

AGENDA

Denver Board of Water Commissioners

Denver Water Administration Building
1600 West 12th Avenue
Denver, CO
Board Room, Third Floor

Wednesday, January 24, 2018 9:00 a.m.

I. INTRODUCTORY BUSINESS

A. Call to Order and Determination of Quorum

B. Public Comment and Communications

At this point in the agenda, the Board may allow members of the public to address the Board on any item of interest within the jurisdiction of the Board, and not on the agenda for action. Speakers wishing to address a specific Action Item will be invited to address the Board when the item is being considered. Three minutes are allowed for each person unless the President determines otherwise.

1. Distributor Communications
2. Citizen Advisory Committee Communications

C. Ceremonies, Awards and Introductions

II. ACTION ITEMS

A. Consent Items

Items listed below are considered routine and may be enacted by one motion and vote. If any Board member desires discussion beyond explanatory questions, or corrections to the Minutes, the President may order that item to be considered in a separate motion and vote.

1. Second Amendment to Unum Contract No. 501028 (formally 15956A)
2. Amendment No. 5 with Western Summit Constructors Inc. to Work Package No. 1 of the Ashland Reservoir Tank Replacements Project - Contract 14063B/503020

B. Individual Approval Items

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| 1. Inter-agency Agreement for City and County of Denver Projects Affecting Water Mains, Meters and Service Lines Contract No. 503174 | Dan Arnold | 10 minutes |
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| 2. Resolution Authorizing Acquisition of an Access Easement via Eminent Domain for the Northwater Treatment Plant | Amy Turney | 5 minutes |
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III. POLICY MATTERS

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| A. OCR Update | Jeremy Ross | 10 minutes |
| B. Proposed Operating Rules - Manifold Taps & Service Lines | Mike Aragon | 20 minutes |
| C. National Western Update | Abbey Antolovich | 10 minutes |

IV. EXECUTIVE UPDATE

- A. CEO Update
- B. CFO Update
- C. Operations Update

V. BRIEFING PAPERS & REPORTS

- A. Briefing Paper
 - 1. Legislative Update
- B. Report

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

VIII. EXECUTIVE SESSION

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by C.R.S. Sec. 24-6-402 or D.R.M.C Sec. 2-34.

- A. Confidential Report § 24-6-402(4)

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: Jan. 24, 2018

Board Item: II-A-1

Second Amendment to Unum Contract No. 501028 (formerly 15956A)

Action by Consent

Individual Action

Summary:

Denver Water has historically administered Family and Medical Leave (FMLA) benefits in-house, through manual processes, which requires the tracking of absences, the number of work hours used for FMLA leave, maintaining confidential files and paperwork, accurately tracking intermittent and reduced leave schedules. Because FMLA leave requirements are difficult to interpret, it can make in-house administration impractical and cumbersome.

Unum currently administers Denver Water's life, accidental death and dismemberment (AD&D), long-term disability and short-term disability programs and has the expertise to administer FMLA leave.

At the Sept. 27, 2017 Board meeting, Human Resources staff requested, and the Board approved the release of the Request for Information (RFI) for an Extension of the Unum Life and Disability contract and Family and Medical Leave Administration (FMLA). This process included the addition of FMLA administration beginning July 1, 2018 and securing Life and Disability rates through Dec. 31, 2020.

The initial contract with Unum (501028, formerly 15956A) was entered into on Jan. 1, 2016 and is up for renewal Jan. 1, 2019. The employer paid STD program was implemented Jan. 1, 2017.

Budget Information:

Funds for this contract will come from the 2018 Human Resources Division budget:

Life and Disability: The contract extension holds existing Life and Disability premium rates at current levels. The annual premium for these coverages will remain at an estimated \$625,852.

FMLA: The cost implication associated when considering outsourcing FMLA Administration to Unum is approximately \$30,024 annually. This cost is in addition to the current budget for all Life, AD&D and Disability insurance coverages of \$625,852. Administrative fees may be offset by .25 FTE.

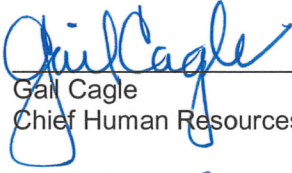
Recommendation:

As a part of the RFI process Gallagher Benefit Services surveyed the top four Life and Disability vendors in the market and determined that extending the contract with Unum with guaranteed rates through 2020 is appropriate for the following reasons:

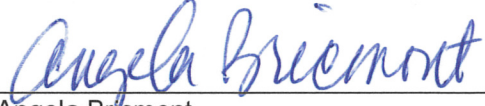
- Denver Water's experience and current plan loss ratios relative to industry tolerable loss ratios
- Life and Disability credibility factors
- A current immature short term disability experience period

It is recommended that the Board approve the Second Amendment with Unum for an extended Life and Disability contract at existing premium rates for the life, AD&D, long term and short term disability programs as well as including new additional FMLA Administration services for \$1,800,000.00 not to exceed \$3,110,000.00. The FMLA services will be effective July 1, 2018 through Dec. 31, 2020. The contracted extension period for the Life and Disability programs will be Jan. 1, 2019 through Dec. 31, 2020. FMLA Administration services are provided for an addition of approximately \$30,024 annually.

Approvals:



Gail Cagle
Chief Human Resources Officer



Angela Bricmont
Chief Finance Officer

Respectfully submitted,



James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: January 24, 2018

Board Item: II-A-2 3

Amendment No. 5 with Western Summit Constructors Inc. to Work Package No. 1 of the Ashland Reservoir Tank Replacements Project Contract 14063B/503020

Action by Consent

Individual Action

Summary:

The Ashland Reservoir Tank Replacements Project, Work Package No. 1, included scope of work to rehabilitate Conduit No. 1 by relining the conduit with cement mortar and installing internal joint seals inside the pipe. During the course of the project, a mortar lining contractor was not available to perform the work due to the limited relative scope of the work involved and therefore, the scope was modified to include new ductile iron pipe and fused polyvinyl chloride lining. The revised scope includes replacing 546 feet of the 36-inch cast iron pipe with new ductile iron pipe and lining of an additional 1,198 feet of the 36-inch cast iron pipe with a 30-inch fused polyvinyl chloride pipe lining.

Contract No. 14063B/503020 (Ashland Reservoir Tank Replacements Work Package No. 1 – Main Work Package), approved on February 13, 2013, included the rehabilitation of Conduit No. 1 in the original scope (Bid Package 6). This Amendment deletes the original scope of work and adds the modified scope.

Budget Information:

The approved budget for the construction work packages does not include sufficient funds for Amendment No. 5. However, the overall approved budget includes a \$3,000,000 allowance for commodity market price fluctuations, which was not required during project execution. We are requesting the Board approve allowing \$852,636.87 of the Market Price Adjustment Allowance to be used for Amendment No. 5. With the execution of Amendment No. 5 and considering the total Board-approved budget including contingencies and allowances, we anticipate completing the Ashland Project more than \$2,000,000 under budget.

Selection of Business Partner:

Western Summit Constructors Inc. is the CMAR for the Ashland Reservoir Tank Replacements Project. This anticipated modification work to Conduit No. 1 was competitively bid by Western Summit Constructors Inc. as Bid Package No. 13 to Contract 14063B/503020 on December 19, 2017. Two bids were received and T.Lowell Construction Inc. was the low bidder and is the recommended subcontractor to complete the work.

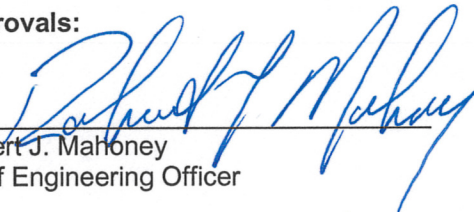
S/MWBE Information:

An MWBE goal of 5% was assigned to the work associated with Bid Package No. 13. The low bidder, T.Lowell Construction Inc., provided a statement of intent to achieve 3.85% MWBE participation. While this is less than the goal of 5% for this Bid Package, the project as a whole is achieving an MWBE participation rate of approximately 18% which far exceeds the original project wide goal of 5% participation.

Recommendation:

It is recommended the Board approve Amendment No. 5 to Contract 14063B/503020 with Western Summit Constructors Inc., for the modification to the restoration work to Conduit No. 1 by reallocating funds from the Market Price Adjustment Fund to Work Package No. 1 on the Ashland Reservoir Tank Replacement Project. The resulting total amended contract amount is not to exceed \$31,409,964.36.

Approvals:

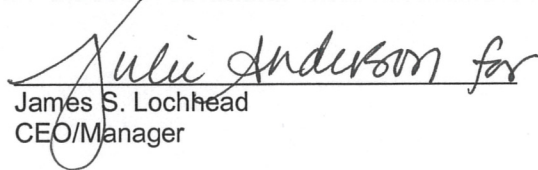


Robert J. Mahoney
Chief Engineering Officer



Angela Brimont
Chief Finance Officer

Respectfully submitted,



James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: January 24, 2018

Board Item: II-B-1

Inter-agency Agreement for City and County of Denver Projects Affecting Water Mains, Meters and Lead Service Lines Contract #503174

Action by Consent

Individual Action

Summary:

The Inter-agency Agreement for City and County of Denver ("City") Projects Affecting Water Mains, Meters and Service Lines ("Agreement") allocates responsibility between the City and Denver Water for the relocation of mains, meters, and service lines during City Transportation and Non-Transportation Projects.

During City transportation, wastewater, storm water and other types of projects, the City occasionally needs to relocate Denver Water facilities. Under the common law, a city may compel public utilities to bear the cost to relocate their facilities in the public right-of-way whenever such relocation is required by the city's reasonable exercise of police power, which has been interpreted to include road improvement projects.

The Agreement formalizes the City and Denver Water's historic practice under the common law of allocating responsibility for relocation of water facilities as a result of City projects within the street. When transportation projects require relocation of Denver Water mains, the City will perform the work at Denver Water's expense. However, when a non-transportation project (i.e., wastewater or stormwater) necessitates relocation of a Denver Water facility, the City will relocate Denver Water's facility at the City's cost.

The Agreement also addresses responsibility for replacement of lead service lines during City projects. When a main or meter needs to be moved, a lead service line sometimes must be cut, a practice which is now discouraged by EPA and within the industry. When lead service lines are encountered during the relocation of a main, the City will replace the lead service line from the main to the meter, at Denver Water's cost. If the transportation project only involves the relocation of a water meter, the City and Denver Water will share the cost of lead service line replacement 50/50. If the project is a non-transportation project, and the lead service line must be cut, the City will replace the service line at the City's cost.

The Agreement also allocates responsibility to Denver Water for providing educational materials and filters to customers when lead service lines are encountered.


Budget Information:

The Agreement does not involve the expenditure of funds, although it will require that funds be budgeted and allocated to the cost of utility relocation under a separate programmatic funding agreement on an annual basis. Denver Water has historically budgeted funds for utility relocation in Engineering's budget.


Recommendation:

It is recommended that the Board approve the Inter-agency Agreement for City Projects Affecting Water Mains, Meters and Service Lines.

Approvals:




Robert J. Mahoney
Chief Engineering Officer



Angela Brighmont
Chief Finance Officer

Respectfully submitted,



James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: January 24, 2018

Board Item: II-B-2

Resolution Authorizing Acquisition of an Access Easement via Eminent Domain for Northwater Treatment Plant Project

Action by Consent

Individual Action

Summary:

The Board plans to construct and operate a 150-million gallon per day water treatment plant, known as the Northwater Treatment Plant ("Plant"), at the Board's Ralston Reservoir site. The Plant, upon completion, will replace the aging Moffat water treatment plant and will convert the existing Moffat site to a storage and distribution facility.

The Board's staff determined that the existing access to the Ralston site is dangerous, will not accommodate vehicular and equipment access during construction, and is not suitable as the long-term access road to and from the Plant. The Board's staff identified real property adjacent to the Plant that would adequately serve the Board's access needs. The property is generally described as 2.6 acres of real property located in Jefferson County at Highway 93 and 64th Avenue. The property is described more specifically in Exhibit A of the attached Resolution.

As the construction stage of the project approaches, the Board's staff determined that it is necessary to negotiate with the owners of the above-described property to acquire a permanent easement on the property and, if such negotiations fail, to commence eminent domain proceedings to acquire the access easement.


The 2018 Budget for Northwater Treatment Plant includes sufficient funds for the cost of this acquisition.

Recommendation

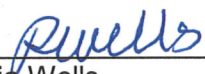
For the foregoing reasons, it is recommended that the Board adopt the attached Resolution authorizing negotiations and, if necessary, the initiation of eminent domain proceedings.

Approvals:

Respectfully submitted,


Robert J. Mahoney
Chief of Engineering


James S. Lochhead
CEO/Manager


Patricia Wells
General Counsel

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: January 24, 2018

Board Item: V-A-1

Briefing Paper for Legislative Update

Strategic Plan Alignment:

Lenses: Customer Centric, Industry Leader, and Long-Term View

GOAL: Play a key role in issues important to our success by advocating the interests of Denver Water in legislative and regulatory matters, specifically by proactively lobbying the Colorado General Assembly.

Summary:

The legislative session began on January 10. At the time of this briefing we have identified 13 bills to track and have made recommendations to support six bills, oppose none, and monitor the rest. Since this is our first briefing since bills have been introduced we have no updates.

Attached is the full bill report which includes a summary table followed by a detailed report on each bill we are tracking. Please refer to this attached report for initial information on all of our bills.

Background:

N/A

Budget Information:

N/A

Alternatives:

N/A

Approach:

N/A

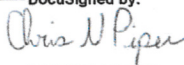
Owner(s):

Chris Piper, Government Relations, External Affairs

Attachments:

Report on 2018 Legislation

Respectfully submitted,

DocuSigned by:


Division – External Affairs

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: January 24, 2018

Board Item: Special Item

Citizens Advisory Committee Appointments

Action by Consent

Individual Action

Summary:

Denver Water's Citizens Advisory Committee (Committee) is a 10-member volunteer committee that advises Denver Water staff and the Board of Water Commissioners on a variety of issues while encouraging and coordinating public participation in the Denver Water's policy-making process. The Committee meets throughout the year to hear presentations from Denver Water staff on ongoing or upcoming projects and issues at Denver Water.

The Citizens Advisory Committee solicited applications for one Denver Citizen Representative vacancy in the fall.

The CAC received applications from 15 candidates for the Denver Citizen Representative, and interviewed the top 5 rated candidates on December 18. The Committee chose to nominate Emily Orbanek or Ean Thomas Tafoya for the Board's consideration.

Following selection of the new Denver Citizen Representative, we will ask that the new member attend an upcoming meeting so the Board can extend a welcome to the CAC.

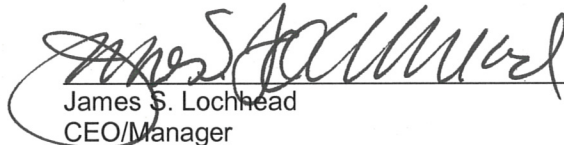
Recommendation: It is recommended that the Board approve appointment of Emily Orbanek as the Denver Citizen Representative to the Denver Water Citizens Advisory Committee (CAC).

Approvals:

Respectfully submitted,



Mike King
Chief External Affairs Officer



James S. Lochhead
CEO/Manager