

# RECORD OF PROCEEDINGS

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## MINUTES OF THE BOARD OF WATER COMMISSIONERS

**Open Session**

**June 10, 2009**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, June 10, 2009 beginning at 9:23 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:

**Penfield W. Tate, III, President**  
**John R. Lucero, First Vice President**  
**Thomas A. Gougeon, Vice President**  
**Paula Herzmark, Vice President**

Board employees and others present during portions of the Meeting were:

H. J. Barry, Manager  
P. L. Wells, General Counsel  
D. B. LaFrance, Director of Finance  
D. L. Little, Director of Planning  
M. L. Bassett, 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, Manager of Human Resources  
A. T. Spaulding, Manager of Purchasing  
S. Duncan, Intergovernmental Affairs Coordinator  
G. T. Malmberg, Sales Administrator  
U. Sharma, Treasurer  
M. L. Walker, Attorney  
D. Wyman, Engineering Specialist  
M.K. Frishman, Attorney  
H. C. Teigen, Chief of Distribution and Property Management  
K. Bullis, Law Clerk

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M. Van Nostrand, Engineer  
D. O. McCollum, Manager of Records and Document Administration  
N. F. Sperandeo, Recreation Manager  
J. Buerkle, Purchasing  
R. G. Steger, Manager of Raw Water Supply  
S. Miller, Manager of Benefits and Health Care Administration  
S. Chesney, Community Affairs  
J. Wright, Manager of Rate Administration  
L. Billeter, Staff Analyst  
G. Fisher, Manager of Demand Planning  
K. Bates, Attorney  
D. Ross, Accounting  
Georgeanne Becker, Peck Shaffer & Williams  
Helen Creggar, Piper Jaffrey  
Pat Fitzgerald, Distributor's Liaison Representative, Platte Canyon  
Water and Sanitation District and Southwest  
Metropolitan Water and Sanitation District  
Steve Daldegan, Lakehurst Water & Sanitation District

Commissioner Tate called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meetings of May 13 and May 27, 2009 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Sessions of May 13 and May 27, 2009 were approved.

Commissioner Tate complimented the Denver Water Finance staff and its consultants regarding the successful issuance of the first Build America Bonds in the State of Colorado. Commissioner Tate recognized Helen Creggar of the firm of Piper Jaffray and Georgeann Becker of Peck Shaffer and Williams. Ms. Cragger and Ms. Becker spoke briefly regarding the recent Bond sale.

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In response to the invitation of Commissioner Tate, Division Directors introduced visiting employees who would not otherwise be recognized during the Board's consideration of the Agenda.

### PUBLIC COMMENT

Commissioner Tate asked if there were any comments from members of the public regarding 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 June 10, 2009, a copy of which is attached to and incorporated in these Minutes as Exhibit "A," effective the pay period beginning **May 16, 2009** 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 **June 1, 2009**, unless otherwise noted:

<b>Employee Name</b>	<b>Employment Date</b>	<b>Retirement Plan Participation Date</b> <small>Unless otherwise noted<sup>^</sup></small>	<b>Division/Section</b>
Ernest Herrera	11/13/2008	11/13/2008	Information Technology #160
Michael Hornbeck <sup>^</sup>	02/13/2006	11/15/2008 <sup>^</sup> Exclude prior service as Project Status 02/13/2006 to 11/14/2008	Information Technology #160

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Brian Salomonsson	11/10/2008	11/10/2008	Electrical Engineering #213
Robyn Latson	05/26/2009	05/26/2009	Tech Solution Support #258
John Baker	12/01/2008	12/01/2008	Safety & Loss Control #423
Stacy Schreiner	11/10/2008	11/10/2008	Central Services #445
Amelia Muniz	10/13/2008	10/13/2008	Customer Care #460
Dennis Gilley	11/24/2008	11/24/2008	South Platte Area #530

3. **ITEM V-A-3: ANNUAL CONTRACTS SCHEDULED TO RENEW  
AND/OR ADD FUNDING IN THE THIRD QUARTER OF 2009**

Approved renewal or addition of funding to annual contracts scheduled to renew in the Third Quarter 2009 as follows:

Contract No. 02985A with AssetWorks to provide Fleet Management Software for the period October 1, 2009 to September 30, 2010, at an additional cost of \$43,000;

Contract No. 04690A with IBM Corporation to provide Maintenance Management Software for the period September 15, 2009 to September 15, 2010, at an additional cost of \$84,000;

Contract No. 06409A with ORACLE Corp. to provide Data Base Software for the contract period May 31, 2009 to May 31, 2010, for an additional \$4,000;

Contract No. 07915B with Genesys Telcomm Lab Inc. to provide software for the Alcatel phone system for the period September 30, 2009 to September 30, 2010, for an additional \$30,000; and

Contract No. 11799A with Microsoft Services to provide services regarding development of the SharePoint Project, for the contract period July 7, 2009 to July 7, 2010, for an additional \$60,060,

all as more particularly described in the Attachment to Agenda Item V-A-3, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

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**4. ITEM V-A-4: AMENDMENTS TO THE BOARD'S RETIREMENT PLAN AND SUPPLEMENTAL SAVINGS PLAN**

Approved amendments to the Employees' Retirement Plan of the Denver Board of Water Commissioners and to the Denver Water Supplemental Retirement Savings (401(k)) Plan, necessary to implement changes to the Retirement Program as outlined in the Board's May 13, 2009 Resolution, as are more particularly set forth on Exhibits "C" and "D", effective July 1, 2009.

**5. ITEM V-A-5: PERSONNEL POLICY REVISIONS**

Approved revisions to the Personnel Policies in Chapters 1, 8, 12, and 14, as are more particularly described in the Attachment to Agenda Item V-A-5, a copy of which is attached to and incorporated in these Minutes as Exhibit "E," which changes are effective June 10, 2008, unless otherwise noted.

**6. ITEM V-A-6: PERSONNEL POLICY REVISIONS**

Approved revisions to the Personnel Policies, Sections 14-6 and 14-9, effective July 1, 2009, and to Sections 11-10 and 2-2 effective June 10, 2009, which revisions are necessary to implement changes to the Retirement Program as outlined in the Board's May 13, 2009 Resolution, as more particularly described in the Attachments to Agenda Item V-A-6, a copy of which is attached to and incorporated in these Minutes as Exhibit "F."

**7. ITEM V-A-7: ANNUAL CONTRACT FOR TRENCH ROTOMILLING**

Authorized award of a contract to Alpha Milling Company to provide Denver Water's requirements of trench rotomilling for both asphalt and concrete for the period July 1, 2009 through June 30, 2011, at the unit prices set forth in the Tabulation of Bidder's Proposal No. 12306A, dated May 28, 2009, a copy of which is attached to and incorporated in these Minutes as Exhibit "G" for a total contract amount not to exceed \$490,000.

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**8. ITEM V-A-8: CONTRACT FOR BUTTERFLY VALVES AND ACTUATORS**

Authorized award of a contract to Val-Matic Valve & Manufacturing to provide described butterfly valves and actuators necessary for the 2009 Vault Rehabilitation Project at the unit prices set forth in the Tabulation of Bidder's Proposal No. 12343A, dated June 1, 2009, a copy of which is attached to and incorporated in these Minutes as Exhibit "H" for a total contract amount not to exceed \$186,340.13.

**9. ITEM V-A-9: SECOND AMENDMENT TO AGREEMENT WITH KRECH OJARD AND ASSOCIATES FOR UNDERWATER SURVEYS AT CHEESMAN DAM**

Authorized the Second Amendment to Agreement further modifying the November 12, 2008 Agreement with Krech Ojard and Associates to provide additional underwater surveys at Cheesman Dam, all as more particularly described in the Second Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "I," an additional \$44,859.90 and a total amended contract amount not to exceed \$141,708.90.

**10. ITEM V-A-10: RATIFICATION OF AMENDMENTS TO AGREEMENTS**

Ratified Amendments to Agreements authorized by the Manager in May 2009 as follows:

Second Amendment to Agreement 12038A with Wong Strauch Architects for renovation and space planning for the 555 Quivas Street property;

Amendment to Contract 10099A with Swingle, Inc. to provide tree and shrub maintenance and removal;

Amendment to Agreement 10152A with United Rentals, Inc. for the rental of trench shoring;

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Amendment to Agreement 07990A with Armstrong Sweeping, Inc. to provide street sweeping;

Amendment to Contract No. 12199A with Rocky Mountain Lasers & Instruments, Inc. to provide global positioning instruments; and

Second Amendment to Agreement 11484A with Black & Veatch to provide services for the South Platte Pump Back Project;

all as more particularly described in the Attachment to Agenda Item V-A-10, a copy of which is attached to and incorporated in these Minutes as Exhibit "J."

**11. ITEM V-A-11: CONTRACT EXTENSION WITH THE CONFLUENCE GROUP, INC. FOR EAMS INTEGRATION SOLUTIONS**

Approved Amendment to Contract 12206A with The Confluence Group, Inc. to provide the services of Max Pitard, to provide additional SOA integration work for the mobile workforce automation and enterprise asset management system projects through May 31, 2010, at an additional cost of \$156,000, and a total contract amount not to exceed \$336,000.

**12. ITEM V-A-12: CHANGES TO OPERATING RULES**

Authorized amendments to the Operating Rules in Chapters 1, 2, 6, 16, and 18, necessary for conversion from bi-monthly billing to monthly billing, and regarding licensing, hearings and open records requests, all as more particularly described in the attachment to Agenda Item V-A-12, a copy of which is attached to and incorporated in these Minutes as Exhibit "K."

**13. ITEM V-C-1: APPROVAL OF NEW WATER SERVICE AGREEMENT WITH LAKEHURST WATER AND SANITATION DISTRICT**

Terminated the December 22, 1980 Master Meter Contract No. 189 with the Lakehurst Water & Sanitation District and approved execution of a Water

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Service Agreement (Master Meter) with the District, Contract No. MM189, in the form attached to and incorporated in these Minutes as Exhibit "L."

Ms. Bassett introduced Steve Daldegan, Manager of the Lakehurst Water & Sanitation District, who thanked the Staff for working with his District to complete the contract negotiations.

Ms. Wells provided a short explanation of the changes that had been made to the earlier form Water Service Contract and the provisions of the new form Agreement. Ms. Wells also explained that by entering into the new form Water Service contract, the parties agree to termination of the Metropolitan Water Development Agreement and the Platte and Colorado River Storage Projects Participation Agreement. By termination of the Platte Agreement, the District will receive a payment equivalent to monies paid into the Denver Trust Account.

During the discussion of the approval of the new Water Service Agreement, Pat Fitzgerald commented on behalf of the Distributors Forum regarding the positive changes that have occurred in the relationships between Denver Water and its distributors over the past 15 years. Mr. Fitzgerald commented that over that period of time all of Denver Water's directors have participated in meetings with the Distributors Forum which participation has led to a better understanding of Denver Water's operations and needs. Mr. Fitzgerald also commented that the Distributors Forum had unanimously endorsed the changes suggested by Staff to the Operating Rules which were enacted by the Board as Agenda Item V-A-12.

**14. ITEM V-E-1: REGIONAL TRANSPORTATION DISTRICT  
FASTRACKS/DENVER UNION STATION TRANSIT UTILITY RELOCATION  
AGREEMENT**

Commissioner Gougeon explained he would abstain from consideration of Agenda Item V-E-1, as he is a member of the Board of the Denver Union

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Station Project Authority and his company, Continuum Partners, LLC, is also involved in the Project.

By a vote of 3-0, with Commissioner Gougeon abstaining, authorized execution of a Utility Relocation Agreement with the Regional Transportation District and the Denver Union Station Project Authority defining design, construction and cost responsibilities associated with water works modifications made necessary by the Fastracks Transportation Project at Denver Union Station, a copy of which is attached to and incorporated in these Minutes as Exhibit "M."

Don Wyman provided an overview of the Denver Union Station Project, which is expected to serve as a model for future Fastrack projects. Mr. Wyman explained that Denver Union Station Project Authority will fund all improvements and modifications necessary for the project, which is expected to be completed in 2014. As a part of his explanation of the rail lines which will provide service to the Denver Union Station, Mr. Wyman also discussed issues involving public transit access to Denver Water's Administration campus from the current and proposed lines.

Michele Frishman, a member of the Denver Water Green Team informed the Commissioners of plans to survey the employees to gauge interest in public transportation to the Denver Water Administration campus, and the assistance that RTD will be providing. Ms. Frishman explained that Denver Water currently provides subsidized passes to employees and the Green Team is investigating the use of a flexible spending account for public transportation purposes.

**15. ITEM V-E-2: FOURTH AMENDMENT TO AGREEMENT WITH AMEC EARTH AND ENVIRONMENTAL, INC. FOR THE DILLON RESERVOIR SPILL DECISION SUPPORT MATRIX**

Authorized a Fourth Amendment to the August 2007 Agreement with AMEC Earth and Environmental, Inc. to provide a water quality spill decision matrix

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and model for Dillon Reservoir at an additional cost of \$29,938, and a total contract amount not to exceed \$121,468.

Mr. Good explained that spills in the watershed above Dillon Reservoir cause a potential impact to water quality in the reservoir, and the development of a water quality model for the reservoir was necessary to allow for prediction of contaminant levels into the various tributaries and concentration of those contaminants into the Roberts Tunnel and the Blue River.

Mr. Van Nostrand explained that a multi-divisional team, including the Summit County Hazmat Team and other Summit County entities had been assembled to provide input to into the model and decision support matrix. The model has been delivered to Denver Water and as soon as start-up refinements are completed as provided by the contract the model will be available for Denver Water's use.

**16. ITEM V-E-3: CONTRACT AMENDMENT WITH BBC RESEARCH AND CONSULTING, INC. FOR DEMAND MODEL SERVICES FOR THE IRP**

Approved entering into an amendment to the May 14, 2008 Agreement with BBC Research and Consulting, Inc., to provide demand projections and conservation monitoring necessary for the 2010 Integrated Resource Plan at an additional cost of \$60,000, and a total compensation not to exceed \$195,000, all as more particularly described in the Second Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "N."

Mr. Fisher explained that the demand model which was constructed prior to the 2002 drought needs to be modified to address current concerns. A new demand model will provide assistance to Denver Water staff in addressing issues involving additional customer groups and demand scenarios. The plan is to coordinate the demand model with the Board's treated and raw water models.

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**17. ITEM V–E–4: INTERGOVERNMENTAL AGREEMENT WITH THE COLORADO DIVISION OF WILDLIFE FOR MUSSEL BOAT INSPECTIONS AT WILLIAMS FORK RESERVOIR**

Approved entering into a five-year Intergovernmental Agreement with the State of Colorado, acting by and through the Department of Natural Resources, for the use and benefit of the Wildlife Commission and the Division of Wildlife, which Agreement is necessary to provide recreational boat inspection and decontamination services to protect Denver Water's Williams Fork Reservoir from a potential infestation of quagga and zebra mussels, at a cost of \$50,000 per calendar year.

**18. ITEM VI–C–1: DISCUSSION AND INFORMATION: WATER SUPPLY & DEMAND**

Mr. Steger provided a graph with attachments indicating the 2008-2009 snowpack in the South Platte watershed, the percent of normal precipitation statewide for the period May 26 to June 8 and a depiction of storage in Denver Water's reservoirs as of June 8, 2009, a copy of which is attached to and incorporated in these Minutes as Exhibit "O."

Mr. Steger explained that the snowmelt in 2009 was steeper and earlier than it had been historically. The rapid snowmelt was caused by a warm spring and the fact that 12 separate dust storms had affected the snowpack during the winter period. Mr. Steger explained that the reservoirs filled early because of a combination of early runoff and May precipitation.

**19. ITEM VI–F–1: DISCUSSION AND INFORMATION: STATUS OF THE INVESTMENT PORTFOLIO**

The Commissioners received the report, "Denver Water Investment Portfolio as of May 29, 2009" as set forth in Agenda Item VI-F-1 dated June 10, 2009, a copy of which is attached to and incorporated in these Minutes as Exhibit "P."

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20. **ITEM VI-F-2: DISCUSSION AND INFORMATION: STATUS OF CONTRACT WORK**

The Board was furnished with the Status of Contract Work and Status of Consultant Services Reports as of June 3, 2009, copies of which are attached to and incorporated in these Minutes as Exhibit "Q."

21. **ITEM VI-F-3: DISCUSSION AND INFORMATION: BUDGET STATUS REPORT**

The Commissioners received the 2009 Year-To-Date Budget Status Summary for the period ending **May 31, 2009**, a copy of which is attached to and incorporated in these Minutes as Exhibit "R."

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

The Board confirmed a Study Session will take place on **Wednesday, June 24, 2009**, at **9:00 a.m.** in the Kassler Room of the Three Stone Buildings, 1600 W. 12<sup>th</sup> Avenue, Denver, Colorado. The meeting will include a discussion of the 2010 Budget. 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 regular meeting for July would take place on **Wednesday, July 8, 2009**, at **9:15 a.m.** in the Board Room, Room 309, 1600 W. 12<sup>th</sup> Avenue, Denver, Colorado.

No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 10:38 a.m.

#### EXECUTIVE SESSION

On Wednesday, June 10, 2009, commencing approximately at 10:40 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

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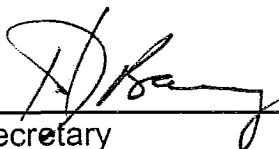
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Session. The following matters which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 were discussed during the Executive Session:

1. Property Transactions § 24-6-402(4)(a)
2. Mediation § 24-6-402(4)(e)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:45 a.m.

  
Secretary

  
President