

## RECORD OF PROCEEDINGS

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### MINUTES OF THE BOARD OF WATER COMMISSIONERS

**Open Session**

**January 12, 2011**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, January 12, 2011 beginning at 8:35 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**  
**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:

B. D. Good, <i>Acting</i> CEO/Manager	P. L. Wells, General Counsel
A. C. Bricmont, Director of Finance	D. L. Little, Director of Planning
M. A. Elliott, <i>Acting</i> Director of Public Affairs	B. D. Good, Director of Operations & Maintenance
R. J. Mahoney, Director of Engineering	C. R. Dermody, Director of Information Technology
C. Elam-Floyd, Director of Human Resources	M. L. Walker, Attorney
P. Coleman, Manager of Internal Auditing	J. M. Barbier, Engineer
A. Holmquist, Recycled Water Program Manager	K. A. Bates, Attorney
J.A. Anderson, Customer Care Manager	K. O. Balu, Human Resource Specialist
C. N. Strother, Engineer	M. Leister, Engineer
A. Rettig, Treasury	U. Sharma, Treasurer
L. Billeter, Staff Analyst	G. J. Rosenschein, Attorney
S. A. Hall, Senior Community Relations Specialist	J. Landis, Treasury
	M. Anderson, Engineering
	S. Hansz, Engineering

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Susan Heinzeroth, Sage River  
Corey Terry, RTL/Rock & Associates

Krista Bjork, Sage River  
Jill Wuertz, Denver Parks & Recreation

*Commissioner Lucero called the meeting to order.*

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Annual Meeting of December 8, 2010 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meetings of December 8 and 15, 2010 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Sessions of December 8 and 15, 2010 were approved.

#### **Public Comment**

Commissioner Lucero invited members of the public to comment to the Board regarding matters not included in the Board's Agenda. 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 January 11, 2011, a copy of which is attached to and incorporated in these Minutes as Exhibit "A," effective the pay period beginning **November 27, 2010** unless otherwise noted.

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**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 **January 1, 2011**, unless otherwise noted:

<b>Employee Name</b>	<b>Employment Date</b>	<b>Retirement Plan Participation Date Unless otherwise noted^</b>	<b>Division/Section</b>
Julie Seagren	06/17/2010	06/17/2010	Construction Project Management #271
Uyen Ngo	06/14/2010	06/14/2010	Human Resources #420
Joe Burcham	06/14/2010	06/14/2010	Foothills #610
Nicholas Downs^	03/31/2009	06/12/2010 ^Exclude Prior Service as Temporary Status 03/31/2009 to 06/11/2010	T&D Construction & Maintenance #710
Raymond Ramirez	06/09/2010	06/09/2010	T&D Construction & Maintenance #710
Edward Sabala	06/09/2010	06/09/2010	T&D Construction & Maintenance #710

**3. ITEM V-A-3: DESIGNATION OF PLACES FOR POSTING NOTICES OF MEETINGS**

In accordance with the requirements of C.R.S. 24-6-402(2)(c), the Colorado Open Meetings Law, the Board designated the following as places of posting notices for its meetings:

1. In the glass enclosed bulletin board near the main entrance to the Administration Building at 1600 West 12<sup>th</sup> Avenue; and
2. On a bulletin board near the elevators on the fourth floor of the City and County Building.

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4. **ITEM V-A-4: CONTRACT EXTENSION WITH THE DOYLE GROUP FOR IT BUSINESS ANALYST**

Approved extension of the June 2010 Contract with the Doyle Group, Contract No. 13119A, to provide the services of Carey McGuire to augment staffing in the Tier III New Solutions Section of the Information Technology Division at the rate of \$95 per hour, thru December 31, 2011, at an additional cost not to exceed \$156,750, and a total amended contract amount of \$251,750.

5. **ITEM V-A-5: PURCHASE OF RUGGEDIZED LAPTOPS FOR T & D CREWS**

Approved the purchase of 17 Panasonic Toughbook (Model CF-31) laptops for T&D Crews necessary for implementation of the mobile GIS and Workforce Automation Systems, including a five-year accidental damage protection plan at a cost of \$7432 per unit for a total authorized purchase of \$127,000.

6. **ITEM V-A-6: CHANGE ORDER NO. 13 — CONDUIT NOS. 12 & 18 — RELOCATION AT THE SOUTH PLATTE RIVER**

Approved Change Order No. 13 to the August 12, 2009 contract with Lillard and Clark Construction Company, Inc., Contract 12019A, for additional costs related to the relocation of Conduit No. 12 and a deduction for the deletion of the relocation of Conduit No. 18, which work will be completed by the City in the Spring of 2011 under a separate contract, for a total credit to Denver Water in the amount of \$541,143.09, all as more particularly described in the Change Order, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

7. **ITEM V-A-7: THIRD AMENDMENT TO AGREEMENT WITH BROWN AND CALDWELL TO PROVIDE SUPPORT DURING CONSTRUCTION SERVICES FOR LAKERIDGE PUMP STATION STANDBY GENERATOR ADDITION**

Authorized a Third Amendment to the September 2009 Agreement with Brown and Caldwell, Agreement No. 12558A, to provide civil, structural,

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### MINUTES OF THE BOARD OF WATER COMMISSIONERS

architectural, and acoustic engineering support, permitting assistance, review of contractor submittals and other services as more fully described in the Third Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "C" for the Lakeridge Pump Station Standby Generator Addition, at an additional cost of \$63,968, and a total amended contract amount of \$295,483.

8. **ITEM V-A-8: 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 December 2010 as follows:

Change Order No. 4 to the contract with Moltz Civil LLC, Contract 11596A, for the Williams Fork Small Hydro/Outlet Works Project;

Change Order No. 4 to the contract with Panattoni Construction, Inc., Contract 12575A, for the construction of the Einfeldt Decentralization Station;

Change Order No. 2 to the contract with Jennison Construction Co., Contract 12597A, for the Moffat Treatment Plant Headworks Structure Chemical Systems Improvements Project;

Change Order No. 1 to the contract with BT Construction, Inc., Contract 12878A, for the Disconnection of Specified Water Service Lines;

Change Order No. 1 to the contract with T. Lowell Construction, Contract 12916A, for the 2010/2011 Vault Modification Project;

Change Order No. 1 to the contract with Gilbert Contracting, Inc., Contract 13073A, for the East Cherry Hills Water District Conversion Project;

Second Amendment to Task Order Agreement 11107G with Bates Engineering, Inc., for the Roberts Tunnel East Portal Outlet Works Upgrade Project;

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First Amendment to Task Order Agreement 11139G with Tetra Tech, Inc., for services involving replacing the rapid mix system at Foothills Treatment Plant;

First Amendment to Task Order Agreement 11141N with URS Corporation to provide additional permitting work in support of the Strontia Springs Reservoir Sediment Removal Project;

Second Amendment to Agreement 11627A with Revey Associates, Inc., to provide oversight required during rock blasting at Cheesman Reservoir;

Fourth Amendment to Agreement 11783A with Wong Strauch Architects for the Einfeldt Decentralization Station;

Third Amendment to Agreement 12328A with URS Corporation for the Marston Multiple Level Outlet Project;

Second Amendment to Agreement 12432A with Henry T. Falvey & Associates, Inc., for investigations of Siphon No. 5 at the South Boulder Diversion Conduit;

First Amendment to Agreement 12509E with Malcolm Pirnie for the Foothills Treatment Plant Groundwater Monitoring Analysis;

Second Amendment to Agreement 12558A with Brown and Caldwell to provide drafting support for the Lakeridge Pump Station;

Fourth Amendment to Agreement 12610A with AECOM Technical Services, Inc., for the Elizabeth Street Conversion and Capitol Hill Reuse Pump Station Contract;

Second Amendment to Agreement 12720A with Cruise and Associates, LLC for the Hazeltine and Road Runners Rest Gravel Pit Materials Management Project;

First Amendment to Agreement 13213A with Timberline Mapping and Surveying for surveying work;

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First Amendment to Agreement 13240C with Tetra Tech, Inc., for the Foothills Treatment Plant HVAC Systems; and

Amendment to Agreement 11833A with TIMA Power Systems to provide service and maintenance for uninterruptable power systems

all as more particularly described in the attachment to V-A-8, dated January 12, 2011, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

9. **ITEM V-A-9: SECOND AMENDMENT TO FINANCIAL ADVISORY AGREEMENT WITH PIPER JAFFRAY & CO.**

Approved a Second Amendment to the November 8, 2006 Agreement with Piper Jaffray & Co. extending services to December 31, 2012 and increasing compensation under the Agreement by \$50,000.00 for a total amended contract amount not to exceed \$277,000.00, all as more particularly described in the Second Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

Ms. Bricmont and Ms. Sharma explained that while no debt issuances are planned for 2011, Treasury Staff would utilize Piper Jaffray during 2011 to review the Board's debt, financing and reserve policies. The current fee structure, which is a retainer arrangement for consulting services and a separate bond sale pricing charge will be modified for 2011 to eliminate the monthly retainer and instead pay a fixed fee of \$15,000 for advisory services. The current plan is to go into the bond market in the first quarter of 2012. The Second Amendment provides the cost for debt issuance for 2012 would be \$.50 per \$1000 of issuance with a minimum charge of \$25,000.

The Commissioners noted that Piper Jaffray had provided services to Denver Water beginning in January 2007 and the Agreement had been extended for one year to provide for a transition period for the new Director of Finance and new Treasurer. The Commissioners discussed the feasibility of extending the contract for an additional three years without rebidding, and whether Denver Water would lose a competitive edge by not rebidding such contracts. Ms. Bricmont explained that Denver Water will initiate the process to request proposals from qualified financial advisors in 2012.

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10. **ITEM V-E-1: CONTRACT FOR CONSULTING SERVICES WITH GBSM, INC.**

Approved entering into a contract with GBSM, Inc., to provide strategic public policy and issue management counsel to the Board for the IRP, Moffat EIS, WISE Project, West Slope Mediation and other projects through December 31, 2011, at a cost to the Board of \$275,000, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "F."

Mr. Little explained that under the proposed Agreement, GBSM would provide strategic consulting to the Planning Division, Community Relations and Conservation Section regarding a number of key issues.

11. **ITEM V-E-2: FIRST AMENDMENT TO AGREEMENT WITH BATES ENGINEERING, INC. FOR THE DESIGN OF LONE TREE BASIN NO. 2**

Approved amending the February 10, 2010 Agreement with Bates Engineering, Inc., for the design of Lone Tree Basin No. 2 to provide additional design work and assistance involving an ongoing permitting process with the City of Lone Tree, at a cost of \$62,078.81, and a total amended contract amount of \$332,872.81, all as more particularly described in the First Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "G."

12. **ITEM V-E-3: SECOND AMENDMENT TO AGREEMENT WITH BATES ENGINEERING, INC. FOR THE DESIGN OF LONE TREE BASIN NO. 2**

Approved the second amendment of the February 10, 2010 Agreement with Bates Engineering, Inc., to assist in review and evaluation of construction proposals and to provide construction phase services for Lone Tree Basin No. 2 at a cost of \$198,978, for a total amended agreement cost of \$531,850.81, all as more particularly described in the Second Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "H."

During the Board's consideration of Agenda Items V-E-2 and V-E-3, Ms. Barbier provided information regarding the location of the Lone Tree facility and some of the issues raised in the permitting process. Ms. Barbier

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explained that the First Amendment was necessary in order to integrate revisions made necessary as a result of the site review process. During the site review process, construction access, site grading and landscaping issues were raised. Additional design work was required to produce new final grading, drainage, erosion control and trail design, as well as work to develop alternative construction access routes.

The Second Amendment addresses bidding and services during construction. The tank is projected to be online by 2012. The consultant will assist Denver Water in the contractor selection process and provide services during construction similar to those provided during the Capitol Hill Tank Project. Ms. Barbier noted that the construction project was expected to be bid in March 2011. Ms. Barbier noted a 10 year plan for replacement of reservoirs at Ashland, Hillcrest and Highlands is in development and is expected to be presented to the Commissioners in the spring.

13. **ITEM V-E-4: SECOND AMENDMENT TO AGREEMENT WITH LOWE FELL AND SKOGG FOR LEGAL SERVICES**

Approved expenditure of up to \$100,000 for additional services under the January 2009 Contract with Lowe Fell and Skogg LLC, Contract No. 12120A and extension of the term of the Agreement to January 2012 for legal services related to acquisition of 17 acres of property in the Winter Park area.

Ms. Wells provided a short update to the Board regarding the need to file a quiet title action involving portions of Denver's Arrow Tunnel Property.

14. **ITEM V-E-5: CHANGE ORDER NO. 1 WITH QUALITY LINING AND PAINTING, INC. FOR THE RELINING OF A 54-INCH DIAMETER AT THE RECYCLING PLANT**

Approved Change Order No. 1 in the amount of \$61,400.11 to the August 24, 2010 Contract with Quality Lining and Painting, Inc., Contract 12748A, for the relining of a 54-inch diameter conduit connecting the Chlorine Contact Basin to the Distribution Storage Tank and for recoating Storage Tank Pipe Supports at the Recycling Water Plant, all as more particularly described in the Change Order, a copy of which is attached to and incorporated in these Minutes as Exhibit "I."

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Ms. Cay Strother circulated copies of photographs showing the damaged pipe and the areas that were required to be recoated. The Change Order was necessary because of the severe corrosion which was uncovered as the contractor began work under the original contract. The Contractor was required to accelerate the work schedule because of the need to return the Recycle Plant to operational status.

15. **ITEM VI-B-1: DISCUSSION AND INFORMATION: GENERAL ENGINEERING (ON-CALL SERVICES UPDATE)**

The Board received a report of firms utilized for On-Call Engineering Services for the period July 2007 through December 2012, a copy of which is attached to and incorporated in these Minutes as Exhibit "J." A summary of the work contracted for for On-Call contracts for Construction Management Services during 2010 was also provided, a copy of which is attached to and incorporated in these Minutes as Exhibit "K."

16. **ITEM VI-B-2: DISCUSSION AND INFORMATION: COMPENSATION CHANGE WORK GROUP CHARTER**

Ms. Elam-Floyd introduced Kris Bates, Julie Anderson and Abby Holmquist members of the Compensation Change Work Group who provided an update to the Commissioners regarding the work of the Committee.

Ms. Bates explained that the Compensation Change Work Group was composed of between 40 and 50 employees representing various professions, vocations and trades, as well as tenure and experience at Denver Water. Ms. Bates reported the work group had developed a communication plan, a charter and a work plan and was now working to understand how the current step and grade system could be modified or replaced. Ms. Bates explained the group was created to propose a pay system which would reward employees who contribute to the achievement of the Board's strategic objectives while being fiscally responsible and competitive within the marketplace. Ms. Bates reported that members of the work group were gathering information from other municipalities and utilities, both locally and nationally which could be used to develop a pay plan which would be proposed to the Commissioners. The goal of the work group is to provide proposed recommendations to the executive team in May and June.

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Following vetting of the proposed recommendations with the executive team, the group anticipated it would deliver the proposal to the Board for its consideration.

17. **ITEM VI-F-1: DISCUSSION AND INFORMATION: STATUS OF THE INVESTMENT PORTFOLIO**

The Commissioners received the report, "Denver Water Investment Portfolio as of December 31, 2010" as set forth in Agenda Item VI-F-1 dated January 11, 2011, a copy of which is attached to and incorporated in these Minutes as Exhibit "L."

18. **ITEM VI-F-2: DISCUSSION AND INFORMATION: NEW CONTRACT SUMMARY**

The Commissioners received a report detailing expenditures between \$10,000 and \$100,000 for the Fourth Quarter of 2010, a copy of which is attached to and incorporated in these Minutes as Exhibit "M."

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

The Board confirmed the next meeting would be a Study Session to be held on **Wednesday, January 26, 2011, at 9:00 a.m.** in the Board Room, Room 309, 1600 W. 12<sup>th</sup> 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 that the first meeting in February would take place on **Wednesday, February 9, 2011, at 9:15 a.m.** in the Board Room, Room 309, 1600 W. 12<sup>th</sup> Avenue, Denver, Colorado. An Agenda for the meeting will be posted prior to the meeting. A portion of the meeting will take place in Executive Session.

No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 9:40 a.m.

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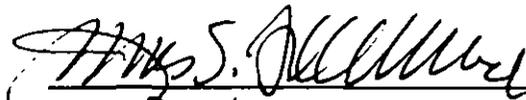
MINUTES  
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**EXECUTIVE SESSION**

On Wednesday, January 12, 2011, commencing approximately at 9:45 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 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)(a)(b) and (e).

There being nothing further for the Board to consider, the Executive Session concluded at approximately 10:04 p.m.

  
Secretary

  
President