

**DENVER UNION STATION PROJECT AUTHORITY**  
**MEETING OF THE BOARD OF DIRECTORS**  
*May 13, 2010*  
**MINUTES**

**BOARD MEMBERS PRESENT**

Mario Carrera  
Judy Montero  
Tom Gougeon  
Elbra Wedgeworth  
Michael West  
Claude Pumila  
Marla Lien  
Bill James (for Kent Bagley)  
Russell George  
George Scheuernstuhl (for Jennifer Schaufele)  
Don Hunt  
Robin Kniech

**BOARD MEMBERS ABSENT**

Jerry Glick

**I. CALL TO ORDER**

Elbra Wedgeworth, DUSPA Board President called the Meeting of the Board of Directors of DUSPA to order at 1:30 p.m.

**II. WELCOME AND INTRODUCTION OF GUESTS**

President Wedgeworth welcomed guests.

**III. PUBLIC COMMENT**

Ms. Wedgeworth asked for public comment. There was no public comment.

**IV. ROLL CALL**

Dawn Bookhardt called roll. Please see above.

## **V. APPROVAL OF MEETING MINUTES**

Elbra Wedgeworth asked for comments to the April 29, 2010 meeting minutes. There were no comments. Don Hunt moved to approve the April 29, 2010 meeting minutes. Tom Gougeon seconded the motion. The motion carried unanimously.

Elbra Wedgeworth acknowledged that the Board has received Tom Gougeon's letter of resignation and wished him the best of luck in his job with Cherokee. President Wedgeworth also thanked Mr. Gougeon for all of his efforts as DUSPA Board Member and Secretary. Ms. Wedgeworth welcomed Mark Smith as the successor Board Member appointed by the Denver Union Station Metropolitan District.

Rick Clark stated that the two companies that are proposing on the P3 Project have made one set of presentations that the evaluation of the two teams is under way. He reported that the goal is for the evaluation group to make its recommendations to the RTD Board of Directors by June 15<sup>th</sup>. He also reported that the public presentations of the teams will be at the Paramount Theater on May 18<sup>th</sup> starting at 1:00 p.m. and that on May 25<sup>th</sup> at 5:30 p.m. the RTD Board will be taking public comments on the P3 Project.

## **VI. DISCUSSION ITEMS**

### **A) Audit Committee Report**

Mike West introduced Christopher Telli with BKD, the auditor for 2009.

Mr. Telli referred the Board to the draft of the audit report that is in today's Board packet.

He reported that the memorandum portion summarizes the compliance requirements and that the remainder of the report follows the government-style format for audit reports.

Mr. Telli identified items and summarized the audit report as follows:

- Page 1 - The report provides a clean opinion.
- Page 3 - Management Discussion and Analysis with financial highlights.
- Page 4, 5 - Lists the assets of DUSPA (-\$31,000,000).
- Page 7 - This is a government style balance sheet.
- Page 9 - Summary of revenues (interest only) and expenditures.
- Page 11 - Notes. He reported that the notes are a very important part of the financial statement and that Note 1 which discusses the accounting principals is critical to the report.
- Page 20 - Discusses the internal controls and that these will impact the Single Audit report for next year.
- Page 22 - Discusses the finding a material weakness with respect to agreements that are not executed.

Dawn Bookhardt suggested that the material weakness is the nature of the beast that DUSPA has worked with and reflects the amount of work that the Board has accomplished and still needs to

be completed. She reported that the issue around ownership of assets has been difficult and that she has drafted a corrective action plan that includes reaching agreement with the ultimate project owners, being RTD and the City.

Mike West reported that the Audit Committee spent considerable time and effort with the Audit team and the financial records and that the Audit Committee recommends the Board approve this draft Audit Report.

Marla Lien asked what the form of agreement will be for the assets.

Dawn Bookhardt responded that it will be a three-party agreement with DUSPA, the City and RTD.

Robin Kniech asked whether the Metro Districts will own any property.

Dawn Bookhardt answered that none of the Metro Districts will own any property and suggested that they may be responsible for maintaining property, but they will not own it.

Marla Lien concurred and stated that the public spaces are on RTD or City property.

Elbra Wedgeworth suggested that the Board vote on approving the draft Audit Report as an action item (see below).

Dawn Bookhardt thanked Mr. Telli for his exciting audit presentation.

B) TIFIA / RRIF Progress Report and Update

Claude Pumila reported that they have made progress with RRIF and that RRIF hired outside counsel, which has been a big help. He reported that the status of the loan has not changed and that work continues on the credit risk premium every day.

C) Finance Committee Report

i) Compliance Agreement

Claude Pumila reported that the goal is to be done with the Compliance Agreement soon and to complete all other necessary documents during the negotiations with RRIF so that everything is already in place when the loan is finalized.

Elbra Wedgeworth reported that DUSPA is developing a matrix of responsibility to get the agreements completed.

ii) Overall Cash Management

Claude Pumila reported that Cash Management should be saved for Executive Session.

D) Owner's Representative Report

i) Update Regarding Project Progress

Mike Sullivan reported that today is the 438<sup>th</sup> day of construction with no accidents at the site. He reported that on May 11, Kiewit and the Denver Fire Department conducted a mass incident drill at the site and that the drill went very smoothly.

Mr. Sullivan reported that quality control meetings have gone from a monthly schedule to weekly and that the quality of the waterproofing of the bus facility is a key issue.

Mr. Sullivan reported that the designers have completed the snow and sliding ice study for the train shed and that there have been slight design changes to the canopy due to the study.

He reported that the excavation of the contaminated soils is complete for the bus facility and that the actual volume of soil disposed was 60,000 cubic yards as opposed to the 63,000 cubic yards that was predicted.

He reported that Kiewit has added additional conveyors for the removal excavated soil, which has helped with production.

Mr. Sullivan reported that Phase I of the excavation is scheduled to be complete by May 20<sup>th</sup> and that Phase II should be done by June 1<sup>st</sup>.

He reported that a fire line for the site is scheduled to be installed and that June 4<sup>th</sup> is the first scheduled concrete pour for the bus facility.

He reported that the shoring adjacent to the light rail station is installed.

He reported that the old rail lines removed from the site are being shipped to Pueblo and will be recycled into new rail for the site.

Mr. Sullivan reported that the Light Bulb Supply company has moved out of the building that will house the Amtrak temporary facilities.

He reported that the biggest current construction challenge has been the dewatering program for bus facility excavation. He stated that "sock" filters on the dewatering lines were scheduled to be replaced once per day but they are requiring replacement once every two hours. Mr. Sullivan reported that it was estimated that the carbon canister filters would not need to be replaced at all, but that they are fouling and need replacement every week. Mr. Sullivan stated that the iron in the ground water is the cause of problems.

Mr. Sullivan reported that the shoring is being installed along Wewatta Street and that the communications conduits can be installed soon after the shoring is complete.

David Fine asked why there is so much iron in the ground water at the site.

Mr. Sullivan responded that there is no way to know why there is so much iron and that elevated metals content of the ground water was expected, but the high iron content is a surprise and has been the biggest challenge at the site.

Mr. Sullivan reported that there have been nearly daily meetings with the Environmental Protection Agency, likely due to the fact that they are right next door to the site.

Mr. Sullivan reported that DUSPA and the contractor have been working well with the City of Denver and permits are being obtained on a regular basis.

Mike West commented that the view of the construction from the light rail station is great.

Bill Mosher reported that he met with the Landmark Commission and Planning Department about the canopy connection to the DUS building and that it appears the connection plan will be approved. He reported that a remaining item before Landmark and Planning are the 18<sup>th</sup> Street bridge over the tracks and that the City and Planning had issues with the design and therefore modifications are being made to the design.

He reported that on May 19 at 3:00, DUSPA will go before the Planning Board again with the revised vent stack design and that the revised 18<sup>th</sup> Street bridge design may also be ready.

Mike Sullivan reported that DUSPA is soliciting for LEEDS and is applying for the Evergreen Awards for the project. He suggested that these applications will be good publicity for the project and that the Green Building Council has never seen an application from a transportation project.

## ii) Financial Report

Bill Mosher handed out copies of the financial report and reported that DUSPA has \$376,000 on hand and that another \$500,000 is available under the \$1.5 million loan from the City of Denver.

Mr. Mosher reported that the first column in the spreadsheet is the Revised and Approved Budget and that the data is through the end of March 2010.

Don Hunt asked how the estimated cost to complete is derived.

Mr. Mosher responded that the estimate is based on approved change orders plus the original GMP.

## E) Presentation of the First Amendment to the DUSPA/RTD Initial Funding, Reimbursement and Project Coordination Agreement.

Dawn Bookhardt summarized the Amendment, a copy of which was in today's Board packet, as follows:

The Amendment authorizes RTD to loan additional funds (in addition to the existing \$40 million loan from RTD to DUSPA), including the \$9 million loan recently approved by the RTD Board. It also provides for: spending of PNRS dollars and other federal grant funds; reimbursement of funds advanced by RTD to DUSPA; and for reimbursement of all loans made by RTD to DUSPA.

Ms. Bookhardt asked that approval of this Amendment be an action item for today's Board meeting.

## **VII. ACTION ITEMS**

Robin Kniech moved to approve the Audit Report by BKD.

Don Hunt seconded the motion.

The Board vote to approve the Amendment was unanimous.

The second item was a unanimous consensus vote to approve the First Amendment to the DUSPA/RTD Initial Funding, Reimbursement and Project Coordination Agreement.

Tom Gougeon moved to approve the Amendment.

Mike West seconded the motion. The vote carried unanimously.

## **VIII. EXECUTIVE SESSION**

Elbra Wedgeworth requested a motion to enter an Executive Session in order to discuss certain matters as permitted under the Colorado Open Meetings Law (C.R.S. § 24-6-402 et. seq.) related to financial and contract negotiations, financial management negotiations and litigation.

Robin Kniech made the motion to enter an Executive Session. Mike West seconded the motion. The motion carried unanimously.

The Board entered into executive session at 2:10 p.m.

Robin Kniech moved to exit Executive Session at 3:19 pm. Don Hunt seconded the motion. The motion carried unanimously.

## **IX. ACTION ITEMS RESULTING FROM EXECUTIVE SESSION**

Robin Kniech made a motion as follows: To engage RTD for accounting and Federal Requirements subject to satisfactory negotiations and receipt of a proposal from RTD to perform this work.

Mike West seconded the motion. The vote to approve engagement of RTD as set forth above passed unanimously.

Robin Kniech also made a motion as follows: To request \$8.1 million from RTD for funding and local match funds in order for DUSPA to use the SB-0001 grant funds subject to repayment by DUSPA to RTD of 80% of the loan from the SB-0001 grant funds and the remaining 20% from funds obtained by DUSPA from local sources.

Mike West seconded the motion. The vote in favor of the motion was unanimous.

Robin Kniech asked whether an additional motion to require the Owner's Representative to provide RTD better access for the approval of change orders is necessary.

Bill Mosher reported that he and Mike Sullivan had a good meeting with RTD staff regarding this issue and that it appears the correct communication systems are now in place.

Rick Clark agreed with Mr. Mosher and suggested that a motion is not necessary.

## **X. CARRYOVER AND FUTURE AGENDA ITEMS**

Mr. Mosher will have an update regarding the Project Coordination Agreement reflecting the \$9 million loan from RTD.

Mr. West will present the 2009 Audit Report to the Board for approval.

## **XI. ADJOURNMENT**

There being no further business, the meeting was adjourned at 3:28 p.m.

Approved by Vote of the Board and  
accepted by:

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Elbra Wedgeworth, President