

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

January 8, 2014

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, January 8, 2014, beginning at 9:14 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

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
R.J. Mahoney, Director of Engineering	C.R. Dermody, Director of Information Technology
M.K. Frishman, Attorney	P.A. Carey, Manager of Purchasing and Contracting
T.L. McGuire-Collier, Assistant Director of Public Affairs – Communications and Marketing	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	G. Fisher, Manager of Demand Planning
D.M. Hamm, Staff Analyst	S.L. Chesney, Manager of Media and Executive Communications
J.S. Walker, Contracts Supervisor	

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P. Daukas, Manager of Environmental Planning	L. Weber, Planner
S. Snyder, Special Projects Coordinator	J. Johnson, Conservation Specialist
M. Cassalia, Conservation Specialist	M. Horrie, Planner
L. Morris, Water Conservation Office Technician	A. Chavez, Staff Analyst
P. Segura, Staff Analyst	C. Cervantez, Contract Specialist
M. Weis, Administrative Assistant	A. Ingram, Contract Specialist
D. Finnerty, Water Conservation Office Technician	J. Tejral, Manager of Water Conservation
J. Shaw, Conservation Specialist	K. Knoll, Manager of Stakeholder Relations
R. Alvarado, Water Conservation Technician	A. Krcmarik, Conservation Specialist
J. Rhodes, Water Conservation Technician	S. Snyders, Engineering/Systems Technician
R. Yagi, Water Conservation Technician	P. McCormick, Engineer
	M. Waage, Manager of Water Resource Planning
	L. Kaatz, Environmental Scientist
	J. Heath, Engineer
	S. Dominick, Water Resource Engineer
	A. Hall, Law Clerk

Mike Carnevale, URS
Jeff Willis, Homebuilders Association
of Metro Denver

Commissioner Lucero called the meeting to order.

Upon motion regularly made, seconded and unanimously carried,
Commissioner Austin was found to be absent for substantial cause and was excused.

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Public Comment and Communications

Commissioner Lucero 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.

Ceremonies and Awards

Ms. Covington recognized Jeff Willis, who recently vacated his seat on the Citizens Advisory Committee. He served on the committee for three years as a representative of the Homebuilders Association of Metro Denver. The Commissioners thanked Mr. Willis for his service.

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 December 11, 2013, and December 18, 2013, was dispensed with and such Minutes were approved.

2. **ITEM II-A-2: MINUTES OF EXECUTIVE SESSION**

The Minutes of the Executive Session of December 6, 2013, were approved.

3. **ITEM II-A-3: MINUTES OF ANNUAL MEETING**

The reading of the Minutes of the Annual Meeting of December 18, 2013, was dispensed with and such Minutes were approved.

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4. ITEM II-A-4: HUMAN RESOURCES CHANGES

Approved the human resources changes set forth in Agenda Item II-A-4 dated January 8, 2014, which is attached to and incorporated in these Minutes as Exhibit "A."

5. ITEM II-A-5: EMPLOYEE ELIGIBLE FOR REGULAR STATUS

The following employee was classified as a regular employee of the Board, with all rights and privileges thereof, effective January 1, 2014, unless otherwise noted:

Employee Name	Employment Date	Retirement Plan Participation Date <small>Unless otherwise noted^A</small>	Division/Section
Snyder, Steve J.	2013-06-24	2013-06-24	Public Affairs Division Director of Public Affairs, #020

6. ITEM II-A-6: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS

Ratified Construction Contract Change Orders and Amendments to Agreements authorized in the period November 2013 through December 2013 as follows:

Change Order No. 2 to Contract 14062A with Garney Construction for Highlands Reservoir & Pump Station Replacement of Basin Nos. 1 & 2;

Change Order No. 2 to Contract 14981A with Ludvik Electric for Strontia Springs Reservoir and Gross Reservoir Security;

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Sixth Amendment to Agreement 11397A with Hi Country Wire & Telephone LTD for AVST XpressCare 2014;

Fourth Amendment to Agreement 12924A with Short & Brennan Architects for Antero Dam and Reservoir Headquarters Facility;

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

Third Amendment to Agreement 14498A with Customer Care Measurement & Consulting for Customer Experiences Professional Services,

all as more particularly described in the attachment to Agenda Item II-A-6, which is attached to and incorporated in these Minutes as Exhibit "B."

7. **ITEM II-A-7: AUTHORIZATION FOR ADDITIONAL FUNDS FOR AGREEMENT WITH SHERMAN & HOWARD, L.L.C.**

Approved the Second Authorization for Additional Contract Funds for Agreement 13872A with Sherman & Howard, L.L.C., for legal representation of Denver Water in the claim brought by the construction contractor for the Strontia Springs Reservoir Dredging Project. The authorization, which adds \$395,000.00 for a total amended contract amount not to exceed \$1,660,000.00, is attached to and incorporated in these Minutes as Exhibit "C."

8. **ITEM II-A-8: DESIGNATION OF PLACES FOR POSTING NOTICES OF MEETINGS**

Approved the designation of the following places for posting notices of Board meetings during 2014: (1) In the glass-enclosed bulletin board near the main entrance to the Administration Building at 1600 West 12th Avenue, Denver,

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Colorado; and (2) On a bulletin board near the elevators on the fourth floor of the City and County Building, Denver, Colorado.

9. **ITEM II-A-9: CONTRACT FOR PUMP REPLACEMENT AT KENDRICK PUMP STATION**

Awarded Contract 15271A to Letts, Van Kirk & Associates for Pump 11 Replacement at Kendrick Pump Station for the period February 1, 2014, through July 31, 2015, for a total contract amount not to exceed \$213,147.06.

10. **ITEM II-A-10: CONTRACT FOR CHLORINATION EQUIPMENT**

Awarded Contract 15247A to Municipal Treatment Equipment, Inc., for chlorination equipment for the Marston Water Treatment Plant Treatment Process Improvements for the period January 8, 2014, through January 8, 2015, for a total contract amount not to exceed \$271,911.00.

11. **ITEM II-A-11: AMENDMENT TO CONTRACT FOR TIRES, TIRE REPAIRS, AND ALIGNMENTS**

Approved the Second Amendment to Contract 13280A with A & E Tire, Inc., for tires, tire repairs, and alignments. The amendment extends the contract through January 31, 2015, and adds \$184,500.00 for a total amended contract amount not to exceed \$934,500.00.

12. **ITEM III-A: 2013 CONSERVATION REVIEW**

Ms. Covington thanked the employees of the Conservation and Demand Planning sections for their work on the conservation programs.

Mr. Tejral reviewed the programs' achievements in 2013. Daily per capita water use decreased, meeting the goal of a 22 percent reduction by 2016. This includes water use by residential, commercial, and industrial customers.

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The Conservation section offers a variety of water-saving programs for different customer types. Last year, these programs saved 1,213 acre-feet at a cost to Denver Water of \$3,700 per acre-foot. The programs include Denver Water's water savers and drought patrol, who made 11,000 stops last year, and audits of high water bills and low-income customers' water use. In 2013, Conservation also provided informational water budgets to larger customers and improved the processing of rebate applications.

For 2014, the Conservation section plans to update the irrigation efficiency program, provide rebates for ultra high-efficiency toilets and small cooling towers, conduct a pilot program to replace certain customers' turf with native grass, increase water use education, and seek support of Denver Water's proposed legislation to limit sales of indoor water fixtures in Colorado to only WaterSense-certified products. If passed, the legislation is expected to save 40,000 acre-feet per year across the state until 2050.

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

13. **ITEM IV-A-1: CEO REPORT: 2013 YEAR IN REVIEW**

Mr. Lochhead provided to the Board the report "Denver Water 2013 Year in Review," which is attached to and incorporated in these Minutes as Exhibit "E." He reviewed certain achievements made by the organization including: responding to the drought in the spring of 2013 and the flooding in September 2013; continuing the Lean program and Employer of the Future initiatives; executing the Colorado River Cooperative Agreement; and creating a master plan for the main campus. The Commissioners remarked positively on the staff's accomplishments achieved in a short period of time.

In 2014, the organization will begin new Lean value streams on customer service and budgeting, a new environmental stewardship initiative, and a comprehensive analysis of the rate structure.

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14. **ITEM IV-C-1: OPERATIONS REPORT: Foothills Update**

Mr. Roode provided an update on the improvements being constructed at the Foothills Treatment Plant at a cost of \$16 million. The work involves more than 10 different projects including electrical and HVAC improvements, basin repairs, new lighting systems, fiber communications, and paving. Mr. Roode reported the work is going very well despite a delay on certain required electrical equipment, which will extend the plant's outage by slightly more than one month.

15. **ITEM IV-C-2: OPERATIONS REPORT: NEW Director of Human Resources**

Mr. Lochhead reported that the new Director of Human Resources, Gail Cagle, will begin working on January 13, 2014.

16. **ITEM IV-C-3: OPERATIONS REPORT: Campus Plan Update**

Mr. Mahoney reported that staff received proposals from four businesses seeking to provide project management services for the new campus plan. A selection committee shortlisted two of the proposers and ultimately selected Trammell Crow for the contract, which staff will recommend to the Board for approval at its next meeting.

Staff is developing a core team of employees to manage the campus plan, as well as a technical advisory team. The project is budgeted for 11 years. Design may begin at the end of 2014, with construction beginning in 2015.

17. **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 "F."

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18. **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 “G.”

19. **ITEM V–C: NEW CONTRACT SUMMARY**

The Commissioners received a report of contracts entered into in the Fourth Quarter of 2013 for amounts between \$20,000.00 and \$100,000.00, which is attached to and incorporated in these Minutes as Exhibit “H.”

20. **ITEM V–D: STATUS OF CONTRACT WORK**

The Commissioners received the report “Status of Contract Work” dated January 3, 2014, which is attached to and incorporated in these Minutes as Exhibit “I.”

No further business appearing, the Board voted unanimously to adjourn into Executive Session at 10:22 a.m.

EXECUTIVE SESSION

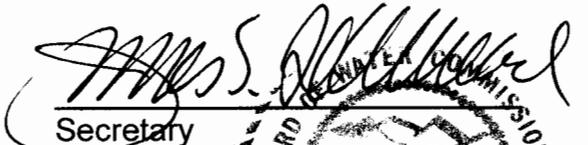
On Wednesday, January 8, 2014, commencing at 10:26 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matters, which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34, were discussed during the Executive Session:

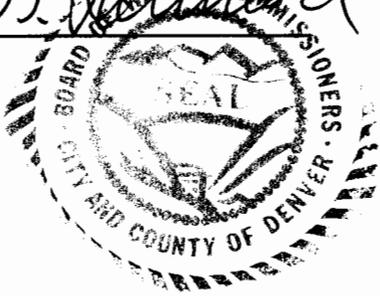
1. Attorney-Client Matters § 24-6-402(4)(b)
2. Negotiations § 24-6-402(4)(e)

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There being nothing further for the Board to consider, the Executive Session concluded at 12:05 p.m.


Secretary




President