

CONNECTOR'S AGREEMENT WITH DENVER FEDERAL CENTER Action by Consent Action Information

The Denver Federal Center (DFC) located in Jefferson County has been a potable water customer of Denver Water since 1941 when a contract was entered into with the US Government for the construction of a single 12-inch water main in Kipling Street for the "Denver Ordnance Plant". Since that time, the one square mile DFC site has grown significantly and become a large office campus that houses many different agencies of the Federal Government.

Water service through the single water main has been provided by Denver Water to DFC under several utility service contracts and annual purchase orders which have long been outdated and not representative of the service being provided. Although several attempts have been made to revise the contractual relationship, none have succeeded. Most recently, in 2009 a proposed contract was presented to the Board that was expected to be approved but the General Services Administration decided that it could not sign that document because of its federal contracting guidelines. Since then, a new Connector's Agreement has been negotiated with representatives of the General Services Administration, which contains provisions acceptable to both parties.

The proposed new Agreement includes:

1. DFC will continue to own, operate and maintain its own private water system on DFC property. Denver Water will not review plans or require compliance with Denver Water Engineering Standards for this portion of the water system. The DFC will be responsible for water quality on-site.
2. Denver Water will own the off-site water mains providing service to DFC. These will be constructed under separate agreement (Board's Agreement #12701A with PCL Construction Services). Denver Water will maintain these two water mains.
3. For the first 5 years after this agreement is signed, DFC will pay Master Meter rates. After 5 years, the rate will switch to Total Service to reflect Denver Water's cost to maintain the two new water mains.
4. DFC's historic water consumption will serve as the basis for establishing an annual consumption limit for which no System Development Charge will be assessed for water use at the DFC. Annual consumption in excess of that amount will be subject to payment of SDC.
5. DFC is located within the Combined Service Area and it may transfer excess property to other distributors for water service.
6. All previous agreements will be terminated.

Recommendation:

It is recommended that the Board approve the proposed Connector's Agreement.

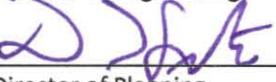
Approvals:



Director of Public Affairs



Director of Engineering



Director of Planning



General Counsel

8/31/09

Revised by Legal 8/31/2009

Respectfully submitted,



Jim Lochhead, CEO/Manager