

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

OPEN SESSION

September 25, 2013

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, September 25, 2013, beginning at 9:10 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

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.A. Carey, Manager of Purchasing and Contracting
U. Sharma, Treasurer	M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation
M.K. Frishman, Attorney	G. Fisher, Manager of Demand Planning
T. Bryant, Controller	S.L. Chesney, Manager of Media and Executive Communications
D.M. Hamm, Staff Analyst	T. Thompson, Media Relations Coordinator
T.E. Lowe, Manager of Sales Administration	S. Price, Engineer
W.C. Austin, Manager of Safety and Security	

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B. Bates, Manager of Water Rights Protection	M. Cassalia, Conservation Specialist
B. Peters, Water Resource Engineer	D. Brinker, Engineer
K. Keefe, Superintendent of Source of Supply	S. Niemi, Rate Analyst
Z. Campbell, Manager of Water Quality and Environmental Compliance	J. Figurelli, Budget Analyst
R. Martinez, Manager of Emergency Response	S. Snyder, Special Projects Coordinator
B. Gogas, Environmental Scientist	K. Kuykendoll, Staff Analyst
G. Gulley, Engineer	S. Pelczarski, IT Application Developer
S. Reum, Assistant Chief of Engineering	P. Daukas, Manager of Environmental Planning
	D. Bennett, Environmental Scientist
	D. De Francesco, Manager of Marketing and Special Projects
	K. Petrik, Chief of Construction Management
Jim Faes, Denver Public Schools	Bruce Halloran, Colorado Water Savers
Derrick Cummings, Denver Public Schools	

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioners Lucero and Tate were found to be absent for substantial cause and were 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:

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1. **ITEM 2-A-1: DENVER CLIMAX SETTLEMENT AGREEMENTS**

Approved a Settlement Agreement with Cyprus Climax Metals Company and its subsidiary, Climax Molybdenum Company, and an Amendment to 1995 Settlement Agreement with Cyprus Climax Metals Company, both of which are necessitated by the Green Mountain Reservoir Administrative Protocol Agreement in order to reduce the amount of water Denver Water must provide for use at Climax's Henderson Mill. The agreement and amendment are attached to and incorporated in these Minutes as Exhibits "A" and "B," respectively.

2. **ITEM 2-A-2: AUTHORIZATION FOR ADDITIONAL CONTRACT FUNDS FOR CONTRACT 13872A**

Approved the First Authorization for Additional Contract Funds for Contract 13872A with Sherman & Howard L.L.C. for representation of Denver Water in the claim brought by the construction contractor for the Strontia Springs Reservoir Dredging Project. The authorization, which is attached to and incorporated in these Minutes as Exhibit "C," provides an additional \$500,000.00, for a total amended contract amount not to exceed \$1,265,000.00.

3. **ITEM 2-A-3: SPONSORSHIP AGREEMENT WITH HISTORY COLORADO FOR THE LIVING WEST EXHIBIT**

Approved Contract 15192A with History Colorado for Denver Water to be the lead sponsor of the museum's Living West Exhibit, for a total contract amount not to exceed \$250,000.00. The agreement is attached to and incorporated in these Minutes as Exhibit "D."

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4. **ITEM 2-B-1: SECOND AMENDMENT TO WATER-SAVING LETTER AGREEMENT WITH DENVER PUBLIC SCHOOLS**

Approved the Second Amendment to Water-Saving Letter Agreement 11966I with Denver Public Schools for rebates for water-saving devices, for an additional \$246,141.70 and a total amended contract amount not to exceed \$646,141.70. The amendment is attached to and incorporated in these Minutes as Exhibit "E."

Mr. Cassalia noted that Denver Public Schools is Denver Water's second-largest customer and the fastest-growing, large, urban school district in the country. The amendment will assist in the expansion of the school district's water-efficiency program, with water-saving devices being installed in 18 additional schools. The Commissioners commended the district's program.

5. **ITEM 2-B-2: CUSTOMER BILL-PRINTING SERVICES**

Authorized entering into Contract 14095A with One2One Communications, LLC, for customer bill-printing services for the contract period September 25, 2013, through September 30, 2018, for a total contract amount not to exceed \$6,500,000.00.

6. **ITEM 2-B-3: 2014 BUDGET**

Approved the proposed 2014 budget as summarized in Agenda Item 2-B-3, which is attached to and incorporated in these Minutes as Exhibit "F."

7. **ITEM 2-B-4: 2014 REVENUE REQUIREMENTS**

Approved the 2014 revenue requirements as summarized in Agenda Item 2-B-4, which is attached to and incorporated in these Minutes as Exhibit "G." The revenue requirements include new rate schedules, to become effective January 1, 2014, which are attached to and incorporated in these Minutes as Exhibit "H."

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Commissioner Austin noted the Commissioners had received a letter on the 2014 rate proposal from the Denver Water Distributors' Rates and Fees Technical Advisory Committee, which is attached to and incorporated in these Minutes as Exhibit "I." He also issued an invitation to members of the public to comment; there was no response.

No further business appearing, the Board adjourned the Action portion of the meeting at 9:28 a.m.

STUDY SESSION

The Study Session began with an update on the Colorado River Cooperative Agreement by Mr. Lochhead. The agreement has been signed by all the parties and will become effective September 26, 2013. Mr. Lochhead recognized Ms. Wells and Mr. Little for their efforts in negotiating the agreement.

Several staff members gave a presentation on the recent Colorado floods. Mr. Lochhead acknowledged the work done by many employees to respond to the flooding. On September 12, 2013, Denver Water activated its emergency operations center to address the weather event, which allowed staff to coordinate with other agencies around the state. Ms. Martinez continues to communicate with Boulder and Jefferson counties on emergency management.

Mr. Reum showed pictures of the known damage at Denver Water properties and facilities, including Gross Dam Road; the access roads to the South Boulder Diversion Dam and Siphons 3, 4, and 5; the Ralston Reservoir auxiliary spillway, spilling basin, and road; Howe Haller A and B Reservoirs; the High Line Canal; the Burlington Ditch Pipeline at Sand Creek; and Lone Tree Reservoir. Mr. Reum noted that staff has not been able to reach and assess some other areas and facilities that currently are inaccessible due to road damage. Ms. Martinez said Denver Water will apply for public assistance grants to pay for the repairs needed to Denver Water facilities.

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Mr. Keefe and Ms. Elliott described efforts by Source of Supply employees to repair a road in the area of Gross Reservoir for local traffic and to loan heavy equipment to communities needing repairs.

Mr. Peters provided an update on Denver Water's water supply following the recent rainfall. The reservoirs continue to store more water, and storage has increased five percentage points for the year. For September, it is the largest increase ever, and it is likely to be the highest storage amount for the end of September. Both the Colorado River Watershed and the South Platte River Watershed have seen more than average precipitation. For 2014, staff currently projects an increase of five percentage points in reservoir contents compared to projections from August 2013.

The staff presentation on the Colorado flooding is attached to and incorporated in these Minutes as Exhibit "J."

The Study Session concluded at approximately 10:30 a.m.

RECONVENED OPEN SESSION

At approximately 10:30 a.m., the Board reconvened the Action portion of the meeting.

Due to the recent flooding, staff asked the Board to terminate the Stage 1 drought declaration of June 26, 2013. Staff noted Denver Water's conservation messaging would not change. Ms. Wells clarified that watering rules would remain the same but that a 10 percent reduction on deliveries under fixed amount contracts would be lifted. The Board approved phasing out the Stage 1 drought declaration by the end of 2013 and lifting the 10 percent reduction on deliveries under fixed amount contracts.

There being nothing further for the Board to consider, the reconvened Open Session concluded at 10:52 a.m. The Board voted unanimously to adjourn into Executive Session.

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EXECUTIVE SESSION

On Wednesday, September 25, 2013, commencing at 10:54 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. Litigation § 24-6-402(4)(b)
2. Attorney-Client Matters § 24-6-402(4)(b)
3. Negotiations § 24-6-402(4)(e)

There being nothing further for the Board to consider, the Executive Session concluded at 11:17 a.m.


Secretary


President