

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

August 25, 2010

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, August 25, 2010 beginning at 9:08 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

Penfield W. Tate, III, President
John R. Lucero, First Vice President
Paula Herzmark, Vice President
H. Gregory Austin, 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, Director of Operations & Maintenance
R. J. Mahoney, Director of Engineering	C. R. Dermody, Director of Information Technology
C. Elam-Floyd, Director of Human Resources	U. Sharma, Treasurer
A. T. Spaulding, Manager of Purchasing	T. L. McGuire-Collier, Manager of Community and Media Relations
G. Fisher, Manager of Demand Planning	C. Ward, Internal Auditor
J. H. Bambei, Jr., Chief of Engineering	S. Franey, Internal Auditor
J. M. Barbier, Engineer	G. Wilcox, Manager of Budgeting
V. Gaiter, Engineering Specialist	J. Figurelli, Budget Analyst
T. Cristiano, Manager of Rate Administration	L. Billeter, Staff Analyst
T. Segura, Budget Analyst	D. Hamm, Staff Analyst
J. Coleman, Rate Analyst	K. D. Kuykendoll, Staff Analyst
S. Niemi, Rate Analyst	G. T. Malmberg, Sales Administrator
G. Zervos, Accountant	

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S. Miller, Manager of Health Care
Administration

P. Daukas, Manager of Environmental
Planning

D. H. Kennedy, Environmental Scientist

M. Price, Planner

K. Moseley, Legal Assistant

M. L. Walker, Attorney

K. Riegler, Attorney

D. B. Engleman, Senior Benefits
Administrator

G. Brockett, Human Resource
Specialist

V. Nealey, Executive Assistant

S. Chesney, Community Affairs
Specialist

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

Steve Daldegan, Lakehurst Water and
Sanitation District

Susan Heinzerth, Sage River
Consulting

Tony Dixon, U.S. Forest Service

Krista Bjork, Sage River Consulting

Bruce Ward, Choice Outdoors

Matt Schweich, U.S. Forest Service

Clair Harper, U.S. Forest Service

Tauren Peterson, Alpha Omega Consulting

Commissioner Tate 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.

Public Comment

Commissioner Tate invited members of the public to comment to the Board on
any matters not included in the Agenda for the meeting. There was no response.

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Commissioner Tate explained that the Board would consider the Action Agenda before considering the Study Session topics. Commissioner Tate noted the first Study Session topic would be the SMWBE Program Update, and information regarding the 2011 Budget would follow. Commissioner Tate also explained the Commissioners would reserve time to meet in Executive Session to discuss mediation issues.

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 II-A-1: AMENDMENT TO MEDIATION/FACILITATION AGREEMENT WITH BICKERMAN DISPUTE RESOLUTION, PLLC**

Approved the Fourth Amendment to the Mediation/Facilitation Agreement with Bickerman Dispute Resolution, PLLC, to extend the time for completion of services to October 15, 2010 and to increase the contract amount by \$30,000 to an amended contract amount not to exceed \$342,500, all as more particularly described in the Fourth Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "A."

2. **ITEM II-A-2: AWARD OF CONTRACT FOR EAST CHERRY HILLS WATER DISTRICT CONVERSION TO TOTAL SERVICE**

Permitted Brannan Construction Company to withdraw its bid because of a significant error and authorized award of a contract to Gilbert Contracting to install described system upgrades necessary to meet Denver Water's current engineering and operational standards for conversion of the East Cherry Hills Water District to a Total Service Distributor at a cost not to exceed \$899,681. The award is contingent upon East Cherry Hills Water District approving the contract amount. Cost of the conversion will be funded by an upgrade surcharge in accordance with the December 12, 2008 Water Service Agreement, Contract 12104A.

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3. **ITEM II–A–3: GREENPRINT DENVER 2010 SUPPORT
(RATIFICATION OF 2ND AMENDMENT TO CONTRACT)**

Ratified the Second Amendment to the February 25, 2008 Agreement, Contract 10759C, with the City and County of Denver, acting by and through the Mayor's Office, extending the time for completion of work to March 30, 2011, and increasing the compensation by \$50,000 to a total amount not to exceed \$200,000, all as more particularly described in the Second Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

4. **ITEM II–B–1: INFORMATION ITEM: SELECTION OF AN EXTERNAL
AUDITOR**

Ms. Bricmont explained that the Agenda Item was mislabeled and was intended to be an information item. Denver Water staff and the City Auditor's office requested proposals from various international accounting firms to provide external audit services to Denver Water for a five-year term. A joint contract with the City Auditors office will be developed for the Board's approval, with Denver Water paying the cost of the audit services. Commissioner Tate suggested that, as a part of the evaluation of costs, Denver Water staff confirm the audit materials would be able to be included in offering documents used for the sale of debt. Ms. Bricmont and her staff will inquire further of the tentatively selected firm regarding the use of audited documents, prior to making a recommendation. Ms. Bricmont is also working with the City Auditor's office to answer remaining questions of that office.

5. **ITEM II–B–2: AWARD OF CONTRACT FOR CONDUIT NO. 28 PIPE
PROCUREMENT**

Authorized the award of a contract to Northwest Pipe Company to fabricate and deliver approximately 588 lineal feet of 60" to 84" diameter steel pipe and fittings at a cost of \$447,645 which pipe and fittings are necessary for the

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relocation of Conduit No. 28 in Monaco Parkway at Mansfield Avenue, Cedar Avenue and Smith Road.

Mr. Mahoney explained that Denver Water is pre-purchasing the pipe because of the lead time involved in pipe fabrication. Installation will coincide with planned operation and maintenance outages scheduled between Fall 2010 and Spring 2011. A portion of the work is necessary because of the RTD East Corridor Commuter Rail and UPRR Freight Track Relocation Project.

6. **ITEM II-B-3: CONTRACT WITH U S FOREST SERVICE FOR FOREST TREATMENT ON NATIONAL FOREST SYSTEM LAND**

Authorized entering into a Collection Agreement with the USDA, Forest Service, Rocky Mountain Region, in the form of Exhibit "C" attached to and incorporated in these Minutes, by which Denver Water will commit \$1,000,000 during Federal Fiscal 2011 for a five-year project with a total possible commitment of \$16.5 million over the 5-year term. The Agreement calls for the United States Forest Service to provide matching funds necessary for implementation of a project intended to restore forest health and watersheds critical to Denver's water supplies and infrastructure.

Mr. Kennedy introduced Claire Harper, Tony Dixon and Matt Schweich of the U.S. Forest Service, who spoke briefly regarding the importance of the project and the relationship. In response to questions from Commissioners, Mr. Kennedy explained the Forest Service was undertaking a NEPA analysis and on the ground work is expected to begin in the Upper South Platte watershed in October. The first area identified for the improvement project is upstream of Denver's Strontia Springs Reservoir. The parties expect on the ground efforts to begin in the Blue River Water Shed in 2011. Mr. Lochhead explained a joint press announcement would be forthcoming and a public event involving Federal, State and local representatives was scheduled Saturday morning at the Crow's Nest adjacent to the Dillon Marina. Harris Sherman, USDA

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Undersecretary for Natural Resources and Environment, representatives of the Forest Service, State and local representatives are expected to attend.

7. **ITEM II-B-4: FIRST AMENDMENT TO AGREEMENT WITH CRUISE AND ASSOCIATES FOR MATERIALS MANAGEMENT OF THE HAZELTINE AND ROAD RUNNERS REST GRAVEL PIT SITES**

Authorized the First Amendment to the December 9, 2009 Agreement with Cruise and Associates LLC (Contract No. 12720A), for the performance of additional work in support of the materials management project at the Hazeltine and Road Runners Rest Gravel Pit Sites. The Amendment extends the completion date to August 1, 2011, and increases the authorized expenditures by \$611,250, all as more particularly described in the First Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

Mr. Bambei provided copies of slides used in his presentation, a copy of which is attached to and incorporated in these Minutes as Exhibit "E." Mr. Bambei explained that Cruise and Associates had been engaged by Denver Water in a series of 1-year contracts to remove remaining sand, gravel, common-fill and other material from the Hazeltine and Road Runners Rest Gravel Pit sites beginning in 2007. The Amendment is necessary at this time because representatives of Denver International Airport have requested that Cruise and Associates load 500,000 cubic yards of common-fill material over a ten-month period necessary for a project at the former Stapleton Airport. Mr. Bambei explained that a \$250,000 variance would be necessary for the 2010 budget. Mr. Bambei further explained the work remaining at the site before the construction project for necessary infrastructure is undertaken. The Commissioners and Staff discussed the timing of the variance and the impact of the variance on the 2011 Budget.

No further business appearing, the Action portion of the meeting concluded at 9:45 a.m. The Commissioners then began the Study Session portion of the meeting,

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commencing with the presentation and discussion of the Small, Minority, Women Business Enterprise Program, followed by the 2011-2020 Capital Improvement and Operating Expense Plans.

The Board adjourned into Executive Session at approximately 11:00 a.m.

EXECUTIVE SESSION

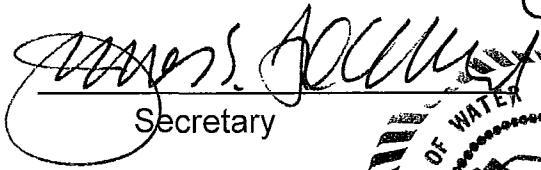
On Wednesday, August 25, 2010, commencing approximately at 11:00 a.m. in the Manager's Office, located in the Administration Building, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matter which is authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 was discussed during the Executive Session:

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

There being nothing further for the Board to consider, the Executive Session concluded at approximately 12:21 p.m.



President



Secretary

