

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

September 26, 2012

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, September 26, 2012 beginning at 9:15 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:

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. 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	C. Ward, Sr. Internal Auditor
K. Bates, Attorney	D. Engleman, Sr. Benefits Administrator
G. Fisher, Manager of Demand Planning	P. B. Coleman, Chief Internal Auditor
T. Lowe, Manager of Sales Administration	A. Strasser, Manager of Treated Water Planning
	S. Franey, Sr. Internal Auditor
	M. Nealey, Hydraulic Engineer

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D. M. Hamm, Staff Analyst	U. Sharma, Treasurer
M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation	T. Segura, Budget Analyst
S. Lovato, System Quality Foreman	T. McGuire-Collier, Asst. Director of Public Affairs
K. Balu, Manager of Employment and Compensation	E. Torres, Plumber
S. A. Miller, Manager of Health Care and Benefits Administration	J. Chesley, Water Control Analyst
S. L. Chesney, Manager of Media and Executive Communications	E. Conway, Welder
E. Hernandez, Superintendent of Transmission & Distribution	C. Moe, Hydraulic Engineer
J. Duran, Distribution Operations Supervisor	N. Babiyak, Water Treatment Lead Tech.
T. Mountfort, Environmental Compliance Supervisor	S. Niemi, Rate Analyst
M. Gilmor, Engineer IV	T. R. Thompson, Media Relations Coordinator
S. Chesney, Manager of Media & Executive Communication	R. Lucero, Vehicle Mechanic
G. Hempelman, Engineer	V. Gaiter, Engineering Specialist
T. Thompson, Media Relations Coordinator	C. Gregg, Staff Analyst
L. Billeter, SMWBE Program Outreach	S. Hall, Manager of Communications
B. Peters, Water Resource Engineer	R. Steger, Manager of Raw Water Supply
M. Lewellen, Water Resource Engineer	D. Jabin, Engineer
	Mike O'Neill, Manager of Accounting
	William Goetz, TSI Infrastructure
	K. Kuykendoll, Staff Analyst
	M. Waage, Manager of Water Resource Planning
	T. Cristiano, Manager of Rate Administration
	J. Bogner, Treasury Analyst
	E. Helgeson, Rate Analyst

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M. Garcia, Engineer	S. Schmitzer, Manager of Water Resource Analysis
Pat Fitzgerald, Platte Canyon Water & Sanitation District	G. Rygh, Superintendent of Water Control
Mary Ann Strombitski, Communication Infrastructure Group	Steve Daldego, Lakehurst Water & Sanitation District

Commissioner Austin called the meeting to order.

Commissioner Austin noted the meeting was primarily scheduled as a Study Session, but prior to taking up the Study Session agenda, the Board would consider three Consent Items and two Action Items.

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: CONTRACT FOR THE FOOTHILLS TREATMENT PLANT ELECTRICAL SERVICE AND MAIN SWITCHGEAR REPLACEMENT PROJECT**

Authorized entering into Contract 13474A with Sturgeon Electric Company for the Foothills Treatment Plant Electrical Service and Main Switchgear Replacement Project, in the amount of \$6,689,770.00.

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2. ITEM 2-A-2: TASK ORDER AGREEMENT WITH TRIUNITY ENGINEERING AND MANAGEMENT FOR ELECTRICAL INSPECTION SERVICES FOR VARIOUS PROJECTS

Authorized entering into Task Order Agreement 14360C with Triunity Engineering and Management for Electrical Inspection Services for various projects in the amount of \$296,978.37, all as more specifically provided in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "A."

3. ITEM 2-A-3: CONTRACT FOR 56TH AVENUE PUMP STATION AND RESERVOIR SWITCHYARD REPLACEMENT PROJECT

Authorized entering into Contract 14107A with Ludvik Electric Co., for the 56th Avenue Pump Station and Reservoir Switchyard Replacement Project in the amount of \$2,527,853.00.

4. ITEM 2-B-1: ADOPTION OF 2013 BUDGET

Approved the 2013 Budget as summarized on Agenda Item 2-B-1, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

5. ITEM 2-B-2: PROPOSED 2013 REVENUE REQUIREMENTS

Approved the 2013 Revenue Requirements and 2013 Rate Schedules 1 through 8, all as set forth on the attached Exhibit "C."

Mr. Cristiano presented the highlights of the 2013 Revenue Requirements, noting the proposal of a 2.5% revenue increase, and explaining the impact of the proposed increase on customers inside Denver and in the contract service areas.

Mr. Fitzgerald, representing the Platte Canyon Water & Sanitation District, as well as the Rates & Fees Technical Advisory Committee, commented on the Committee's appreciation of the opportunity to work closely with Denver Water staff in an open and transparent manner, and stated that the Committee supports the proposed rate increase. Mr. Lochhead thanked Mr.

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Fitzgerald for his comments and stated that Denver Water remains committed to working with the Distributors.

6. **ITEM 2-C-1: DISCUSSION AND INFORMATION: VARIANCE REPORT**

The Commissioners reviewed the September 26, 2012 Variance Report, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

7. **STUDY SESSION**

The Board adjourned the Action portion of the meeting to take up the Study Session agenda at approximately 9:30 a.m. The Study Session included presentations on the following items:

Drought Discussion

Mr. Steger presented a summary of water supply and use and commented on the need to continue to monitor precipitation and water usage prior to the 2013 irrigation seasons.

Retiree Medical

Mr. Bricmont and Ms. Elam-Floyd presented an update of the Retiree Medical Benefit review. A number of employees addressed the Board regarding the existing Retiree Medical benefit and proposed transition options to a different Retiree Medical benefit. The common point raised by the employees was a request that the Board consider employees' years of service when making decisions about the proposed transition options.

Program Update: Treated Water Storage Reservoirs

Messers. Mahoney, Rygh, Garcia, and Roode presented the first in a series of program updates that will be provided to the Board: Treated Water Storage Reservoirs.

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No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 10:52 a.m.

EXECUTIVE SESSION

On Wednesday, September 26, 2012, commencing approximately at 10:55 a.m. in the CEO/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. Attorney-Client Matters § 24-6-402(4)(b)
2. Water Rights Discussion § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:55 a.m.


Secretary


President