

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

July 27, 2011

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, July 27, 2011 beginning at 9:14 a.m. in the Board Room, Room 309, 1600 West 12th 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

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.E. Elliott, Interim Director of Public Affairs	B. D. Good, Special Assistant to the CEO/Manager
T. Roode, Interim 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
M. L. Walker, Attorney	J.D. Archer, Engineer
S. Reum, Engineer	M. Leister, Chief of Construction Management
S.C. Franey, Senior Internal Auditor	C.L. Ward, Senior Internal Auditor
P. B. Coleman, Manager of Internal Auditing	G. Wilcox, Manager of Budgeting
J. Light, Engineer	G. Fisher, Manager of Demand Planning
P. Daukas, Manager of Environmental Planning	J.A. Figurelli, Budget Analyst
A.E. Sibree, Attorney	T. Cristiano, Manager of Rate Administration
J.D. Tejral, Conservation Specialist	M. Keilwitz, Electrical Engineering

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Commissioner Lucero called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioners Herzmark and Tate 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 June 22, 2011 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Session of June 22, 2011 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: CONTRACT EXTENSION WITH MAVEN COMPANIES, INC. FOR GIS APPLICATION DEVELOPMENT SERVICES**

Approved extension of the February 11, 2011 contract with Maven Companies, Inc., Contract 13478A, to provide the services of Neeraj Singh for up to 19 additional work days at the current rate of \$115 per hour, necessary for GIS application development services on the EMAP Project Team for an additional amount not to exceed \$17,500, and a total amended contract amount of \$112,260.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

2. **ITEM V-A-2: CONTRACT EXTENSION WITH THE DOYLE GROUP FOR IT INFRASTRUCTURE PROJECT MANAGEMENT SERVICES**

Approved extension of the August 18, 2010 contract with The Doyle Group, Contract 13117A, to provide the services of Delinda Waldron for an additional six months at the current rate of \$85 per hour, for infrastructure project management services in the IT Enterprise Infrastructure Section of the Information Technology Division, for an additional \$85,000, and a total amended contract amount of \$264,000.

3. **ITEM V-A-3: FIRST AMENDMENT TO AGREEMENT WITH J. KENT STAFFING, INC. FOR TEMPORARY EMPLOYMENT AND PAYROLL SERVICES**

Approved the First Amendment to Agreement with J. Kent Staffing, Inc., Contract 13525A, modifying the March 10, 2011 contract to provide payroll services for two temporary employees through January 31, 2014, for a total amended compensation amount not to exceed \$348,000, all as more particularly described in the First Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "A."

4. **ITEM V-A-4: LEASE AGREEMENT FOR THE USE OF PINEY RIVER RANCH IN EAGLE COUNTY**

At the request of Staff, the proposed Lease Agreement with Piney River Ranch, LLC, was withdrawn from the Agenda.

5. **ITEM V-D-1: TRANSFER OF FUNDS TO ENSURE 2011 CONSERVATION PROGRAM CONTINUATION**

Approved the transfer of \$370,000 from local government and \$250,000 from the low income/non-profit conservation programs to the conservation rebate/incentive program for the remainder of 2011.

Ms. Elliott explained that although the rebate amounts for residential and commercial toilets and residential washing machines had been decreased effective March 15, 2011, there is a continued demand for such rebates. Without additional funding, the programs could be unfunded after October 1. Ms. Elliott explained that while the conservation efforts in the Local Government and Low

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Income Residential Programs are progressing, moving money from those programs would not interfere with the goals of water savings for such programs in 2011. In response to questions, Ms. Elliott explained low income retrofits are continuing at a slower pace because the focus is now on single-family residential customers rather than multi-family non-profit retrofits. Ms. Elliott noted that representatives of Mile High Youth Corps were contacted and confirmed that moving money out of the program would not interfere with the 2011 efforts. Ms. Elliott further explained transferring the funds will have no net increase of conservation costs for 2011.

During the discussion of continuation of the 2011 Conservation Program, Ms. Elliott provided an update of three ongoing programs:

Completion of the conservation appendix for the Colorado Mediation Agreement;

Revision of the Conservation Plan for submittal to the Colorado Water Conservation Board; and

Development of a Conservation Appendix for the IRP.

Ms. Elliott explained previous efforts have been to focus on a ten year plan. Staff is now working with five year goals, which are thought to be more appropriate to the ongoing efforts of the conservation program.

6. **ITEM V-E-1: CHANGE ORDER NO. 4 TO THE CONTRACT WITH CONCRETE WORKS OF COLORADO, INC. FOR CONDUIT NO. 74**

Approved Change Order No. 4 to the December 8, 2010 Contract with Concrete Works of Colorado, Inc., for construction of Conduit No. 74, 36-inch and 42-inch water pipelines and 12-inch and 16-inch mains in Smith Road, near Havana Street, Contract 12953A, in the amount of \$64,065.64, all as more particularly described in the Change Order, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

7. **ITEM V-E-2: CONTRACT FOR CONSTRUCTION OF THE FRASER RIVER SETTLING BASIN IMPROVEMENTS**

Authorized award of a contract to Concrete Express, Inc., for construction of the Fraser River Settling Basin Improvements Project at a cost of \$498,000.

Mr. Little explained construction of the project was the subject of an IGA approved by the Board June 8, 2011. The contract amount exceeded CDOT's estimate. Because of the increased cost of the project, Denver Water will contribute \$95,000, rather than the anticipated \$50,000, towards construction costs. The remainder of the construction costs of the project will be reimbursed to Denver Water by the other stakeholders through the terms of the IGA. If change orders exceed \$4900, Denver Water, Grand County and CDOT will contribute equally to the costs of such change order.

8. **ITEM V-E-3: CONSTRUCTION OF A DIRECT TRANSFER TRIP DISTRIBUTED GENERATION INTERCONNECTION SYSTEM WITH MOUNTAIN PARKS FOR THE WILLIAMS FORK SMALL HYDRO/OUTLET WORKS PROJECT**

Approved payment of \$400,000 to Mountain Parks Electric, Inc., to provide and install a direct transfer trip system for the 25kv distributed generation interconnection with the Williams Fork Hydro Plant and to provide SCADA interface and capability.

Mr. Kielwitz explained the cost of the interconnection was negotiated. The system is required to comply with interconnection requirements of Tri-State Generation and Transmission and Mountain Parks Electric.

9. **ITEM V-E-4: SEVENTH AMENDMENT TO AGREEMENT WITH AECOM TECHNICAL SERVICES, INC. FOR THE ELIZABETH STREET PUMP STATION CONVERSION PROJECT**

Authorized the Seventh Amendment to the September 23, 2009 Agreement with AECOM Technical Services, Inc., Contract No. 12610A, for structural, architectural, geotechnical and select drafting consulting services for the Elizabeth Street Conversion Project, in the amount of \$114,006, for a total amended contract amount of \$268,518.33, all as more particularly described in

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

the Seventh Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "C."

10. **ITEM V-E-5: CONTRACT FOR THE ELIZABETH STREET PUMP STATION CONVERSION**

Authorized award of a contract to Archer Western Construction, LLC for the Elizabeth Street Pump Station Conversion Project, at a cost of \$8,893,000.

Mr. Archer provided an update and explanation of the Elizabeth Street Pump Station Conversion Project. Mr. Archer noted the project will transform an unused facility to one which provides both potable and recycled water pumping capabilities. The conversion project will replace the Capitol Hill Pump Station and will provide an opportunity for treated water to be moved into an area normally served by the Moffat Treatment Plant. Construction of the pumping station will also enable the Recycled Water System to be expanded to supply water to Cheesman Park, the Botanic Gardens and Congress Park. Mr. Archer noted that combining both potable and recycled water pumping in the same facility was anticipated to save as much \$2,000,000.

11. **ITEM V-E-6: FOURTH AMENDMENT TO AGREEMENT WITH MWH AMERICAS, INC. FOR DESIGN ENGINEERING SUPPORT FOR THE HOWE-HALLER A/B AND HOWE-HALLER B/HAZELTINE INTERCONNECT STRUCTURES**

Approved entering into a Fourth Amendment to Agreement further modifying the May 13, 2009 Agreement with MWH Americas, Inc., Contract No. 12351A, to provide engineering support during construction for the Howe-Haller A/B and Howe-Haller B/Hazeltine Interconnection Structures Project, at an additional cost of \$96,220, and a total amended contract amount of \$406,483, including extension of the completion date to March 31, 2011, all as more particularly described in the Fourth Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

12. **ITEM V-E-7: CONTRACT FOR THE NORTH METRO HOWE HALLER A/B AND HOWE-HALLER B/HAZELTINE RESERVOIR INTERCONNECT STRUCTURES**

Authorized award of a contract to American West Construction, LLC for the Howe Haller A/B and Howe-Haller B/Hazeltine Reservoir Interconnect Structures Project, at a cost to the Board of \$3,399,772.50.

During discussion of Agenda Items V-E-6 and V-E-7, Mr. Mahoney provided an update of the construction of facilities of the North Reservoir Complex. Mr. Mahoney explained that construction of the Dunes Outlet Works Project, which was authorized by the Board on May 25, 2011, and the interconnect structures, which are the subject of the current contract, would permit Denver Water to be able to store water in the Dunes, Howe-Haller A and B Reservoirs. Construction of the projects is planned to be completed so that storage could begin in the Spring of 2012.

13. **ITEM VI-B-1: DISCUSSION AND INFORMATION: ENDORSEMENT OF WILD & SCENIC MANAGEMENT PLAN ALTERNATIVE**

Approved submittal of a Letter of Endorsement of the Upper Colorado Wild and Scenic Management Plan Alternative to the Bureau of Land Management and the U.S. Forest Service in the form attached to and incorporated in these Minutes as Exhibit "E."

Mr. Lochhead explained the alternative had been negotiated by a diverse group of stakeholders over a three-year period and the endorsement of the alternative is a demonstration of Denver Water's commitment to the alternative. The Colorado Water Conservation Board at its July 12, 2011 declared its intent to make in-stream flow filings on the Colorado River which would support the alternative.

14. **ITEM VI-B-2: DISCUSSION AND INFORMATION: 2ND QUARTER BUDGET UPDATE**

Ms. Wilcox provided a Second Quarter Budget Update to the Commissioners, a copy of which is attached to and incorporated in these Minutes as Exhibit "F." Ms. Wilcox highlighted various aspects of the Budget Update. Ms. Wilcox noted the August 10, 2011 meeting would focus on budgetary issues.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

15. **ITEM VI-B-3: DISCUSSION AND INFORMATION: ORGANIZATIONAL INITIATIVES**

Mr. Good provided the Commissioners with a draft outline of efforts being undertaken as a part of the Strategic Plan. Mr. Good's update included a general description of the work involved in each project, the projected time period during which the project would be addressed, and an outline of key resources required. A copy of the outline is attached to and incorporated in these Minutes as Exhibit "G."

16. **ITEM VI-E-1: DISCUSSION AND INFORMATION: REPORT ON DISTRIBUTOR FORUM MEETING**

Ms. Bricmont, Mr. Cristiano and Ms. Wells reported regarding a recent meeting of the Distributors' Forum. The Meeting included a presentation by Ms. Wells on contract and charter provisions involving rates, a presentation by Mr. Cristiano regarding a review of cost allocations and discussions regarding the proposed WISE project. Copies of the slides provided to the Distributors' Forum are attached to and incorporated in these Minutes as Exhibit "H."

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

The Board confirmed that the first meeting in August would be held on **Wednesday, August 10, 2011**, at **7:30 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 that the Study Session in August will take place on **Wednesday, August 24, 2011**, 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.

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS


No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 11:18 a.m.


EXECUTIVE SESSION

On Wednesday, July 27, 2011, commencing approximately at 11:20 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. Litigation § 24-6-402(4)(b)&(e)
2. Water Rights Discussion §24-6-402(4)(b)&(e)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 12:10 p.m.


Secretary



President

