

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

October 23, 2013

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, October 23, 2013, beginning at 9:08 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during portions of 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	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
R.J. Mahoney, Director of Engineering	C.R. Dermody, Director of Information Technology
C. Elam-Floyd, Director of Human Resources	P.B. Coleman, Chief Internal Auditor
U. Sharma, Treasurer	J. Tolmich, Fleet Operations Administrator
M.K. Frishman, Attorney	B. Reum, Manager of Geospatial Information and Technology
T. Cristiano, Manager of Rate Administration	C.S. Funk, Attorney
T. Bryant, Controller	E. Weeams, Superintendent of Maintenance
D.M. Hamm, Staff Analyst	E. Helgeson, Rate Analyst
S. Snyder, Special Projects Coordinator	M. Villafane, Fleet Technician

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Pat Fitzgerald, Platte Canyon Water
and Sanitation District

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.

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 2-A-1: FLEET MANAGEMENT SYSTEM UPGRADE**

Approved the First Amendment to Contract 15013A with AssetWorks, Inc., for an upgrade of the fleet management system. The amendment, which is attached to and incorporated in these Minutes as Exhibit "A," extends the contract through August 31, 2014, and adds \$457,952.00, for a total amended contract amount not to exceed \$470,932.00.

2. **ITEM 2-A-2: SULPHUR GULCH RESERVOIR CONDITIONAL WATER RIGHT**

Approved canceling and abandoning the Sulphur Gulch Reservoir conditional water right in its entirety. This water right was decreed in 2007 to Denver Water and Northern Colorado Water Conservancy District ("Northern") to create a permanent source for all or a part of the East Slope's commitment to provide 5,412.5 acre-feet of water to the Upper Colorado River Recovery Program for Endangered Fish Species. The East Slope water users decided to pursue a different water project, the Red Top Valley Ditch, which is operational. Therefore, the Sulphur Gulch project and water right are no longer necessary. Northern has approved canceling and abandoning the water right as well.

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3. ITEM 2-A-3: DENVER WATER'S STRATEGIC PLAN

Approved changes to Denver Water's Strategic Plan to include the health and safety of Denver Water employees as key elements necessary to achieve the organization's strategic objectives. The changes are shown in the attachment to Agenda Item 2-A-3, which is attached to and incorporated in these Minutes as Exhibit "B."

No further business appearing, the Board adjourned the Action portion of the meeting at 9:27 a.m.

STUDY SESSION

The Study Session consisted of a report on customer experience surveys that were completed earlier this year, a presentation on an upcoming affordability study, and a litigation update.

Ms. Anderson provided an overview of the results of surveys conducted by an independent consulting firm with Denver Water water users, distributors, and suppliers. The firm also contacted customers who experienced recent street maintenance or repair by Denver Water in their neighborhoods and customers who recently contacted Denver Water's call center. The results showed the majority of customers are satisfied with Denver Water. The data is being used already to make improvements, and ongoing surveys will measure progress. The Commissioners also discussed staff's efforts to develop a Denver Water brand.

Mr. Cristiano shared plans to conduct a study that will help staff develop a definition of affordability as it relates to Denver Water's rate structure. Staff will provide the results of the study to the Board.

Ms. Wells announced Denver Water successfully defended the claim filed by Severson Environmental Services related to the Strontia Springs Reservoir dredging project. The decision allowed Denver Water to keep the retainage of

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approximately \$1.5 million it had withheld from payment to Severson, and it awarded approximately \$195,000 on a counterclaim for water Severson wasted during the dredging process. However, the hearing officer denied Denver Water's counterclaim for completion costs.

The Study Session concluded at 10:35 a.m., at which time the Board voted unanimously to adjourn into Executive Session.

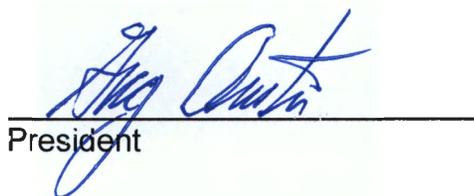
EXECUTIVE SESSION

On Wednesday, October 23, 2013, commencing at 10:36 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. Attorney-Client Matters § 24-6-402(4)(b)
2. Negotiations § 24-6-402(4)(e)

There being nothing further for the Board to consider, the Executive Session concluded at 10:46 a.m.


Secretary


President