

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

**December 14, 2011**

Pursuant to notice, a duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, December 14, 2011 beginning at approximately 7:30 a.m. The first portion of the meeting was in Executive Session held in the CEO/Manager's office. The subject matters of the Executive Session, which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 were:

1. Attorney-Client Matters § 24-6-402(4)(b)
2. Personnel Matters § 24-6-402(4)(f)(I)

The Executive Session recessed at approximately 8:30 a.m.

#### **Open Session**

The first matter for the Board's consideration was the Annual Meeting. The Minutes of the Annual Meeting are maintained separately.

Following the Annual Meeting, the Commissioners convened the Regular Meeting of the Board of Water Commissioners. The meeting began 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:

**H. Gregory Austin, President**  
**John R. Lucero, 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:

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

J. S. Lochhead, CEO/Manager	P. L. Wells, General Counsel
A. C. Bricmont, Director of Finance	D. L. Little, Director of Planning
S.C. Covington, Director of Public Affairs	J.A. Anderson, Director of Customer Relations
B. D. Good, Deputy Manager of Organizational Improvement	T. Roode, 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	T. L. McGuire-Collier, Manager of Community and Media Relations
P. B. Coleman, Manager of Internal Auditing	M. L. Walker, Attorney
D. Hamm, Staff Analyst	A.L. Alexander, Contract Specialist
E.W. Helgeson, Rate Analyst	T. J. Bray, Environmental Scientist
P. Daukas, Manager of Environmental Planning	M.K. Frishman, Attorney
S.J. Dominick, Water Research Engineer	L.M. Kaatz, Environmental Scientist
M. D. Waage, Manager of Water Resource Planning	J.W. Norris, Law Clerk
J. Light, Engineer	P. A. Carey, Manager of Purchasing and Contracting
D. Pacetti, Local Government Water Conservation Coordinator	L. Billeter, Staff Analyst
C.S. Funk, Attorney	U. Sharma, Treasurer
N.E. Willis, Community Relations Specialist	K. A. Pollock, Superintendent of Water Treatment
G.C. Berg, Treasury Analyst	
Jill Wuertz, Denver Parks & Recreation	Mel Rettig, Denver Water Citizens' Advisory Committee
Deb Binard, Denver Parks & Recreation	

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

Commissioner Lucero called the meeting to order.

#### **Public Comment**

Commissioner Lucero 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.

Commissioner Lucero welcomed Mel Rettig, West Slope representative to the Citizens' Advisory Committee.

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: AGREEMENT FOR TEN PERCENT MATCH ON IRRIGATION EFFICIENCY BOND PROJECTS**

Approved a 10 Percent Letter Agreement with the City and County of Denver, acting by and through its Parks Department, pursuant to which the Board agreed to transfer \$525,966.27 into an escrow account created pursuant to a July 8, 2009 Memorandum of Understanding to cover water savings through various park irrigation and landscape conversion projects, all as more particularly described in the Letter Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "A".

2. **ITEM V-A-2: AGREEMENT FOR PAYMENT - INSTALLATION OF WATER SAVING DEVICES AT DENVER PUBLIC SCHOOLS**

Approved the First Amendment to a December 8, 2010 Agreement with Denver Public Schools, Contract 11966I to reimburse DPS \$150,000 for installation of described water saving devices, for a total amended compensation not to exceed \$400,000.00, all as more particularly described in the First Amendment, 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

3. **ITEM V-A-3: EXTENSION OF AGREEMENT AND AUTHORIZATION OF ADDITIONAL FUNDS FOR INTERNAL COMMUNICATION CONSULTING SERVICES**

Authorized a Second Amendment to a January 13, 2010 Agreement with Communication Infrastructure Group, LLC, Contract 12593A, extending the time for completion of work under the Agreement to December 31, 2012, and increasing the compensation by \$50,000.00, to a total amended compensation not to exceed \$160,000.00, all is more particularly described in the Second Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "C."

4. **ITEM V-A-4: AUTHORIZATION OF ADDITIONAL FUNDING FOR THE MOFFAT COLLECTION SYSTEM PROJECT EIS**

Authorized the Twentieth Amendment to the August 22, 2003 Agreement with URS Corporation, Contract 07538A, pursuant to which URS serves as the Third-Party Consultant to the U.S. Army Corps of Engineers for the preparation of an Environmental Impact Statement for the Moffat Collection System Project, at an additional cost of \$789,919.00 for Phase V – Additional Work Services, with a total amended contract amount not to exceed \$8,150,067.00, all as more particularly described in the Twentieth Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

5. **ITEM V-A-5: AGREEMENT FOR A PIPELINE AND ALIGNMENT ALTERNATIVES STUDY FOR CONDUIT NOS. 16 AND 22 AND THE MOFFAT SOLIDS PIPELINE**

Authorized entering into an Agreement with Dewberry Goodkind, Inc. for an assessment and preliminary design for relocation of Conduits 16 and 22 and the Moffat Solids Pipeline, at a cost of \$297,664.00, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

Commissioner Lucero requested that the Commissioners take up the briefing regarding the Colorado River, VI-G-1.

6. **ITEM VI-G-1: DISCUSSION AND INFORMATION: STUDY SESSION – COLORADO RIVER**

Mr. Lochhead provided the Commissioners and members of the public with copies of slides used in his presentation regarding the Colorado River Compact, History and Issues, a copy of which is attached to and incorporated in these Minutes as Exhibit "F." In addition to Mr. Lochhead's comments regarding the Compact and its history, Mr. Lochhead and Mr. Waage discussed issues involving historical water supply and use. Mr. Waage addressed the impact of climate change on water supply projections for the Colorado River. Mr. Lochhead noted that additional discussion would take place in the Executive Session.

The Study Session concluded at 9:35 a.m., and the Board returned to consideration of the Agenda items.

7. **ITEM VI-B-1: AMENDMENT TO BOARD BYLAWS DEALING WITH REQUESTS FOR DONATIONS**

Approved Amendment of the Board's Bylaws to include a new paragraph 3.4, related to requests to individual Commissioners for the use of Denver Water funds for donations to nongovernmental entities, including sponsorships and memberships, all as more particularly described in the Revised Bylaws, a copy of which is attached to and incorporated in these Minutes as Exhibit "G."

Ms. Wells explained a part of the Strategic Plan effort is to prioritize and invest in external relationships. A new Executive Guideline is in development which will establish procedures for Denver Water staff when donations to outside organizations are requested. Because requests for such donations may also be made to individual Board Members, the Bylaws should be amended to set forth the policy and process that Board members will follow if they should be directly solicited.

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

8. **ITEM V-E-1: CONTRACT FOR ASPHALT, PAVING, CONCRETE, REPAIRS, SAWCUTTING, ROTOMILLING, AND INFRARED PAVEMENT PATCHING SERVICES**

Authorized award of a contract to Colorado Asphalt Services, Inc., to provide Denver Water's requirements for asphalt paving, concrete repairs, sawcutting, rotomilling and infrared pavement patching services, for the period January 1, 2012 through January 31, 2015, for a total contract amount not to exceed \$15,000,000.00, and further authorized execution of a Contingent Settlement Agreement and General Release by the CEO/Manager.

Mr. Carey presented information regarding the price adjustment method which will be used to determine the price to be paid by Denver Water for asphalt and concrete, as well as liquid aluminum sulfate (Agenda Item V-E-2). On a quarterly basis, cost-based price adjustments will be made to account for fluctuations in the suppliers' raw material costs. On an annual basis, price adjustments to other costs will be made based on an inflation index. For liquid aluminum sulfate (alum), the material costs will be tied to third-party indices for aluminum and sulfuric acid. For the asphalt paving contract, the asphalt cement price index maintained by the Colorado Department of Transportation and the producer price index for ready-mix concrete will be used. Mr. Carey noted the low bidders' pricing for paving and for alum were lower than the current contract prices. Mr. Carey attributed part of the savings to the different approach to pricing. Mr. Carey introduced members of the team involved in the alum bid: Tom Roode, Amy Alexander, Dawn Hamm, Ken Pollock, Jim Miller, Katie Ross, and Jeff Davis; and members of the team for the paving contract: Tom Roode, Eddie Hernandez, Nick Streno, Bobby Padilla, Jerry Trujillo, Dawn Hamm, Erik Helgeson, and Michele Frishman. Staff will provide periodic updates to the Commissioners regarding pricing fluctuations for both contracts.

## RECORD OF PROCEEDINGS

---

### MINUTES OF THE BOARD OF WATER COMMISSIONERS

9. **ITEM V-E-2: ANNUAL CONTRACT FOR LIQUID ALUMINUM SULFATE**

Authorized award of a contract to General Chemical Performance Products, LLC, to provide Denver Water's requirements of liquid aluminum sulfate (alum) for the contract period January 1, 2013 through December 31, 2017, for a total contract amount not to exceed \$8,000,000.00.

10. **ITEM V-E-3: DENVER WATER CASH RESERVE POLICY**

Approved the Cash Reserve Policy which is set forth on the attached Exhibit "H."

11. **ITEM VI-D-1: CITIZENS' ADVISORY COMMITTEE APPOINTMENTS**

Reappointed Becky Long, the CAC representative for environmental groups for a one-year term; Phil Lidov, Denver Residents' representative for a second three-year term; Barry Hudson, Distributors representative for a second three-year term; and Jim Ives, Public Interest representative for a second three-year term.

Upon motion made, seconded and unanimously carried appointed Andrea Bott as the Denver Residents' representative for an initial three-year term.

12. **ITEM VI-F-1: DISCUSSION AND INFORMATION: DENVER BOARD OF WATER EMPLOYEES' RETIREMENT PLAN TRUST FUND — MONTHLY PERFORMANCE SNAPSHOT**

The Commissioners received the report, "October 2011 Performance Snapshot for the Employees' Retirement Plan Trust Fund," a copy of which is attached to and incorporated in these Minutes as Exhibit "I."

13. **ITEM VI-H-1: SCHEDULING OF FUTURE BOARD MEETINGS**

The Board confirmed that the first regular meeting of 2012 would take place on **Wednesday, January 11, 2012**, at **9:00 a.m.** in the Board Room, Room 309, 1600 W. 12<sup>th</sup> Avenue, Denver, Colorado.

RECORD OF PROCEEDINGS

MINUTES  
OF THE  
BOARD OF WATER COMMISSIONERS

A Study Session is scheduled for **Wednesday, January 25, 2012**, 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 session.

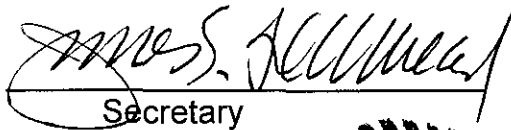
No further business appearing, the Board voted unanimously to adjourn into Executive Session at approximately 10:10 a.m.

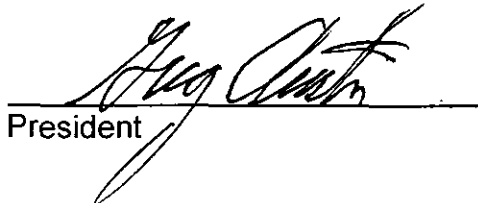
**RECONVENED EXECUTIVE SESSION**

On Wednesday, December 14, 2011, commencing approximately at 10:20 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners reconvened the 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 reconvened Executive Session:

1. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:07 a.m.

  
Secretary

  
President

