

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

January 13, 2010

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, January 13, 2010 beginning at 9:25 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

Penfield W. Tate, III, President
John R. Lucero, First Vice President
Thomas A. Gougeon, Vice President
Paula Herzmark, Vice President
H. Gregory Austin, Vice President

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

H. J. Barry, Manager	P. L. Wells, General Counsel
D. B. LaFrance, Director of Finance	D. L. Little, Director of Planning
G. T. Malmberg, <i>Acting</i> Director of Public Affairs	B. D. Good, Director of Operations & Maintenance
R. J. Mahoney, Director of Engineering	C. R. Dermody, Director of Information Technology
C. Elam-Floyd, Director of Human Resources	P. Coleman, Manager of Internal Auditing
A. T. Spaulding, Manager of Purchasing	S. Duncan, Intergovernmental Affairs Coordinator
R. Peters, Water Resource Engineer	B. Gogas, Environmental Scientist
M. L. Walker, Attorney	A. Turney, Engineer
T. L. McGuire-Collier, Manager of Community and Media Relations	M. Bond, Community Relations Specialist
S. Chesney, Community Affairs Specialist	J. H. Weldon, Engineer

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

W. C. Austin, Manager of Safety and Security

S. Miller, Manager of Healthcare and Benefit Administration

L. Billeter, Staff Analyst

T. Popacondria, Law Clerk

P. Daukas, Manager of Environmental Planning

M. Elliott, Manager of Water Conservation

T. J. Bray, Environmental Scientist

Pat Fitzgerald, Distributor's Liaison Representative Platte Canyon Water and Sanitation District and Southwest Metropolitan Water and Sanitation District

Terry Armev, MWH

Becky Long, Citizens' Advisory Committee

Liz Leif, Leif and Associates

Chris Jones, Leif and Associates

Greg Dye, MWH

Commissioner Tate called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Annual Meeting of December 9, 2009 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meeting of December 9, 2009 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Session of December 9, 2009 were approved.

Public Comment

Commissioner Tate invited 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**

Introduction of Employees

Mr. Mahoney and Mr. Little introduced employees attending the meeting from their respective divisions.

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 V-A-1: HUMAN RESOURCE CHANGES

Approved the human resource changes set forth in Agenda Item V-A-1 dated January 13, 2009, a copy of which is attached to and incorporated in these Minutes as Exhibit "A," effective the pay period beginning **December 12, 2009**, unless otherwise noted.

2. ITEM V-A-2: EMPLOYEES ELIGIBLE FOR REGULAR STATUS

The following employees were classified as regular employees of the Board, with all rights and privileges thereof, effective **January 1, 2010**, unless otherwise noted:

Employee Name	Employment Date	Retirement Plan Participation Date <small>Unless otherwise noted^</small>	Division/Section
Lawrence Schweitz	06/15/2009	06/15/2009	Information Technology #160
Carlos Catalan II	06/09/2009	06/09/2009	Customer Service – Field #465
Robert Mastroianni	06/09/2009	06/09/2009	Customer Service – Field #465
Ross Montoya	06/15/2009	06/15/2009	T&D Construction & Maintenance #710

RECORD OF PROCEEDINGS

MINUTES
OF THE
BOARD OF WATER COMMISSIONERS

3. **ITEM V-A-3: AMENDMENT TO PERSONNEL POLICIES CHAPTER 12 – PAY PLAN**

Effective January 13, 2010, approved Amendment to Section 12-8-(1)(d) of the Personnel Policies to clarify an employee's pay reduction upon demotion due to failure to obtain the necessary license, certification or degree within a specified time period following a promotion, all as more particularly described in Exhibit "B", attached to and incorporated in these Minutes.

4. **ITEM V-A-4: ADDITIONAL FUNDS FOR RENTAL OF ATTENDED AND UNATTENDED CRANES FOR OUTLYING AREAS**

Authorized an additional \$25,000 for rental of attended and unattended cranes used in outlying areas from Terry's Crane & Rigging, Inc., Contract No. 12207A, for a total amended contract amount not to exceed \$125,000.

5. **ITEM V-A-5: ANNUAL CONTRACT FOR POLYDADMAC POLYMER**

Authorized award of a contract to Ciba Specialty Chemicals Corporation to furnish Denver Water's requirements of PolyDADMAC Polymer for the contract period January 1, 2010 through December 31, 2011, at the unit prices set forth in the Tabulation of Bidder's Proposal No. 12599A, dated December 18, 2009, a copy of which is attached to and incorporated in these Minutes as Exhibit "C," for a total contract not to exceed \$1,100,000.

6. **ITEM V-A-6: ANNUAL CONTRACT FOR NALCO 8181 NONIONIC POLYMER**

Authorized award of a contract to Nalco Company to furnish Denver Water's requirements of Nalco 8181 Nonionic Polymer for the contract period January 1, 2010 through December 31, 2011, at a cost of \$1.75 per pound for 55 gallon drums and \$1.25 per pound for tanker loads, for a total contract amount not to exceed \$220,000.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

In response to questions from Commissioner Austin, Mr. Spaulding explained the annual contract could be extended for two 1-year periods, if it is determined the cost of the product remains competitive. Mr. Spaulding explained Nalco 8181 is proprietary and other polymers would need to be evaluated before the contract is re-bid.

7. **ITEM V-A-7: ANNUAL CONTRACT FOR AGGREGATE BASE COURSE**

Authorized award of a contract to LaFarge West, Inc., to furnish Denver Water's requirements of aggregate base course, for the contract period February 1, 2010 through January 31, 2012, at the unit prices set forth in the Tabulation of Bidder's Proposal No. 12669A, dated January 5, 2010, a copy of which is attached to and incorporated in these Minutes as Exhibit "D" for a total contract amount not to exceed \$300,000.

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

In accordance with the requirements of C.R.S. 24-6-402(2)(c), the Board designated the following places for posting notices for its meetings:

- In the glass enclosed bulletin board near the main entrance to the Administration Building at 1600 West 12th Avenue; and
- On a bulletin board near the elevators on the fourth floor of the City and County Building.

9. **ITEM V-A-9: AGREEMENT WITH MERRICK & COMPANY FOR THE DENVER FEDERAL CENTER UTILITIES INFRASTRUCTURE PROJECT**

Authorized entering into an agreement with Merrick & Company for the design of the Denver Federal Center Utilities Infrastructure Project, at a cost of

RECORD OF PROCEEDINGS

MINUTES
OF THE
BOARD OF WATER COMMISSIONERS

\$116,681.00, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

10. **ITEM V-A-10: FIRST AMENDMENT TO AGREEMENT (FINAL RENEWAL) WITH ADECCO TECHNICAL FOR AUTOCAD DRAFTING SERVICES FOR THE ENGINEERING DIVISION**

Authorized entering into the First Amendment to Agreement with Adecco Technical amending the January 15, 2009 Agreement, Contract 12115A, to add additional services, extending the time for completion of work to December 31, 2010, and increasing the compensation by \$215,000, for a total amended contract not to exceed \$463,880, all as more particularly described in the First Amendment to Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "F."

11. **ITEM V-A-11: AGREEMENT WITH URS CORPORATION FOR CHEESMAN DAM UPSTREAM CONTROL PROJECT-PHASE 2 DESIGN SERVICES**

Authorized entering into an agreement with URS Corporation to provide professional services for Phase 2 of the Cheesman Dam Upstream Control Project, at a cost to the Board not to exceed \$156,885, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "G."

12. **ITEM V-A-12: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS**

Ratified construction contract change orders and amendments to agreements authorized by the Manager in November and December 2009 as follows:

Change Order No. 4 to Contract No. 11668A with Sturgeon Electric Company, Inc. for the Kendrick Pump Station Low Side Renovations;

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Change Order No. 5 to Contract No. 11969A with Triston Construction, Inc., for the Howe-Haller Reservoir Slope Improvement Project;

Change Order No. 3 to Contract No. 11971A with American West

Construction for the Howe-Haller Reservoir Mounding Drain Construction Project;

Change Order No. 2 to Contract No. 12382A with Global Diving and Salvage, Inc., for the Williams Fork Penstock Lining Project;

Fourth Amendment to Agreement No. 11031A with Lee Gerbig, LLC for Slide Gate Design Review for Cheesman Dam;

Sixth Amendment to Agreement 11021A with WH Pacific, Inc., for the Cat Reservoir Pump Station;

Second Amendment to Task Order Agreement 11119E with Integra Engineering, LLP, to develop On-Line Operations, Maintenance, and Procedures Manual for Vault Modifications 2007;

Third Amendment to Task Order Agreement 11128F with Lyman Henn, Inc., for the Elitches Pipeline Improvement Railroad Crossing;

Second Amendment to Task Order Agreement 11132B with NEI Electrical Power Engineering, Inc., for the Marston Water Treatment Plant – Closed Transition Switchgear and Generator Project;

First Amendment to Task Order Agreement 11137C with SM&RC Structural Engineers, Inc., for a proposed bridge crossing of the South Boulder Canal;

Fourth Amendment to Task Order Agreement 11139B with Tetra Tech, Inc., for the Howe-Haller Reservoir Improvements Project;

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Fourth Amendment to Agreement 11459A with Cruise and Associates, LLC, for removal of material at Hazeltine/Road Runner Gravel Pit;

Fourth Amendment to Agreement 11537A with TechniCAD, Inc., for CAD drafting services for the Cheesman Dam Project;

First Amendment to Agreement 11554A with W.W. Wheeler and Associates, Inc., regarding the rehabilitation and enlargement of Harriman Lake Dam;

Second Amendment to Agreement 11984A with A.J. Ventures, Inc., for utility pot-holing;

First Amendment to Agreement 12282A with Anderson & Hastings Consultants, Inc. for the Williams Fork Reservoir Maintenance Building;

Second Amendment to Agreement 12351A with Anderson & Hastings Consultants, Inc., for the Howe-Haller A/B and Hazeltine Interconnect Structures;

First Amendment to Agreement 12432A with Henry T. Falvey & Associates, Inc., for services regarding Siphon No. 5 for the South Boulder Diversion Conduit;

First Amendment to Agreement 12483A with Wong Straugh Architects for the Denver Water West Campus Plan;

Seventeenth Amendment to Agreement 07538A with URS Corporation for the Moffat Collection System Project;

Amendment to Agreement 11311A with Corporate Express to provide Denver Water's requirements of envelopes;

Amendment to Agreement 11504A with Keesen Enterprises, Inc., to provide mowing services; and

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Amendment to Agreement 11682A with Modis to provide project management and business analysis work services

all as more particularly described in the attachment to Agenda Item V-A-12, a copy of which is attached to and incorporated in these Minutes as Exhibit "H."

13. **ITEM V–A–13: AMENDMENT NO. 1 FOR 2009 MARSTON AND MOFFAT WATER TREATMENT PLANTS' ROOF REPLACEMENTS AND REPAIRS**

At the request of staff, the proposed Amendment was withdrawn from the Board's Agenda and no action was taken.

14. **ITEM V–E–1: AMENDMENT TO CONTRACT FOR MOFFAT COLLECTION SYSTEM PROJECT EIS**

Authorized the Eighteenth Amendment to Agreement with URS Corporation further amending the August 22, 2003 Agreement to provide specified services to the Corps of Engineers for Phase V of the Moffat Collection System Project, at a cost of \$1,108,686, and a total amended contract amount of \$6,249,765, all as more particularly described in the Eighteenth Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "I."

Travis Bray, Project Manager for the Moffat Collection System Project EIS provided an update regarding the next steps for the project and reported regarding recent public hearings. Mr. Bray explained the Corps of Engineers had extended the time for comments to the DEIS to March 1, 2010.

RECORD OF PROCEEDINGS

MINUTES
OF THE
BOARD OF WATER COMMISSIONERS

15. **ITEM V-E-2: CONTRACT FOR CONSULTING SERVICES WITH
GBSM, INC.**

Approved entering into a contract for consulting services with GBSM, Inc. to provide strategic public policy and issue management counsel to the Board and staff at a cost of \$280,000.

Ms. McGuire-Collier explained the selection process used for the consulting services described in Agenda Items V-E-2, V-E-3, and V-E-4. As a result of the over all process, Staff recommended that GBSM be engaged to provide counsel regarding external communication, that Communication Infrastructure Group provide assistance with internal communication strategies, and that Suple continue to provide advertising services. In response to questions from the Commissioners, Ms. McGuire-Collier explained the contracts will be reviewed at the end of the year, and determination will be made of whether to extend them for an additional period. The Commissioners emphasized the importance of keeping the Board informed of the expenditures under each of the contracts and of the importance of the contracts to assist the efforts of the Board in this critical period.

16. **ITEM V-E-3: CONTRACT FOR CONSULTING SERVICES WITH
COMMUNICATION INFRASTRUCTURE GROUP**

Approved entering into a contract with Communication Infrastructure Group to provide internal communication strategies through December 31, 2010, at a cost not to exceed \$60,000.

17. **ITEM V-E-4: CONTRACT FOR CONSULTING SERVICES WITH
SUKLE ADVERTISING & DESIGN**

Approved entering into a contract of Suple Advertising & Design to conduct an advertising campaign for 2010 which includes, inter alia, a social marketing

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

campaign and a focus on discouraging specific water wasting behavior at a cost not to exceed \$810,000.

In response to questions from the Commissioners, Ms. McGuire-Collier explained the authorized amount included the cost to buy time for television and radio advertisement, as well as for space for billboard and bus tags advertisements.

18. **ITEM V-E-5: CONTRACT WITH LEIF ASSOCIATES**

Approved entering into a contract with Leif Associates, Inc. to provide benefit consulting services for a three-year period, at a cost not to exceed \$270,000.

19. **ITEM V-E-6: AGREEMENT WITH APPLGATE GROUP, INC. FOR FINAL DESIGN SERVICES FOR HARRIMAN DAM AND RESERVOIR**

Authorized entering into an agreement with Applegate Group, Inc. to provide final design services for the Harriman Dam and Reservoir Renovation Project at a cost not to exceed \$122,000, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "J."

Bob Peters provided information to the Board regarding the location of the reservoir, and the uses that have historically been made of water stored in the reservoir. Mr. Peters opined that once the reservoir is repaired, Denver Water will investigate ways to improve the quality of water delivered to Marston Reservoir from its Bear Creek supplies using Harriman Lake Reservoir. Mr. Peters explained that new contracts are in preparation for water users, and ultimately those users will be responsible for paying a portion of the costs of the rehabilitation project.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

20. **ITEM VI-B-1: DISCUSSION AND INFORMATION: LEGISLATIVE REPORT**

Ms. Duncan explained that, with the start of the legislative session, she will provide a weekly report to the Commissioners regarding status of bills which could have an impact on Denver Water's operations. The current budgetary issues may result in cuts to projects which would impact Denver Water operations. The Commissioners discussed the impact of a potential loss of state funding on the contributions that are necessary to maintain the Endangered Species Trust Fund for the South Platte River.

21. **ITEM VI-B-2: DISCUSSION AND INFORMATION: GENERAL ENGINEERING ("ON-CALL") SERVICES CONTRACTS**

The Board received a report of the On-Call Contracting Services Program utilized by Engineering, a copy of which is attached to these Minutes as Exhibit "K." Mr. Mahoney explained that Engineering staff had requested that all on-call consultants retain their 2009 hourly rates for work to be performed in 2010. Mr. Mahoney also reported that Engineering is developing a program for on-call construction administrative services.

22. **ITEM VI-B-3: DISCUSSION AND INFORMATION: REPORTING OF STAFF ADMINISTERED CONSTRUCTION CONTRACT CONTINGENCY AMOUNTS**

The Board received a report regarding project contingencies for the Marston Filter Plant No. 2 Upgrades, Williams Fork Small Hydro/Outlet Works Project and Cheesman Upstream Control Phase I Project, a copy of which is attached to and incorporated in these Minutes as Exhibit "L."

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

23. **ITEM VI-B-4: DISCUSSION AND INFORMATION: REVIEW OF CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC) CONTRACTS AND CONSTRUCTION PROJECTS**

The Commissioners accepted and discussed the report of actions accomplished or to be taken in response to the reports by DAE Construction Services and the forensic financial audit section of BKD, LLP regarding the Foothills Chlorine Contact Basin, Montclair Pump Station and Capitol Hill Storage Tank CM/GC projects, all as more specifically described in the Board item, a copy of which is attached to and incorporated in these Minutes as Exhibit "M."

Commissioner Tate suggested that Engineering conduct on-going training to better acquaint Staff with alternative construction contracting methods. In response to questions from the Commissioners, Ms. Wells reported copies of the reports had been delivered to the City Auditor's Office. The Commissioners did not request any additional action be taken at this time.

24. **ITEM VI-C-1: DISCUSSION AND INFORMATION: CONVERSION OF GREENWOOD PLAZA WATER DISTRICT INTO SOUTHGATE WATER DISTRICT**

The Board received a report regarding the inclusion of the Greenwood Plaza Water District, which is located within the Board's Combined Service Area, and is an enclave within the Southgate Water District, into the Southgate Water District. The Greenwood Plaza District will pay system development charges to Denver Water in the amount of \$3,230,198 prior to February 8, 2010. Improvements necessary for the conversion will be completed on a systematic basis over a period of time. The existing well system will continue to be used by the District to irrigate landscaped areas within its boundaries. An aerial photograph depicting the District's service area was provided to the Commissioners and is attached to and incorporated in these Minutes as Exhibit "N."

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

25. **ITEM VI-F-1: DISCUSSION AND INFORMATION: STATUS OF THE INVESTMENT PORTFOLIO**

The Commissioners received the report, "Denver Water Investment Portfolio as of December 31, 2009" as set forth in Agenda Item VI-F-1 dated January 13, 2010, a copy of which is attached to and incorporated in these Minutes as Exhibit "O."

26. **ITEM VI-F-3: DISCUSSION AND INFORMATION: BUDGET STATUS REPORT**

The Commissioners received the 2009 Year-to-Date Board Budget Status Summary for the period ending December 31, 2009, a copy of which is attached to and incorporated in these Minutes as Exhibit "P."

27. **ITEM VI-F-4: DISCUSSION AND INFORMATION: NEW CONTRACT SUMMARY**

The Commissioners received a report of contracts entered into in the Fourth Quarter of 2009 for amounts between \$10,000 and \$100,000, a copy of which is attached to and incorporated in these Minutes as Exhibit "Q."

28. **ITEM VI-G-1: SCHEDULING OF FUTURE BOARD MEETINGS**

The Board confirmed a Study Session will take place on **Wednesday, January 27, 2009**, at **9:00 a.m.** in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado. The Agenda for the meeting will be posted. A portion of the meeting will take place in Executive Session.

The Commissioners may attend the mediation session scheduled for February 1, 2010 at 10:00 a.m. at Denver Water.

RECORD OF PROCEEDINGS

MINUTES
OF THE
BOARD OF WATER COMMISSIONERS

The Board confirmed that a Regular Meeting would take place on **Wednesday, February 10, 2009, at 9:15 a.m.** in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado.

No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 10:55 a.m.

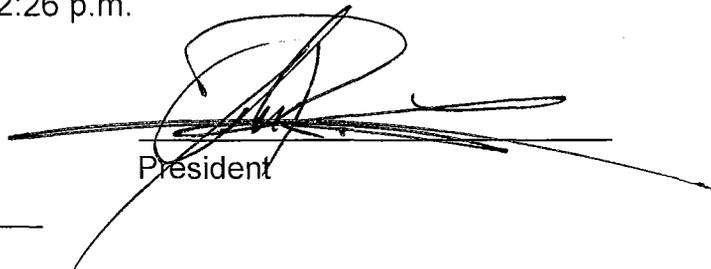
EXECUTIVE SESSION

On Wednesday, January 13, 2010, commencing approximately at 11:00 a.m. in the Manager's Office, located in the Administration Building, 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. Confidential Matters § 24-6-402(4)(b) and (e)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 12:26 p.m.


Secretary


President