

## RECORD OF PROCEEDINGS

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### MINUTES OF THE BOARD OF WATER COMMISSIONERS

**Open Session**

**March 27, 2013**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, March 27, 2013, beginning at 9:15 a.m. in the Board Room, Room 309, 1600 West 12<sup>th</sup> 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	M. Price, Acting 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	T. Bryant, Controller
M.L. Walker, Attorney	M.E. Elliott, Assistant Director of Public Affairs – Government, Stakeholder Relations and Conservation
M.K. Frishman, Attorney	J.H. Bambei, Jr., Chief of Engineering
T.L. McGuire-Collier, Assistant Director of Public Affairs – Communications and Marketing	T. Cristiano, Manager of Rate Administration
T.E. Lowe, Manager of Sales Administration	S.L. Chesney, Manager of Media and Executive Communications

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G. Fisher, Manager of Demand Planning	T. Thompson, Media Relations Coordinator
J. Tejral, Manager of Water Conservation	J. Davis, Attorney
R. Steger, Manager of Raw Water Supply	K. Greenleaf, Legal Secretary
G. Moore, Engineering Specialist	M. Waage, Manager of Water Resource Planning
L. Weber, Planner	R. Stitt, Planner
S. Franey, Senior Internal Auditor	W.C. Austin, Manager of Safety and Security
M. Iverson, Engineering Division Office Business Manager	C. Mock, Legal Secretary
M. O'Neill, Manager of Accounting	J.H. Graves, Jr., Office Management Assistant
A. Chotiner, Accountant	A. Sibree, Attorney
J. Plonsky, Accountant	C. Funk, Attorney
A. Turney, Chief of Distribution and Property Management	D. Arnold, Attorney
G. Gulley, Engineer	T. Gomez, Legal Secretary
M. Martinez, Administrative Assistant	N. Babyak, Lean Facilitator
C. Campfield, Internal Communications Specialist	G. Rosenschein, Attorney
	K. Riegle, Attorney
	P. Daukas, Manager of Environmental Planning
David LaFrance, AWWA	Brenda O'Brien, GreenCO
Pat Fitzgerald, Platte Canyon Water and Sanitation District	Renee Allen, Consolidated Mutual Water Company
Dave Hartkopf, Green Mountain Water and Sanitation District	Mike Queen, Consolidated Mutual Water Company
Tammy Vigil, FOX31 Denver	John Baron, GBSM
Chris Mosher, FOX31 Denver	Cliff Deeds, City of Arvada
	Susan Walker

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Commissioner Austin called the meeting to order.

#### **Public Comment**

Commissioner Austin 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.

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 3–A: INTERGOVERNMENTAL AGREEMENTS WITH JEFFERSON COUNTY**

Approved the amended Intergovernmental Improvements Agreement 14046A with Jefferson County, which extends the time for construction of improvements required by Jefferson County Permit 11-137148GP through December 1, 2013. The agreement is attached to and incorporated in these Minutes as Exhibit "A."

Approved the Revival and Amendment of Intergovernmental Agreement 13618A with Jefferson County, which extends the time for the work authorized by Jefferson County Permit 10-116633GP/10-111489FP through June 30, 2014. The amendment is attached to and incorporated in these Minutes as Exhibit "B."

2. **ITEM 3–B: DECLARATION OF STAGE 2 DROUGHT**

Mr. Lochhead asked the Commissioners to approve the Resolution declaring a Stage 2 drought. He explained this is the second year of a severe drought, following a Stage 1 drought declared in 2012. He noted that last year Denver Water customers achieved a 10 percent reduction in water consumption. He also explained that the Denver Water system is vulnerable without an

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enlarged Gross Reservoir at the north end of the system; as a result, the enlargement is urgently needed. Mr. Lochhead addressed the operation of the High Line Canal in 2013, explaining that Denver Water will continue to monitor the trees along the canal during the drought. However, because of the canal's junior priority, Denver Water will not run water through the canal this year. Mr. Lochhead discussed the stakeholder outreach that has continued since last year's drought declaration. He also identified the principles of the drought response plan: preserve supplies; balance the health, safety, and quality of life of the community; protect the economic vitality of the community; maintain the integrity of the water system; maintain Denver Water's financial strength and stability; and take a multi-year approach. He noted that portions of the Denver Water system are more than 100 years old and will need continued maintenance even during the drought. Lastly, Mr. Lochhead said the staff is preparing for the possibility of the drought continuing into 2014.

Mr. Fisher gave a presentation on the drought conditions and response plan, which is attached to and incorporated in these Minutes as Exhibit "C". He opined it is likely that water supply conditions will not return to normal this year. He described the current water supply conditions on the Colorado River and South Platte River, as well as around the country. The years 2012 and 2013 are the worst two consecutive years in recorded history for snowpack. Mr. Fisher explained the goal of the drought response plan to reduce customers' water use by 50,000 acre-feet this year, which would amount to a 20 percent reduction. In addition, staff intends to add 20,000 acre-feet to Denver Water's current supply. Mr. Fisher explained that Denver Water will increase staffing for enforcement of the drought rules and that drought pricing and Stage 2 fines will go into effect. He recommended declaration of a Stage 2 drought, with watering restrictions effective April 1, 2013, and drought pricing to begin in water bills June 1, 2013.

Ms. Covington reported that communications to customers regarding the drought will be delivered in both English and Spanish.

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Mr. Fitzgerald of the Platte Canyon Water and Sanitation District opined that the Denver Water distributors are willing to support the drought declaration and all of its elements. He urged adoption of the Resolution.

Mr. LaFrance spoke on behalf of the American Water Works Association ("AWWA") in support of Denver Water's drought response program. He noted the long-term relationship between the AWWA and Denver Water. He provided the Commissioners with an upcoming column regarding the drought for the AWWA journal, which is attached to and incorporated in these Minutes as Exhibit "D." Mr. LaFrance also noted that the AWWA Annual Conference & Exposition will be held June 9-13, 2013, in Denver, with about 12,000 water professionals from around the world expected to attend. He opined the participants will be very interested in learning about Denver Water's approach to the continuing drought.

The Board adopted the Resolution attached to and incorporated in these Minutes as Exhibit "E." By adopting the Resolution, the Board declared a Stage 2 drought, activating the mandatory Stage 2 water use restrictions contained in Chapter 15 of the Board's Operating Rules effective April 1, 2013.

No further business appearing, the Board adjourned the Action portion of the meeting at 9:53 a.m.

#### **STUDY SESSION**

The Study Session consisted of a presentation on the Downstream Reservoir Water Storage Program by Mr. Walker, Mr. Bambei, Mr. Gulley, Mr. Little, and Mr. Mahoney. Following the presentation, Mr. Walker and Mr. Bambei were recognized for their efforts in leading the program since it began in 1997. In their honor, the current Miller Reservoir will be renamed the Bambei-Walker Reservoir.

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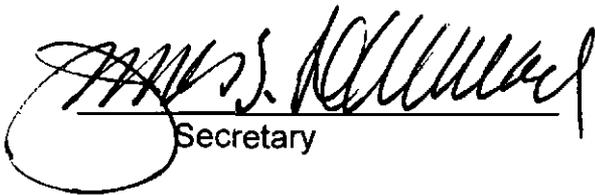
The Study Session concluded at 10:46 a.m., at which time the Board voted unanimously to adjourn into Executive Session.

**EXECUTIVE SESSION**

On Wednesday, March 27, 2013, commencing at 10:46 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 11:01 a.m.

  
Secretary

  
President