

# AGENDA

## Denver Board of Water Commissioners

Video Conference: <http://zoom.us/join>, Meeting ID: 955 6930 6066 - Passcode: 122069 or

Dial in (669) 900-6833 - Meeting ID: 955 6930 6066 - Passcode: 122069

**Wednesday, November 18, 2020 9:00 a.m.**

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### 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 – Appreciation Letter

#### 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.

#### B. Individual Approval Items

1. Lead Program Update Alexis Woodrow 15 minutes
  - a. Accelerated Lead Service Line  
Replacement for Lead Reduction Program  
– Contracts 504686, 504687, 504688,  
504689, 504690, 504691 and 504692

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### III. POLICY MATTERS

<b>A. Northwater Treatment Plant</b>	Pete McCormick	15 minutes
<b>B. Q3 Performance Report</b>	Stephanie Abram	10 minutes
<b>C. Enterprise Management Project Office Status Update</b>	Jennifer Stokes	15 minutes

### IV. EXECUTIVE UPDATE

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

### V. BRIEFING PAPERS & REPORTS

- A. Briefing Paper**
  - 1. Communications Strategy
  - 2. Watershed Planning Organizational Program Quarterly Update
  - 3. IT Strategy Update
- B. Report**

### VI. ADJOURNMENT

## VII. TRUSTEE MATTERS

### I. ACTION ITEMS

1. Meeting as Trustee: Minutes from August 26, 2020 Trustee Meeting

### II. INFORMATION ITEMS

1. Meeting as Trustee: The Employees Retirement Plan - Callan's 3Q 2020 Performance Report Alex Browning 10 minutes
2. Meeting as Plan Sponsor: 401(k) Plan and 457 Plan - Ellwood 3Q 2020 Performance Report
3. Meeting as Trustee and or Plan Sponsor: 3Q Performance Report and Due Diligence Report for DB Plan, 401(k) Plan and 457 Plan

## VIII. EXECUTIVE SESSION

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

- A. Confidential Report

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 18, 2020

Board Item: II-B-1-a

## **Accelerated Lead Service Line Replacement for Lead Reduction Program Contracts 504686, 504687, 504688, 504689, 504690, 504691, and 504692**

Action by Consent

Individual Action

*Boxes above for Manager's Office ONLY*

### **Purpose and Background:**

In December of 2019, Denver Water received approval from the U.S. Environmental Protection Agency (EPA) of a variance from the Safe Drinking Water Act's corrosion control treatment requirements. Under the variance, Denver Water in 2020 has successfully implemented a comprehensive Lead Reduction Program (LRP) in place of orthophosphate treatment.

A critical element of the LRP is to replace 7% of lead service lines (LSLs) per year. A predictive model has been utilized to prioritize LSLs for replacement during the second year of the LRP. Denver Water Distribution crews anticipate replacing approximately 1,300 LSLs through main replacement projects and emergency leaks in 2021. The contracts presented today will accomplish the replacement of the remaining 3,230 LSLs needed to reach the target through the Accelerated Lead Service Line Replacement (ALSLR) program in 2021. The prioritized LSLs will be packaged into task order work packages for assignment to the contractors for replacement.

### **Budget and Schedule:**

The total amount of this contract is \$34,483,050 and the term of the contract is January 1, 2021 to December 31, 2021. Funds for this contract in the amount of \$34,483,050 have been included in the proposed 2021 budget.

### **Selection of Business Partner:**

During 2020, the Lead Reduction Program (LRP) utilized five pre-qualified ALSLR contractors to meet the variance requirement of 4,477 LSLRs, combined with work completed by Denver Water lead service line replacement crews (LSLR) crews. Being the inaugural year of the LRP, the 2020 ALSLR contractors' unit pricing varied significantly because of the varying work familiarity and perceived risks. In 2021, the ALSLR pre-qualified contractors will be in the second year of 3-year on-call contracts. In September 2020, the revised 2021 pricing was requested from the pre-qualified ALSLR contractors, including the five contractors working in 2020 and the two contractors that were designated as standby contractors for 2020. The lowest pricing bids came from KR Swerdfeger Construction (504686), Global Underground (504687) and AGL Construction (504688). The remaining ALSLR contractors— Mid City Corporation (504689), Apex Plumbing (504690), Iron Woman Construction (504691), and Reynolds Construction (504692)— are available for unforeseen situations occurring in 2021.

The 2021 pricing for a typical task order, averaged among the three lowest contractors, is approximately 9% lower than the average of the three lowest contractors in 2020. Water Distribution crews experience economies of scale of approximately 18% from the average contracted price by replacing LSLs during main replacement. Since the planned main replacement work aligns with the prioritization of the lead program, these replacements will be utilized to support reaching the replacement target. Total savings from these changes in approach are projected to save approximately \$6,700,000 to the 2021 program as compared to 2020.

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**S/MWBE Information:**

A target goal of 5% minimum MWBE participation was requested in the request for proposals. Each of the seven contractors committed to achieving this goal. The MWBE participation based on the three lowest price contractors is anticipated to be 22% for the 2021 program year.

**Recommendation:**

Staff recommends that the Board approve contracts with the three lowest price contractors in order to achieve the LRP replacement goal and additionally approve on-call contracts with revised 2021 pricing with the remaining four contractors in order to provide flexibility for unforeseen challenges in meeting the LRP replacement goal. It is also recommended that the Board delegate authority to the CEO to award subsequent task orders to the contractors throughout 2021 based on costs and contractors' capacity to perform replacements, up to the number of task orders needed to meet the replacement target and within the \$34,483,050 budget. Status of contract performance and task order authorization will be reported to the Board monthly throughout 2021.

<b>Contractor</b>	<b>Contract #</b>	<b>Quantity (LSLR)</b>	<b>Amount with 5% contingency</b>
KR Swerdfeger Construction	504686	2,030	<b>\$20,634,600</b>
Global Underground	504687	800	<b>\$9,090,900</b>
AGL Construction	504688	400	<b>\$4,757,550</b>
<b>TOTALS</b>		<b>3,230</b>	<b>\$34,483,050</b>

**Approvals:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager              | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer          |
| <input type="checkbox"/> Julie Anderson, Chief of Staff                         | <input type="checkbox"/> Mike King, Chief External Affairs Officer            |
| <input type="checkbox"/> Jessica R. Brody, General Counsel                      | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer         |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input checked="" type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 18, 2020

Board Item: V-A-1

## Briefing Paper for Communications Strategy

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### Strategic Plan Alignment

The Public Affairs Communications Team plays an integral role in developing inspired people and establishing and maintaining a trusted reputation, which are key elements of Denver Water's Strategic Plan.

Lenses:  Customer Centric  Industry Leader  Long-Term View

### Summary

The Communications Team works to position Denver Water as the trusted source on all things water by showcasing our people, vision and expertise, which helps build trust among our employees, customers and stakeholders. During the pandemic, it became more important than ever to communicate Denver Water's mission of delivering a clean, safe and reliable drinking water supply.

When the COVID-19 pandemic hit the United States, the team adjusted strategies and tactics to focus on proactively informing and supporting employees while also reassuring our customers as rules, regulations and information changed at a rapid rate.

### Background

The Communications Team leads Denver Water's internal and external communications using a content journalism approach that allows the team to operate like a newsroom. With team members proactively covering stories about the organization, we help inspire our employees and enhance Denver Water's brand among customers and stakeholders.

This approach is the foundation that allows the team to communicate the organization's key programs and initiatives through:

- Content – Overseeing the storytelling, video, photography, editing and message development for the organization.
- Media – Leading traditional and social media strategy and execution.
- Employees – Working closely with Human Resources and organizational leaders to strategize and produce internal and executive communications.
- Engagement – Developing the communications response for all emergencies and proactively engaging with the community through presentations and social media.

The content journalism structure allowed us to seamlessly adjust to the ever-changing challenges brought on by the pandemic and proved valuable in helping the team handle the influx of communication needs this year.

At the outset of 2020, our key focus areas for communications were the Lead Reduction Program, the new marketing campaign, capital project work, and issues, like the hot, dry weather and climate change. While the communication needs tied to all organization priorities continued throughout 2020, we also had to evolve our messaging and strategy when COVID-19 hit to focus more on frequent employee updates about the changing environment and reassurance to our customers.

## Approach

In March, we activated Denver Water's crisis communications plan and immediately started working with Emergency Management and organizational leadership to ensure we proactively communicated frequent, transparent and instructional information internally and externally.

Initially, the team relied heavily on crisis communications strategies to manage the ever-changing dynamics of the issue and Denver Water's needs and responses. To do this, the team immediately reviewed existing work and reprioritized based on new demands that required more communications about COVID-19 and dispersed operations. We proactively informed employees while also reassuring our customers as rules, regulations and information changed at a rapid rate.

After a few months, we refocused our scope to incorporate a balance of other important organizational updates and issues into the communications cycle, including the Federal Energy Regulatory Commission (FERC) approval for the Gross Reservoir Expansion Project, water supply conditions and capital projects updates.

The team successfully managed the increased communication needs because all members of the team are cross-trained and have expertise in all principles of communication. This made it possible for them to adapt quickly and expand roles to share the increased workloads with internal and external communications – all while adjusting to telework operations.

Some highlights this year include:

- Taking our internal communications strategy to new heights during the pandemic. We partnered more closely with the executive team for regular employee emails, videos and an all-employee virtual event. The employee Net Promotor Score, which improved from -13 in September 2019 to +12 in March 2020, is a key indicator of the success of these efforts, as a common theme in the comments included appreciation for the increased communications from leadership during the pandemic. See attachment, "COVID Response Internal Communications Overview" for more details.
- Maintaining a consistent and continuous positive presence in the community. We published three TAP stories a week that were shared across all our social media channels and communications platforms. This effort has led to more than 1,250 mentions to date in 2020 by local and national news outlets supporting Denver Water's goal to be the public's trusted source on water issues.
- Supporting the successful launch of the Lead Reduction Program (LRP), including an increase in Spanish-language communications development and strategy. There have been more than 80 media stories about the LRP to date in 2020, including 13 on Spanish-language media.

## Owner(s)

Travis Thompson, Communications Manager, External Affairs

## Attachments

COVID Response Internal Communications Overview

Respectfully submitted,

Travis Thompson, Communications Manager

Mike King, Chief External Affairs Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 18, 2020

Board Item: V-A-2

## Briefing Paper for Watershed Planning Organizational Program Quarterly Update

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### Strategic Plan Alignment

The Watershed Planning Program supports the Excellent Operations Perspective through all three objectives within the Goals of, “strategically aligning our projects and programs to provide the best value to our customers.”

Lenses:  Customer Centric  Industry Leader  Long-Term View

- Watershed planning is **Customer-Centric** and meets the needs of customers; 97% of whom see protecting healthy watersheds as an important Denver Water service according to the 2017 customer survey.
- Denver Water is an **Industry Leader** in forest management and wildfire risk reduction. This approach will move Denver Water into a new era of leadership in source water protection.
- Watershed planning will occur on a rotating basis across the collection systems with a **Long-Term View**, 20-year planning horizon, to identify threats and opportunities.

### Summary

This briefing paper provides an update on the Watershed Planning Organizational Program. Key milestones achieved since the prior update in April 2020 include:

- Completion of the South Collection System Inventory, Assessment and Prioritization.
- Virtual presentation of results, deliverables, and tools available to all staff through Watershed Steering Committee meetings and two Denver Water internal Knowledge Talks.
- Identification of schedule adjustments to prioritize tasks to continue progress on watershed planning while meeting 2021 budget goals.

### Background

In 2018, the Watershed Planning Program began investigating non-wildfire related watershed threats. This Watershed Planning Organizational Program consists of two phases for each collection system. The South Collection System Inventory, Assessment, and Prioritization was the first phase to assess South System water quality and threat data and was completed in August 2020. The second phase is action planning to determine projects and associated budget estimates, potential partnership opportunities, and possible external funding sources.

Due to budget constraints in 2021, the action plan was replaced with individual priority projects that can feed into a holistic action plan in the future. Or, creation of the South System Action Plan can be delayed in favor of development of the North Collection System Inventory, Assessment, and Prioritization to further understanding of raw water quality, watershed threats and priorities across the entire collection system. This will be decided in the summer of 2021.

### Budget

The original estimated budget for the South Collection System Watershed Planning effort was \$700,000 over four years, 2018 through 2021. The first phase of the planning effort, the South Collection System Inventory, Assessment, and Prioritization, was completed within two years, July 2018 through August 2020, at a cost of \$361,000, under the original estimate of \$400,000.



The estimated budget for the second action planning phase was \$300,000, prior to recognizing the need to address sediment to Strontia Springs. Originally, \$95,000 was budgeted for the action plan in 2020 and the remaining \$205,000 was planned for the 2021 budget. To meet 2021 budget goals, the action plan budget was replaced with the following projects that will support development of projects that will address the priorities identified in the inventory, assessment, and prioritization:

- Strontia Springs Watershed Sediment Management Plan (\$225,000; \$70,000 in 2020 and \$155,000 in 2021).
- North Fork Abandoned Mine Summary (\$4,000 in 2020).
- South Collection System Water Quality Assessment Update Support (\$50,000; \$35,000 in 2020 and \$15,000 in 2021).

## Approach

The Watershed Planning Program accomplished the following key objectives within the South Collection System Inventory, Assessment, and Prioritization:

1. Identification of Denver Water's watershed values, which provide a lens through which assessments and priorities are evaluated:
  - Drinking Water Treatability
  - Infrastructure Protection
  - Community and Environmental Stewardship
2. Completion of the South Collection System Inventory, Assessment and Prioritization. This documentation of risks, their location and extent in the watersheds, and water quality is intended to be a resource and as a baseline to track water quality changes and future projects.

The next steps within the Watershed Planning Program will be focused on achieving the highest priority goals within the action planning phase. The following will be accomplished by the end of 2021:

- The Strontia Springs Watershed Sediment Management Plan will be developed to address sediment availability and transport within the priority watersheds upstream of Strontia Springs Reservoir. This first plan will create a road map for Denver Water to understand the complex and diverse sediment sources, what can be done to address the sources, who the critical partners and stakeholders are, where Denver Water can implement projects or contribute to activities on non-Denver Water lands, and a 20-year budget forecast for this work.
- A summary of North Fork abandoned mine water quality data, past projects, and planned projects will be developed and delivered to Denver Water by the end of 2020. This will assist Denver Water in understanding the impacts from abandoned mines, limitations of actions due to liability concerns, what can be done, and who leaders, partners and stakeholders are for any potential future action.
- The South Collection System water quality assessment will be updated with water year 2020 data by the end of 2020. Quarterly and annual updates and reports will be developed and accessible by all staff.
- The South Collection System Inventory, Assessment, and Prioritization will move from pdf documents to a GIS platform to facilitate easy access to key watershed information and data by all staff. This will be a living platform that will be updated as new data is available.

## Owner(s)

Alison Witheridge and Christina Burri, External Affairs

**Attachments**      None

Respectfully submitted,

Alison Witheridge, Watershed Scientist

Mike King, Chief External Affairs Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 18, 2020

Board Item: V-A-3

## Briefing Paper for IT Strategy Update

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### Strategic Plan Alignment

Lenses:  Customer Centric  Industry Leader  Long-Term View

Denver Water's Information Technology (IT) teams play a supportive role in achieving the Denver Water Strategic Plan and the 2020 Business Plan's top priority of delivering high quality water and outstanding service to customers through project delivery, application support, and the availability and security of technology infrastructure.

### Summary

Through 2020, IT has balanced the obligation to keep supportive systems operational with new challenges introduced by the pandemic. Next steps to improve IT project performance include capacity model improvements, skills gap assessments and corresponding training. A multi-year cybersecurity maturity roadmap is underway, and a comprehensive training plan for IT staff will begin in 2021. The Business Technology Transformation (BTT) roadmap migration projects have been further delayed due to the pandemic.

### Approach

#### IT Project Performance

The IT Project Performance metric at the end of the third quarter is significantly below the organizational target of 85%. Project estimation variances from actual costs continue to be the primary driver of this metric's outcome. Steps were taken this year to practice and improve cost and time estimating skills. The IT Project Management Office is currently working with the Enterprise Project Management Office to plan additional training of existing staff in 2021. A skills assessment of existing IT project management staff will be performed, which will lay the foundation for planning a targeted training curriculum to address the gaps.

Capacity planning is another important part of the plan to achieve a higher level of success. In January 2020, the IT Leadership Team began developing a capacity model representing technical resource commitments to both budgeted projects and anticipated operational support tasks. The model enables IT to plan future project workloads as well as identify challenges, such as resource constraints or unplanned interruptions, so they can be mitigated. Expansion of this model continues. Project management resource allocation is also a part of the capacity model. Starting in 2021, focus will be sharpened by utilizing fully dedicated project managers instead of a mix of resources allocated to both projects and day-to-day operational tasks. Resource shortages will be filled with contingent staffing.

#### Cybersecurity Maturity

IT continues its strong support of cybersecurity projects. Progress is underway on the three primary projects on the cybersecurity roadmap. The IT Leadership Team continues to build out a multi-year roadmap for achieving and maintaining the desired organizational cybersecurity maturity score. The roadmap follows the cybersecurity strategy established by the Information Security Office (ISO). Several new cybersecurity projects were prioritized for 2021 through the Enterprise Project Management Office (EPMO) process, and IT will continue to prepare business cases associated with cybersecurity roadmap projects for 2022 and beyond.

The injection of cybersecurity into the IT culture is another major focus. After analyzing the results of a job market analysis conducted by Human Resources, as well as comprehensive cybersecurity skills assessments of existing staff, the IT Leadership Team revised IT job descriptions to include duties and skills to support cybersecurity needs applicable to each role. Next, IT supervisors created multi-year training plans mapped against the new job descriptions to bridge the existing skills gap identified in the skills assessments performed earlier in the year. The outcome is a two-year foundational cybersecurity training plan to begin in 2021, pending budget approval. IT employees who have demonstrated proactive cybersecurity preparations and/or awareness were recognized at a recent quarterly IT meeting.

### Business Technology Transformation Migration Projects

The Business Technology Transformation (BTT) roadmap called for several migrations of existing enterprise applications to cloud-hosted Software-as-a-Service (SaaS) solutions. The roadmap was intentionally paused earlier in the year to complete an upgrade of the existing enterprise financial system, JD Edwards. The upgrade relieves any urgency to replace JD Edwards by preventing a lapse in vendor support. This precaution proved beneficial as the pandemic developed. A discovery process intended to evaluate replacement alternatives for JD Edwards and the enterprise asset management system was originally planned for this year. The process was paused earlier in the year as a part of COVID-19 scenario planning and has since been removed from the proposed 2021 IT project budget to delay costs. The pandemic has significantly delayed the BTT roadmap due to budget restrictions and the complexities of performing the necessary collaborative work under disbursed operations.

### IT Strategic Planning

The IT Leadership Team met quarterly throughout 2020 to devote time to strategic planning and will continue to do so in 2021. Several topics have been prioritized for a multi-year focus intended to increase operational excellence and service quality to Denver Water. IT Project Performance and Cybersecurity Maturity remain at the top of the list, with additions to include:

- Cloud/Data Center Direction
- Long-term IT Staffing Plan

While a cloud or data center strategy beyond the planned BTT SaaS migrations has not been selected yet, IT is committed to continuing to study additional alternatives and understand long-term costs.

### **Owner(s)**

Virginia Roberts – Administration

Respectfully submitted,

Virginia Roberts, Director, Enterprise IT

Brian Good, Chief Administration Officer