

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

July 28, 2010

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, July 28, 2010 beginning at 9:05 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, President¹
John R. Lucero, First Vice President
Thomas A. Gougeon, Vice President²
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	M. L. Walker, <i>Acting</i> General Counsel
A. C. Bricmont, Director of Finance	D. L. Little, Director of Planning
M. L. Bassett, Director of Public Affairs	C. R. Dermody, Director of Information Technology
C. Elam-Floyd, Director of Human Resources	J. D. Light, Engineer
R. J. Mahoney, Director of Engineering	M. J. Leister, Chief of Construction
E. Weems, <i>Acting</i> Director of Operations & Maintenance	D. C. Stone, Engineer
T. L. McGuire-Collier, Manager of Community and Media Relations	M. S. Turney, Engineer
S. Miller, Manager of Health Care and Benefits Administration	N. N. Myers, Engineer
A. Holmquist, Recycled Water Program Manager	U. Sharma, Treasurer
V. L. Paule, Human Resources	A. Rettig, Treasury
	S. Franey, Senior Internal Auditor

¹ Due to an unavoidable conflict, Commissioner Tate was detained. Commissioner Tate participated in the Study Session portion of the meeting.

² Due to an unavoidable conflict, Commissioner Gougeon was detained. Commissioner Gougeon arrived prior to the Board's consideration of Agenda Item II-A-5

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Commissioner Lucero, noting that Commissioners Tate and Gougeon were detained, 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 to 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 II-A-1: CONTRACT FOR ROBERTS TUNNEL EAST PORTAL
OUTLET WORKS UPGRADES**

Authorized award of a contract to Garney Companies, Inc. for the Roberts Tunnel East Portal Outlet Works Upgrades, Alternative B, at a cost not to exceed \$691,000.

Mr. Mahoney introduced Mr. Stone who explained that because of the lead time involved in the project, Denver Water had already purchased the replacement valves and conversion parts necessary for the project. Pre-purchase of the valves will assist in meeting the timing requirement of the compressed schedule for construction. In response to questions from Commissioner Austin regarding the possible impact of Zebra mussels on the valves, and steps Denver Water has taken to protect new valves from the mussel, Mr. Stone opined that screens would probably need to be installed at the tunnel inlet.

2. **ITEM II-A-2: TASK ORDER AGREEMENT FOR CONSTRUCTION
MANAGEMENT SERVICES FOR THE ROBERTS TUNNEL EAST PORTAL
OUTLET WORKS UPGRADES**

Authorized a Construction Management Task Order Agreement with CH2M Hill, Inc. for the Roberts Tunnel East Portal Outlet Works Upgrade Project at a cost to

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the Board not to exceed \$379,234, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "A."

Mr. Mahoney introduced Mike Leister, Chief of Construction, who explained that proposals for construction management services were requested from six on-call construction administration firms, and CH2M Hill was chosen because of availability of staff, cost, and project understanding.

3. **ITEM II-A-3: AWARD OF CONTRACT FOR 36-INCH BUTTERFLY VALVE INSTALLATION ON CONDUIT 74**

Authorized award of a contract to T. Lowell Construction, Inc. for installation of a 36-inch butterfly valve on Conduit 74 and other described system improvements near the northwest corner of Smith Road and Quebec Street at a cost not to exceed \$121,000.

Mr. Light and Mr. Turney provided information regarding the relocation of facilities necessary for the east corridor light-rail project of RTD. Denver Water facilities, installed in rights-of-way owned by Union Pacific Railroad, will need to be relocated at Denver Water's cost under the terms of the agreements for their installation. Mr. Mahoney explained the critical nature of coordinating conduit outages for construction projects such as the installation of the butterfly valve on Conduit 74.

4. **ITEM II-A-4: 2010 MONTEZUMA SHAFT AGREEMENT**

Approved the 2010 Montezuma Shaft Agreement with Vail Summit Resorts, Inc. dba, Keystone Resorts Management, Inc. and the Board of County Commissioners of Summit County regarding the parties' responsibilities for the compressed schedule for the Roberts Tunnel East Portal Outlet Works Upgrades project, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

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Mr. Lochhead explained the Board of County Commissioners of Summit County would take up consideration of the proposed agreement at its regularly scheduled meeting, and that Vail Summit Resorts, Inc. had approved an signed the Agreement.

5. **ITEM II-A-5: APPROVAL OF CONTRACTS WITH MILLIMAN, INC. FOR ACTUARIAL SERVICES³**

Approved selection of Milliman, Inc. as the actuary for the Board's Defined Benefit Retirement Plan and as consultant to the Board, and authorized execution of agreements necessary to provide actuarial services, benefit statement preparation and other consulting services for a five (5) year period ending July 31, 2015 at an estimated cost of \$301,000, all as more particularly described in Exhibits "C" and "D" attached to and incorporated in these Minutes.

Ms. Sharma explained that entering into a five-year contract provided protection against price increases which could have occurred had the Board entered into 3-year contract with two one-year extensions. Ms. Elam-Floyd explained the Board was asked to approve two separate contracts as the actuary provides assistance to both the Finance and Human Resources Divisions. The consultant also provides actuarial consulting services related to plan design and complex benefit calculations.

No further business appearing, the Action portion of the meeting adjourned at approximately 9:22 a.m.

The Commissioners then took up the Study Session Agenda which included discussion of proposed cooperative forest management programs, forest health issues and a mid-year Second Quarter Budget Update.

Following conclusion of the Study Session portion of the meeting, the Board adjourned into Executive Session at approximately 10:15 a.m.

³ Commissioner Gougeon arrived prior to the Board's consideration of Agenda Item II-A-5.

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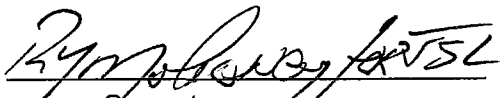
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OF THE
BOARD OF WATER COMMISSIONERS


EXECUTIVE SESSION

On Wednesday, July 28, 2010, commencing approximately at 10:15 a.m. in the Board Room, Room 309, of the Administration Building, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matters, which were authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 were discussed during the Executive Session:

1. Mediation § 24-6-402(4)(a)(b) & (e)
2. Proposed Modification to the Compensation Plan § 24-6-402(4)(f)(1)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:43 a.m.


Secretary


President