

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

September 24, 2014

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, September 24, 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
Penfield W. Tate, III, Vice President

Board employees and others present during portions of the meeting were:

B.D. Good, <i>Acting</i> 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
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
U. Sharma, Treasurer	P.B. Coleman, Chief Internal Auditor
M.K. Frishman, Attorney	A. Turney, Chief of Distribution and Property Management
T. Bryant, Controller	G. Boothe, Manager of Real Estate
D.M. Hamm, Staff Analyst	A. Steckler, Dispatcher
T.E. Lowe, Distributor Relations Manager	M. Almond, Construction Project Manager
S. Snyder, Special Projects Coordinator	K. Riegle, Attorney
L. Likes, Appraiser-Negotiator	S. Niemi, Senior Financial Analyst
	K. Petrik, Chief of Construction Management

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B. Reum, Manager of Geospatial
Information and Technology

A. Song, Engineer

M. Gutierrez, Construction Project Manager

J. Tolmich, Fleet Operations
Administrator

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried,
Commissioner Lucero 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.

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: CONTRACT EXTENSION FOR IT DISASTER RECOVERY PROJECT – INFRASTRUCTURE TECHNICAL SUPPORT SERVICES**

Approved the First Amendment to Contract 15451A with The Doyle Group, LLC, for the infrastructure technical support services of Joe Apato. The amendment extends the contract through September 30, 2015, and adds \$160,000.00 for a total amended contract amount not to exceed \$240,000.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "A."

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2. **ITEM II-A-2: CONTRACTS SCHEDULED TO RENEW AND/OR REQUIRE ADDITIONAL FUNDING IN THE 4TH QUARTER OF 2014**

Approved the Seventeenth Authorization for Additional Contract Funds and/or New Effective Dates for Contract 04953A with Oracle America Inc. for annual software licensing, service, and maintenance. The authorization extends the contract through December 31, 2015, and adds \$167,000.00 for a total amended contract amount not to exceed \$3,578,370.00. A copy of the authorization is attached to and incorporated in these Minutes as Exhibit "B."

Approved the Seventh Authorization for Additional Contract Funds and/or New Effective Dates for Contract 11431A with Oracle America Inc. for annual software licensing, service, and maintenance. The authorization extends the contract through December 31, 2015, and adds \$275,000.00 for a total amended contract amount not to exceed \$3,946,400.00. A copy of the authorization is attached to and incorporated in these Minutes as Exhibit "C."

3. **ITEM II-A-3: AMENDMENT NO. 1 FOR THE MARSTON DAM AND FOREBAY MULTIPLE LEVEL OUTLET AND UPGRADE**

Approved Amendment No. 1 to Contract 13906A with SEMA Construction for the Marston Dam and Forebay Multiple Level Outlet and Upgrade Project. The amendment adds \$371,900.00 for a total amended contract amount not to exceed \$12,397,825.00. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "D."

4. **ITEM II-A-4: FIRST AMENDMENT TO AGREEMENT FOR THE CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE MARSTON DAM SOUTH OUTLET WORKS ABANDONMENT PROJECT**

Approved the First Amendment to Agreement 15285A with GEI Consultants, Inc., for the construction management and inspection services for the Marston Dam South Outlet Works Abandonment Project. The amendment extends the Agreement through March 31, 2015, and adds \$71,087.72 for a total

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amended contract amount not to exceed \$168,725.72. A copy of the amendment is attached to and incorporated in these Minutes as Exhibit "E."

5. **ITEM II-A-5: CHANGE ORDER NO. 2 FOR THE 12-INCH AND 20-INCH MAIN INSTALLATIONS AT SMITH ROAD AND SYRACUSE STREET AND AT EAST 40TH STREET AND BLAKE STREET**

Approved Change Order No. 2 to Contract 14580A with BT Construction, Inc., for a credit to Denver Water of \$381,164.22 for the 12-inch and 20-inch main installations at Smith Road and Syracuse Street and at East 40th Street and Blake Street. A copy of the change order is attached to and incorporated in these Minutes as Exhibit "F."

6. **ITEM II-A-6: CHANGE ORDER NO. 11 FOR CONDUIT NO. 302 – 36-INCH RECYCLED WATER PIPELINE**

Approved Change Order No. 11 to Contract 14024A with HCP Constructors, Inc., for Conduit No. 302 — 36-Inch Recycled Water Pipeline. The change order adds \$210,000.00 for a total amended contract amount not to exceed \$4,948,131.79. A copy of the change order is attached to and incorporated in these Minutes as Exhibit "G."

7. **ITEM II-A-7: TASK ORDER AGREEMENT FOR CONSTRUCTION MANAGEMENT INSPECTION SERVICES FOR THE VAULT MODIFICATIONS 2014-2015**

Approved Task Order Agreement 14325F with Hatch Mott MacDonald for construction management inspection services for the Vault Modifications 2014-2015 for a total contract amount not to exceed \$214,440.58. A copy of the agreement is attached to and incorporated in these Minutes as Exhibit "H."

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8. **ITEM II–A–8: AGREEMENT FOR THE RECYCLING TREATMENT PLANT AS-BUILT CONFORMED SET AND BASE DRAWING PROJECT**

Approved Agreement 15696A with Hatch Mott MacDonald for the Recycling Treatment Plant As-Built Conformed Set and Base Drawing Project for a total contract amount not to exceed \$155,187.00. A copy of the Agreement is attached to and incorporated in these Minutes as Exhibit "I."

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

The Board received the Monthly Financial Report dated August 31, 2014, as set forth in Agenda Item IV-B-1, which is attached to and incorporated in these Minutes as Exhibit "J."

10. **ITEM IV–B–2: CFO REPORT: REVENUE BONDS**

Ms. Sharma reported on the sale of Denver Water revenue bonds that was held September 16, 2014. The competitive sale raised \$50.1 million, \$48.67 million in par and \$1.43 million in premium. Citigroup submitted the lowest bid at total interest cost of 3.74 percent. The bonds sold at a favorable interest rate compared with the bonds of another Aaa-rated water utility two weeks earlier. Seventy percent of the bond proceeds, or approximately \$34 million, will mature in the last four years of the 30-year maturity period.

Ms. Bricmont noted that staff plans to spend the bond proceeds on the three largest upcoming capital projects: the expansion of Gross Reservoir, the redevelopment of the Operations Complex, and the construction of a new Moffat Treatment Plant.

Commissioner Tate remarked that the municipal bond market and interest rates are at historic lows. Therefore, he recommended borrowing more next year and accelerating capital projects for the benefit of the ratepayers. For future bond issuances, he suggested crafting a flexible bond resolution that defines a group of projects to be funded over a certain time period but

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reserves to the Board the right to change the projects or their sequence if conditions change.

11. **ITEM IV–C–1: OPERATIONS REPORT**

Mr. Roode discussed the upcoming value stream involving Fleet Operations, which is closely related to the plans to redevelop the Operations Complex. Through a series of rapid improvement events, staff intends to realize a 25 percent improvement in the fleet's metrics, operations costs, and necessary square footage. Additionally, the number of vehicles could be reduced and the life of the vehicles could be shortened to five to six years, which would reduce the need for maintenance and the total cost of ownership.

12. **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 "K."

13. **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 "L."

No further business appearing, the Board voted unanimously to adjourn into Executive Session at 9:31 a.m.

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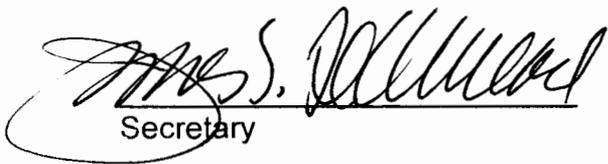
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EXECUTIVE SESSION

On Wednesday, September 24, 2014, commencing at 9:31 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. Property Transactions § 24-6-402(4)(a)
2. Litigation § 24-6-402(4)(b)
3. Attorney-Client Matters § 24-6-402(4)(b)
4. Negotiations § 24-6-402(4)(e)
5. Personnel Matters § 24-6-402(4)(f)(I)

There being nothing further for the Board to consider, the Executive Session concluded at 10:54 a.m.


Secretary


President