

## RECORD OF PROCEEDINGS

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### MINUTES OF THE BOARD OF WATER COMMISSIONERS

**Open Session**

**March 23, 2011**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, March 23, 2011 beginning at 9:12 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:

**John R. Lucero, President**  
**H. Gregory Austin, First 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
M. L. Bassett, Director of Public Affairs	B. D. Good, Special Assistant to the CEO/Manager
T. Roode, <i>Interim</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
T. L. McGuire-Collier, Manager of Community and Media Relations	M. L. Walker, Attorney
M.E. Elliott, <i>Interim</i> Director of Public Affairs	J. H. Bambei, Jr., Chief of Engineering
D. B. Engleman, Human Resource Specialist	M. Turney, Engineer
D.D. Shable, Engineer	G. Brockett, Human Resource Specialist
E.M. Cinchock, Public Affairs	S. Chesney, Community Relations Specialist
L. Paule, Human Resources	U. Sharma, Treasurer
A. Rettig, Treasury Analyst	C. Ward, Senior Internal Auditor
L. Billeter, Staff Analyst	S. Miller, Manager of Health Care Administration

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L.M. George, Public Affairs

J.F. Davis, Attorney

Carol Pace, Citizens' Advisory  
Committee

Kris Jones, Leif Associates

Liz Leif, Leif Associates

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

Commissioner Lucero called the meeting to order.

Upon motion regularly made, seconded and unanimously carried,  
Commissioner Gougeon was found to be absent for substantial cause and was  
excused.

#### **Ceremonies**

Commissioner Lucero recognized Laurie Billeter for receiving the 2011 Martin Luther King Jr. Business Social Responsibility Award. Commissioner Lucero noted that Ms. Billeter received the award because of her work to provide opportunities to small and minority owned businesses in the community. Commissioner Tate thanked Ms. Billeter for her efforts and noted that awards mean nothing without action and the award was a symbol of her willingness to take action to provide an avenue to involve small and minority businesses in Denver Water's activities, as well as throughout the community. Commissioners Herzmark and Austin also commented regarding the award. Ms. Billeter thanked the Commissioners for their encouragement and commented that the award was especially meaningful because it signifies what she believes in and what Denver Water supports.

Mr. Lochhead noted that this was Ms. Bassett's final meeting as the Director of Public Affairs. On behalf of the Commissioners and the Staff, Commissioner Lucero presented Ms. Bassett with a Certificate and Plaque noting her 32 years of service to the Board. The Commissioners and Staff acknowledged Ms. Bassett's contributions.

Upon motion regularly made, seconded and unanimously carried by the

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Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

1. **ITEM 2--A--1: CHEESMAN DAM UPSTREAM CONTROL PROJECT — PHASE 2**

At the request of Staff, this matter was removed from the Board's Agenda.

2. **ITEM 2--A--2: REFUND TO KEN-CARYL WATER DISTRICT**

Authorized a refund of \$304,970.30 to the Ken-Caryl Water and Sanitation District for overbillings which occurred in the period November 2009 through February 2011.

Ms. Bassett explained that Denver Water installed special meters in lines which serve the Ken-Caryl Water and Sanitation District in 2005. The meters were designed to permit water to flow into and out of the District without reversing meter readings. Beginning in early 2009, billing irregularities were discovered. The meters were tested by an outside engineer and found to be incorrect, and refunds were made for overbillings. Despite regular testing of the meters since that time, they have not been able to be correctly calibrated and the District is again experiencing overbilling. Ms. Bassett reported Denver Water will replace the magnetic meters with turbine meters prior to the start of the 2011 load season.

3. **ITEM 2--A--3: CONNECTOR'S AGREEMENT WITH DENVER FEDERAL CENTER**

Approved execution of a Connector's Agreement with the United States of America, acting by and through the Administrator of General Services Administration, in the form of Exhibit "A", attached to and incorporated in these Minutes.

Ms. Bassett explained the Denver Federal Center has been receiving water from The Board under the terms of various service utility contracts and annual purchase orders since approximately 1943. Although a proposed contract was presented to the Board in 2009, the General Services Administration later determined it could not sign the document because of its federal

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contracting guidelines. Under the terms of the Connector's Agreement, the Federal Center will continue to own, operate and maintain its own private water system, which it is in the process of upgrading.

4. **ITEM 2-A-4: THIRD AMENDMENT TO AGREEMENT WITH NOLTE ASSOCIATES**

Approved the Third Amendment to Agreement with Nolte Associates, Agreement 12668A, for professional services involving replatting property for the dedication of 69<sup>th</sup> Way and rezoning adjacent properties at the Board's Cat Reservoir property, at a cost of \$18,846, and a total amended Agreement not to exceed \$115,467, all as more particularly described in the Third Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

5. **ITEM 2-A-5: CONTRACT WITH IBM FOR MAXIMO SOFTWARE LICENSING AND SUPPORT**

Approved entering into a five year contract with IBM to provide 825 license entitlements and accompanying technical support for MAXIMO Software, at a total cost not to exceed \$3,007,179.

Mr. Dermody explained that Denver Water's 2011 obligation would be \$628,890 and by entering into the software licensing and support agreement, Denver Water resolved all existing audit issues with IBM.

6. **ITEM 2-A-6: AMENDMENT NO. 1 TO CONTRACT WITH T. LOWELL CONSTRUCTION, INC., FOR VALVE VAULT MODIFICATIONS 2010-2011**

Approved entering into Amendment No. 1 to the September 22, 2010 contract with T. Lowell Construction, Contract No. 12916A, to expose the top portion of Conduit No. 94 at four separation locations necessary to further analyze the pre-stressing wires within the wall of the pipe at such locations, at a cost of \$117,500, all as more particularly described in Amendment No. 1, a copy of which is attached to and incorporated in these Minutes as Exhibit "C."

Mr. Mahoney explained the inspections and analysis of the sections of Conduit No. 94 should be completed prior to load season.

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No further business appearing, the Board voted unanimously to adjourn into the Study Session portion of the meeting at approximately 9:27 a.m. The Study Session of the meeting, included presentations regarding the 2011 Water Conservation Advertising Program, the Retiree Medical Program, and discussion of the ongoing work of the Compensation Change Work Group. The Study Session concluded at 10:55 a.m., at which time, the Board voted unanimously to adjourn the Regular Meeting and convene in Executive Session.

**EXECUTIVE SESSION**

On Wednesday, March 23, 2011, commencing approximately at 11:05 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 matter which is authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 was discussed during the Executive Session:

1. Mediation §24-6-402(4)(a)(b)&(e)
2. Litigation § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 12:20 p.m.

  
Secretary

  
President