

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

**Open Session**

**July 11, 2012**

Pursuant to notice a duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, July 11, 2012 beginning at 9:30 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**  
**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	G. Fisher, <i>Acting</i> 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	K. Pollack, <i>Acting</i> 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
M. L. Walker, Attorney	P. B. Coleman, Chief Internal Auditor
J.M. Barbier, Engineer	D.M. Raitt, Construction Project Manager
K.M. Lohr, Staff Analyst, Construction Management	J.M. Ross, Engineer
R.G. Steger, Manager of Raw Water Supply	P.J. McCormick, Engineer

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

D.M. Hamm, Staff Analyst	G.C. Berg, Treasury Analyst
J.S. Walker, Contracts Supervisor	R.P. Blauvelt, Customer Service Field Manager
N.F. Spearandeo, Recreation Manager	
A.S. Turney, Chief of Distribution and Property Management	A.E. Sibree, Attorney
C.L. Cervantez, Contract Specialist	K.L. Balu, Contract Specialist
M. Garcia, Engineer	L.S. Likes, Appraiser- Negotiator
J.M. Miller, Engineer	S.L. Chesney, Manager of Media and Executive Communications
T.R. Thompson, Media Relations Coordinator	T.E. Lowe, Manager of Sales Administration
W. Moser, Trammell Crow	Terry Arnold, MWH
K. Ho, Trammell Crow	C. Deeds, Arvada
J. Wurtz, Denver Parks and Recreation	J. Bolt, CBRE

Commissioner Austin called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioners Gougeon and Lucero were found to be absent for substantial cause and were excused.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meeting of July 13, 2012 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Sessions of July 13 and 27, 2012 were approved.

## RECORD OF PROCEEDINGS

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

#### 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 V-A-1: HUMAN RESOURCE CHANGES**

Approved the Human Resource Changes set forth in Agenda Item V-A-1 dated July 12, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "A," effective the pay period ending **June 22, 2012** 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 **July 1, 2012**, unless otherwise noted^:

<b>Employee Name</b>	<b>Employment Date</b>	<b>Retirement Plan Participation Date</b> Unless otherwise noted^	<b>Division/Section</b>
Puliafico, Kathy M.	2010-04-12	2011-12-24 ^Exclude prior service as Temporary Service 04/12/2010 to 12/23/2011	Engineering Division / Director of Engineering
Moser, Brandon A.	2012-01-03	2012-01-03	Engineering Division / Survey Field Crew
Houk, Richard J.	2011-12-27	2011-12-27	Information Technology Division / Director of Information Tech

**RECORD OF PROCEEDINGS**

---

**MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS**

Clark, David C.	2011-12-07	2011-12-07	Operations and Maintenance Division / Marston
Tafoya, Lee A.	2011-04-11	2011-12-10 ^Exclude prior service as Temporary Service 4/11/2011 to 12/09/2011	Operations and Maintenance / Warehouse
Lovato, Zachary H.	2011-12-07	2003-04-25	Operation and Maintenance Division / Water Quality

**3. ITEM V-A-3: CONTRACT FOR PVC PIPE**

Authorized award of a contract to HD Supply Waterworks to furnish Denver Water's requirements of PVC pipe for the contract period July 11, 2012 through June 30, 2014 at the unit prices set forth in the tabulation of Bidders Proposal no. 14028A dated July 11, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "B," for a total contract amount not to exceed \$1 million.

**4. ITEM V-A-4: CONTRACT TO FURNISH PROPANE FOR DENVER WATER'S OUTLYING FACILITIES**

Authorized award of a contract to Ferrellgas to furnish Denver Water's requirements of propane for its outlying facilities for the contract period July 11, 2012 through June 30, 2013 at the costs set forth in the tabulation of Bidders Proposal no. 14119A dated July 11, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "C," for a total contract amount not to exceed \$105,000.

**5. ITEM V-A-5: CONTRACT FOR GAS MONITORS AND SENSORS**

Authorized award of a contract to Safeware, Inc. to provide calibration and maintenance services for gas monitors and sensors for the contract period August 1, 2012 through June 30, 2014 for a total contract amount not to exceed \$120,000.

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

6. **ITEM V-A-6: AGREEMENT WITH MALCOLM PIRNIE, A WATER DIVISION OF ARCADIS US, INC. FOR SITE SUPPORT AT THE MARSTON TREATMENT PLANT**

Authorized entering into an agreement with Malcolm Pirnie, a Water Division of Arcadis US, Inc. for the Marston Site Support Project at a cost not to exceed \$97,360 with a completion date of December 15, 2013, all is more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

7. **ITEM V-A-7: CONTRACT FOR RECYCLING PLANT SAFETY SHOWER UPGRADES**

Authorized award of a contract to JCOR Mechanical, Inc. for the Recycling Plant Safety Shower Upgrades Project at a cost of \$254,650.

8. **ITEM V-A-8: SECOND AMENDMENT TO AGREEMENT WITH SDG INCORPORATED FOR THE ASHLAND TREATED WATER RESERVOIR REPLACEMENT PROJECT**

Authorized the Second Amendment to the March 9, 2011 agreement with SDG Incorporated for the Ashland Treated Water Reservoir Replacement Project, Agreement 13529A, in the amount of \$241,314.17, all as more particularly described in the Second Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

9. **ITEM V-A-9: CONTRACT AMENDMENT NO. 1 WITH GRACON CORPORATION, INC. FOR THE DILLON DAM OUTLET WORKS GATE REPAIRS PROJECT**

Approved Contract Amendment No. 1 in the amount of \$131,853 to the January 19, 2011 Contract with Gracon Corporation, Inc. for the Dillon Dam Outlet Works Gate Repairs Project, Contract No. 13327A, all as more particularly described in the Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "F."

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

10. **ITEM V-A-10: RATIFICATION OF CONSTRUCTION CONTRACT CHANGE ORDERS AND AMENDMENTS TO AGREEMENTS**

Ratified Construction Contract Change Orders and Amendments to Agreements authorized by the CEO/Manager in May and June 2012 as follows:

Change Order No. 3 to Contract 10677A with Canyon Industries, Inc. for hydropower generating equipment procurement at Williams Fork Dam;

Change Order No. 3 to Contract 12582A with BT Construction, Inc. for the Dunes Reservoir Outlet Works Project;

Change Order No. 3 to Contract 13103A with Construction Concepts, Inc. for the Ralston Dam and Reservoir Caretaker Residences;

Change Order No. 3 to Contract 13200A with Clemens Construction Corp. for the Moffat Water Treatment Plant Headworks structure CO<sub>2</sub> storage and Feed System upgrade project;

Change Order No. 2 to Contract 13327A with Gracon Corporation for the Dillon Dam Outlet Works Gate Repair project;

Change Orders No. 4 and 5 to Contract 13460A with W.M. Brown Construction for the Bennett Flume Replacement Project;

Change Order No. 2 to Contract 13506A with Reynolds, Inc. for the Conduit No. 151 Project in Central Park Boulevard from Smith Road to I-70;

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

Change Order No. 1 to Contract 13797A with Ludvik Electric Company for the Cat Reservoir Pump Station and Miller Reservoir Ventilation Systems Project;

Third Amendment to Task Order Agreement 11118H with HDR Engineering, Inc. for the Moffat siding study; and

Fourth Agreement to 12928A with BAB Associates, PC/Architects for Antero/Ralston Dam and Reservoir Caretaker houses,

all as more particularly described in the attachment to Agenda Item V-A-10 dated July 11, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "G."

11. **ITEM V-A-11: CONTRACT EXTENSION WITH THE DOYLE GROUP FOR SHAREPOINT DEVELOPMENT & ADMINISTRATION SERVICES**

Authorized extension of the February 2012 Agreement with The Doyle Group, Contract No. 14044A, through the end of 2013 for an additional \$280,000 to provide the services of Art Lauback as a SharePoint Developer and Administrator in the Information Technology Division required for the SharePoint 2010 upgrade project, for a total contract amount not exceed \$376,000.

12. **ITEM V-A-12: IT DISASTER RECOVERY PROJECT – DATA REPLICATION SOFTWARE**

Approved purchase of data replication software from Clearview Computer for an amount not to exceed \$272,697.

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

13. **ITEM V-A-13: INFORMATION SECURITY ADVACEMENT –  
NETWORK ACCESS CONTROL SYSTEM**

Approved the purchase of a network access control system from Global Computer Supply for an amount not to exceed \$106,293.03.

14. **ITEM V-A-14: ENTERPRISE IT APPLICATION INTEGRATION –  
TIBCO MIDDLEWARE**

Approved the purchase of additional middleware licenses necessary for enterprise IT application interpretation purposes from TIBCO Software, Inc. at a cost not to exceed \$149,955.

15. **ITEM V-E-1: METER PIT REPAIR ON-CALL CONTRACTOR**

Authorized award of a contract to AGL Construction Company to perform repairs for customers with non-compliant meter pits, which costs will be reimbursed by the customer, for the contract period July 11, 2012 through June 30, 2013 for a total contract amount not to exceed \$150,000.

Mr. Blauvelt provided information to the Commissioners regarding non-compliance issues discovered by Denver Water field technicians during visits to a customer's property, which problems could present either possible hazards or interference with meter reading and service. Mr. Blauvelt explained that under the old procedures once such an issue is discovered Denver Water sent notices to the customers requiring that the customer resolve the issue or face service line disconnection. As a result of a recent rapid improvement event a new process was developed through which Denver Water would offer to perform repairs for the customer and bill the cost of such repairs back via the water bill. The proposed process would allow the customer to pay the charges over time. If the customer chooses to complete the repairs without involving Denver Water and those repairs are not made, the enforcement process including penalties for non-compliance would still be in place. Mr. Blauvelt opined that 80% of the repair work would be completed by Denver Water technicians and would consist of relatively inexpensive improvements. The more complex repairs which require specialized equipment would be completed by the contractor. In response to questions from the Commissioners, Mr. Blauvelt noted that the cost for repairs would be

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

established prior to undertaking such repairs and Denver Water would bill the customer based on the contractor's estimate.

16. **ITEM V-E-2: AGREEMENT WITH TC DENVER DEVELOPMENT, INC.  
FOR THE DENVER WATER CAMPUS PLAN PROJECT**

Authorized entering into an Agreement with TC Denver Development, Inc. for the Denver Water Campus Plan project at a cost of \$401,585.00, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "H."

Mr. Ross explained that Staff had a proposed a multi-discipline team be assembled to address space planning and real estate needs. Five qualified firms were solicited and three proposed. After review of the proposals, Staff had selected the combine of Trammell Crow Company, Steinmann Facility Development Consultants, and RNL. Mr. Ross introduced Bill Mosher and Kenneth Ho of Trammell Crow Company.

Mr. Mosher then described the background qualifications of each of the members of the assembled team and commented on the work of the team in other projects including the Wellington Webb Building and the Ralph L. Carr Judicial Center/History Colorado Center Complex.

Kenneth Ho described the scope of work and the proposed schedule. Thirty-one tasks have been identified which will be undertaken in three phases: (1) Evaluation of existing conditions; (2) Collection of data for present and future needs; and (3) Inventory of existing facilities including making a determination of assets and liabilities. Mr. Ho explained to some extent the phases can be undertaken concurrently. A kick off meeting with members of the team and representatives of Denver Water staff is scheduled for July 19. The first draft of the Campus Plan report is scheduled for release and discussion in early November. Several workshops will be held to develop concepts to be included in the draft report. Final reports are due by the end of the first quarter 2013. A copy of the presentation is attached to and incorporated in these Minutes as Exhibit "I."

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

The Commissioners cautioned that beginning the campus plan study should not be construed as a signal that a decision had been made regarding whether to renovate or reconstruct the current administration building. No decision has been made.

17. **ITEM V-E-3: AWARD OF CONTRACT FOR THE ANTERO RESERVOIR SOUTH SHORE BOAT RAMP PROJECT**

Authorized award of a contract to ACA Products, Inc. for the Antero Reservoir South Shore Boat Ramp Project at cost of \$198,430.80.

Ms. Barbier provided an overview of the project including the need to install a larger boat ramp to alleviate long waits for users during the peak summer months and to facilitate emergency evacuations from the reservoir. Ms. Barbier noted a portion of the project will be funded with a \$170,050 Motor Boat Colorado Grant which the Board authorized when it entered into a Sub-Grant Agreement with the State of Colorado Department of Natural Resources of Wildlife, August 11, 2010.

18. **ITEM V-E-4: CHANGE ORDER NO. 3 WITH REYNOLDS, INC. TO FURNISH AND INSTALL CONDUIT NO. 151 – CENTRAL PARK BOULEVARD FROM SMITH ROAD TO I-70**

Approved Change Order No. 3 to the September 15, 2011 contract with Reynolds, Inc., Contract No. 13506A to furnish and install Conduit No. 151 – Central Park Boulevard from Smith Road to I-70 at an additional cost of \$600,000, all is particularly described in the Change Order, a copy of which is attached and incorporated in these Minutes as Exhibit “J.”

Mr. Raitt explained Conduit 151 crosses Sand Creek and Smith Road in the UPRR Right of Way. Although the parties expected a small amount of contaminated soil might be encountered, the contractor performed additional testing and confirmed the need to remove larger amounts of contaminated soil and to treat contaminated ground water during construction dewatering. Based on the conditions encountered, the contractor was required to perform additional testing to verify compliance with jurisdictional remediation requirements. The contamination appears to be related to previously identified discharges from airport operations at the former Stapleton

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

International Airport. UPRR, DIA, and CDPHE were notified of the contamination. An adjacent area was previously remediated by the airport authority. Denver Water has requested that DIA participate in the clean-up program. The contractor is keeping DIA informed of clean-up activities. In response to questions from the Commissioners, Mr. Raitt explained the costs of dealing with the hazardous materials were expected to be reimbursed by DIA.

19. **ITEM VI-C-1: DISCUSSION AND INFORMATION: WATER SUPPLY AND DEMAND**

Mr. Steger provided an update regarding water supply conditions. On July 6, Cheesman Reservoir was 19 ft below full compared to 1 or 2 ft below full in normal years. Dillon is 7 1/2 feet below spill way elevation and at this time of year is normally spilling. Mr. Steger noted in the Metro Area June was the warmest June on record. Mr. Steger explained that although reservoir storage is below the historic median, the reservoir contents are higher than in 2002. Mr. Steger opined that based upon available storage it was appropriate to continue a stage 1 drought watch. Staff will continue to monitor water supply and use.

20. **ITEM VI-F-1: DISCUSSION AND INFORMATION: MONTHLY INVESTMENT PORTFOLIO REPORT**

The Commissioners received the unaudited report titled "Denver Water Monthly Investment Portfolio Report, June 30, 2012" as set forth in Agenda Item VI-F-1 dated July 11, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "K."

21. **ITEM VI-F-2: DISCUSSION AND INFORMATION: EMPLOYEES' RETIREMENT PLAN TRUST FUND**

The Commissioners received the report titled "Denver Board of Water Commissioners Employees' Retirement Trust Fund Monthly Performance SnapShot May 2012," as set forth in Agenda Item VI-F-2 dated July 11, 2012, 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**

**22. ITEM VI-F-3: DISCUSSION AND INFORMATION: STATUS OF CONTRACT WORK AND CONSULTANT SERVICES**

The Board received the following reports: "Status of Contract Work dated July 6, 2012," and "Status of Consultant Services dated July 6, 2012," copies of which are attached to and incorporated in these Minutes as Exhibits "M" and "N."

**23. ITEM VI-F-4: DISCUSSION AND INFORMATION: BUDGET STATUS REPORT**

The Commissioners received the report titled "2012 Year to Date Report Budget Status Summary as of June 30, 2012" as set forth in Agenda Item VI-F-3 dated July 10, 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "O."

**24. ITEM VI-F-5: DISCUSSION AND INFORMATION: NEW CONTRACT SUMMARY**

The Commissioners received a summary of contracts entered into between \$10,000 and \$100,000 for the second quarter in 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "P."

**25. ITEM VI-F-6: DISCUSSION AND INFORMATION: UPDATE – MOFFAT WATER TREATMENT PLANT**

The Commissioners received an update of the Conceptual Design Phase Study regarding rebuilding the Moffat Water Treatment Plant, a copy of which is attached to and incorporated in these Minutes as Exhibit "Q."

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

26. **ITEM VI-F-7: DISCUSSION AND INFORMATION: 2012 ("ON-CALL") GENERAL ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICE CONTRACTS**

The Commissioners received summaries of "on-call" general engineering and construction management service contracts for the first quarter 2012, copies of which are attached to and incorporated in these Minutes as Exhibit "R" and "S." All on-call agreements were amended with an expiration date of September 2012 at which time new on-call agreements will be entered.

27. **ITEM VI-F-8: DISCUSSION AND INFORMATION: REVIEW OF PROPERTY BURDENS AND DISPOSALS 2<sup>ND</sup> QUARTER 2012**

Pursuant to Denver Water Executive Guidelines B-1, a report was provided to the Commissioners of Property Transactions involving an expenditure of \$10,000 or more in the first quarter 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "T."

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

The Board confirmed a Study Session will take place on **Wednesday, July 25, 2012, at 9:00 a.m.** in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado. An agenda will be posted prior to the meeting. A portion of the meeting will take place in Executive Session.

The Board confirmed a Regular Meeting would take place on **Wednesday, August 8, 2012, at 9:00 a.m.** in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado.

No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 10:44 a.m.

RECORD OF PROCEEDINGS

---

MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS

EXECUTIVE SESSION

On Wednesday, July 11, 2012, commencing approximately at 10:50 a.m. in the Board Room, 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)(b)&(e)
2. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:44 a.m.

  
Secretary

  
President