project. The Board indicated its support for this procurement approach.

Mr. Garcia's presentation is attached to and incorporated in these Minutes as Exhibit "F."

8. **ITEM IV-A-1: CEO REPORT**

Mr. Lochhead reminded the Board of its upcoming retreat on June 6, 2014. He also noted that the U.S. Army Corps of Engineers has declined to extend the public comment period related to the Moffat Project Environmental Impact

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Statement. Mr. Lochhead also reported that the U.S. Senate passed legislation regarding the California drought that also would grant authority to the Secretary of the Interior to provide funding for a demand management program. Next, the bill will go to the House of Representatives, which is considering a companion bill. Mr. Lochhead opined the two bills may be combined by the Senate and House.

Lastly, Mr. Lochhead said he continues to work with three other municipalities and the Bureau of Reclamation to secure joint funding for a demand management project on the Colorado River. He plans to reach out to the basin states and agricultural and environmental interest groups for support.

Ms. Anderson reminded the Board about an upcoming breakfast meeting with Mr. Lochhead and numerous distributors on June 5, 2014.

9. **ITEM IV–B: CFO REPORT: MONTHLY FINANCIAL REPORTS**

The Board received the Monthly Financial Reports dated April 30, 2014, as set forth in Agenda Item IV-B, which is attached to and incorporated in these Minutes as Exhibit “G.”

Ms. Bricmont noted that this year’s reports to date are similar to the financial reports from 2013, with the exception of an unprecedented amount of system development charges (SDCs) collected in April 2013 prior to an adjustment to those charges. This year’s SDC revenue is significantly lower, and no adjustment to SDCs is expected.

Commissioner Gougeon requested information on the structure of tap fees for multi-family buildings with 3-8 units. Ms. Anderson and Ms. Bricmont will provide that information.

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10. **ITEM IV-B-1: CFO REPORT: BOARD SUMMARY OPERATING RESULTS – UNAUDITED**

The Board received the Board Summary Operating Results – Unaudited – for 2013 and through March 31, 2014, as set forth in Agenda Item IV-B-1, which is attached to and incorporated in these Minutes as Exhibit “H.”

11. **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 “I.”

12. **ITEM V-B: EVENT CALENDAR**

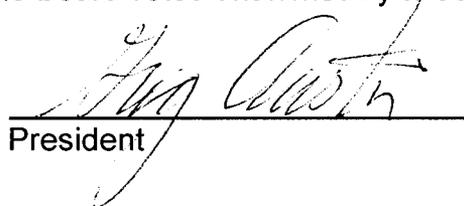
The Board received a calendar of upcoming community events to be attended by various staff, which is attached to and incorporated in these Minutes as Exhibit “J.”

13. **ITEM V-C: 2013 DISPOSAL OF USED VEHICLES AND EQUIPMENT**

The Board received a report of used vehicles and equipment disposed of in 2013, which is attached to and incorporated in these Minutes as Exhibit “K.”

No further business appearing, the Board voted unanimously to adjourn at 10:27 a.m.


Secretary


President