

# AGENDA

## Denver Board of Water Commissioners

Denver Water Administration Building  
1600 West 12<sup>th</sup> Avenue  
Denver, CO  
Board Room, Third Floor

**Wednesday, February 13, 2019 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

#### C. Ceremonies, Awards and Introductions

#### D. Legislative Update

### 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. Minutes from January 9, 2019 - Open and Executive
2. Minutes from January 23, 2019 - Open and Executive
3. Second Amendment to the 1991 Fraser River Contract with the City of Arvada – Contract 500191
4. Intergovernmental Agreement with Chatfield Reservoir Mitigation Company for Relocation of Chatfield Reservoir Raw Water Pump Station – Contract 503874
5. Confidential Settlement of Worker's Compensation Claim

*Denver Water aspires to be the best water utility in the nation.*

Integrity :: Vision :: Passion :: Excellence :: Respect



6. Soccer Field Lease with the City and County of Denver – Contract 503880
7. Second Amendment to Moffat Collection System Siphon 1, Phase 3 - Contract 503281

**B. Individual Approval Items**

**III. POLICY MATTERS**

**IV. EXECUTIVE UPDATE**

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

**V. BRIEFING PAPERS & REPORTS**

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

**V. ADJOURNMENT**

**VI. TRUSTEE MATTERS**

**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: February 13, 2019

Board Item: II-A-3

## Second Amendment to the 1991 Fraser River Contract with the City of Arvada Contract 500191

Action by Consent

Individual Action

### **Purpose and Background:**

In 1991, Denver Water reached an agreement with the City of Arvada (Arvada) to exchange water from Ralston Reservoir for Fraser River water rights. The agreement was amended in 2004, setting deliveries from Ralston Reservoir to Arvada at 531 acre-feet per year, deliverable between May 15 and July 31, annually.

This Second Amendment will allow Denver Water to deliver a portion of Arvada's 531 acre-feet from reusable effluent and gravel pit storage on the South Platte River downstream of the confluence with Clear Creek between April 1 to October 31, annually.

Arvada requires water in spring and fall on the South Platte River below Clear Creek to meet water rights obligations. Denver Water has reusable effluent and gravel pit storage downstream of Clear Creek on the South Platte River that can be made available to Arvada without adverse impact to Denver Water's supply.

The total delivery obligation under the contract remains 531 acre-feet. All terms and conditions related to deliveries from Ralston Reservoir remain in effect, including the timing. Denver Water retains full discretion to the availability, timing (within the April 1 to October 31 period), flow rate and location of any water delivered to Arvada from gravel pit storage or reusable effluent.

### **Budget and Schedule:**

This contract is a receivable and revenue will be posted to the Raw Water business unit.

### **Recommendation:**

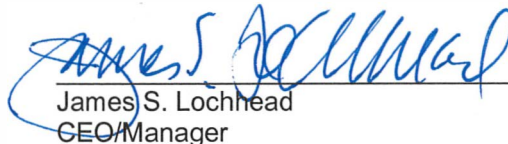
It is recommended that the Board approve the Second Amendment to Contact 500191.

### **Approvals:**

Respectfully submitted,



Mike King  
Chief External Affairs Officer



James S. Lochhead  
CEO/Manager



Angela Brumont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 13, 2019

Board Item: II-A-4

## Intergovernmental Agreement with Chatfield Reservoir Mitigation Company for Relocation of Chatfield Reservoir Raw Water Pump Station Contract 503874

Action by Consent

Individual Action

### **Purpose and Background:**

In 2014, the United States Corps of Engineers determined that Chatfield Reservoir could accommodate an additional 20,600 acre-feet of water storage. Storing more water in the reservoir requires Denver Water's Chatfield Temporary Pumps to be relocated.

The Chatfield Reservoir Mitigation Company ("CRMC") was formed in 2015 to implement work needed to increase storage in Chatfield Reservoir, termed the Chatfield Reallocation Project. CRMC is obligated to relocate and complete the construction of facilities at Chatfield State Park impacted by the increase in reservoir storage, this includes Denver Water's Chatfield Temporary Pumps.

Denver Water will provide engineering and design for the relocation and modification of the Chatfield Temporary Pumps. Contract 503874 sets forth the terms under which CRMC will reimburse Denver Water up to \$85,000 in engineering and design costs.

### **Budget and Schedule:**

The total amount of this contract is \$85,000, receivable to the Chatfield Reservoir Pump Station Modifications business unit. The term of the contract is from the date fully signed by Denver Water to December 31, 2019.

### **Recommendation:**

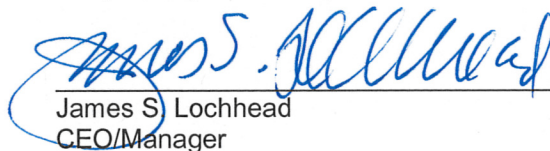
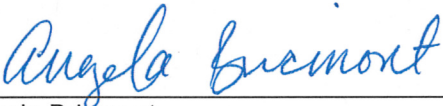
It is recommended that the Board approve Contract 503874 with the Chatfield Reservoir Mitigation Company for reimbursement of Denver Water's costs in design and construction to relocate and modify Denver Water's Chatfield Temporary Pumps facility.

### **Approvals:**



Mike King  
Chief External Affairs Officer

Respectfully submitted,

  
James S. Lochhead  
CEO/Manager

Angela Brimont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 13, 2019

Board Item: II-A-5

## Confidential Settlement Agreement of Workers' Compensation Claim Contract 503899

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water is a self-insured entity for workers' compensation benefits and has contracted with Cannon Cochran Management Services, Inc. (CCMSI) to administer claims since 2016. Each year, the Board approves a reserve fund for workers' compensation claims, and claims are paid from that account, up to \$500,000 for each claim, including medical costs, required income-replacement benefits, and attorney's fees. CCMSI retains outside counsel to litigate or negotiate on Denver Water's behalf when disputed matters arise, in consultation with the Office of General Counsel. When a claim exceeds \$500,000, additional costs, including attorney's fees, are paid by Denver Water's excess insurance carrier, Midwest Insurance Co.

The Confidential Settlement Agreement memorializes the settlement of a workers' compensation claim with a former employee who was injured at work. Outside counsel consulted with the Office of General Counsel in negotiating this settlement, which is based on a reasonable estimate of the costs of continued necessary medical care as well as the potential cost and risk exposure if this matter were to go to litigation.

The agreement with Midwest Insurance Co. states that Denver Water will pay the full settlement amount and then be indemnified for any amount over \$500,000.

To date, Denver Water has paid \$215,341 for this workers' compensation claim.

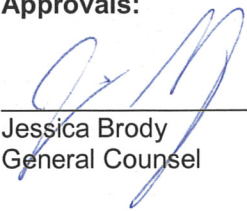
### **Budget and Schedule:**

The total amount of this contract is \$496,800, \$72,000 of which will be paid into a Medical Savings Account for the former employee. Funds for this settlement agreement will come from Denver Water's Non-Divisional business unit for workers' compensation which has sufficient funds to pay the full amount. Midwest Insurance Co. will reimburse Denver Water for all payments above \$500,000, which is estimated to be \$212,000.


### **Recommendation:**


It is recommended that the Board approve this settlement agreement.

### **Approvals:**

  
\_\_\_\_\_  
Jessica Brody  
General Counsel

Respectfully submitted,

  
\_\_\_\_\_  
James S. Lochhead  
CEO/Manager

  
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Angela Bricmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 13, 2019

Board Item: II-A-6

## Soccer Field Property Lease with the City and County of Denver Contract 503880

Action by Consent

Individual Action

### Summary:

Denver Water leases several parcels of property for passive and active recreation. In 2008, Denver Water and the City and County of Denver entered into a lease agreement for the use of soccer fields at Capitol Hill Reservoir.

Both Denver Water and the City and County of Denver wish to renew the Capitol Hill recreation lease for an additional five years. Under terms of the agreement, the City and County of Denver is responsible for the maintenance and upkeep of the 1.5 acre leased property and will designate a local soccer club to oversee the site. Denver Water retains the ability to terminate the lease at any time for emergency, safety or health reasons, and with six months' notice for convenience or should the property be needed for a general water works purpose. The lease is solely for the purpose of youth soccer with pedestrian access only. Any site improvements needed to fulfill the lease purpose must be approved by Denver Water. Additional roles and responsibilities are included in an Operating Plan, which is incorporated into the Lease Agreement.

### Budget Information:

This is a no-cost lease to the City and County of Denver. There is no budget impact.

### Recommendation:

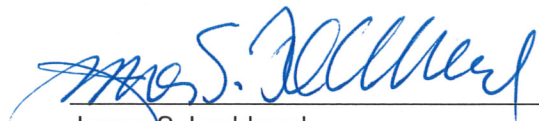
It is recommended that the Board approve Contract 503880, an exclusive, five-year property lease with the City and County of Denver for the purpose of allowing youth soccer at Denver Water's Capitol Hill facility.

### Approvals:

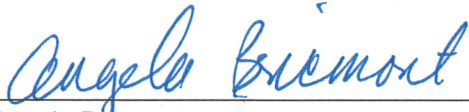


Brian Good  
Chief Administrative Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



Angela Bricmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 13, 2019

Board Item: II-A-7

## Second Amendment to Moffat Collection System Siphon 1, Phase 3 Contract 503281

Action by Consent

Individual Action

### **Purpose and Background:**

The Vasquez-St. Louis Siphon is a key collection system artery located at the west portal of the Moffat Tunnel. The Moffat Collection System Siphon 1, Phase 3 project involves replacement of an existing 72-inch diameter aerial pipe over the Fraser River that connects to the Moffat Tunnel.

Amendment No. 2 covers a small amount of additional design related services, including additional permitting, as well as bidding and construction phase services which were not included in the original design contract. The original Request for Proposal stated future contract amendments are at Denver Water's discretion to retain the chosen consultant team to provide final design work and construction phase services.

The Original Agreement in the amount of \$559,000 and Amendment No. 1 in the amount of \$7,900 were executed while the CEO signing authority was set at \$750,000 and was therefore not presented to the Board.

### **Budget and Schedule:**

The amount requested for Amendment No. 2 is \$162,000. A table showing the history of amendments is below.

Item	Cost	Description
Original Agreement	\$559,000	Conceptual through final design of Siphon 1 Phase 3
Amendment No. 1	\$7,900	Contractor Prepared 60% Design Cost Estimate
Amendment No. 2	\$162,000	Additional Design; Bidding and Construction Phase Services

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

HDR Engineering was selected for the agreement through a quality-based selection process which included 3 proposers. The original agreement was awarded March 6, 2018 in the amount of \$559,000. These services during the design, bidding, and construction phases will be billed at the hourly rate in the competitively-procured agreement.

### **S/MWBE Information:**

There was a 5% Minority and Women Business Enterprise (MWBE) participation goal required for the original contract. To date, HDR Engineering has achieved 3.8% participation. Denver Water staff verified that HDR tried in good faith to achieve the 5% participation goal during design, including outsourcing work HDR could have completed in-house. Additional participation will be achieved during construction.

### **Recommendation:**

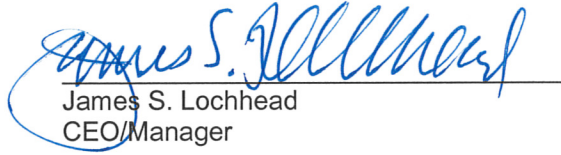
It is recommended that the Board approve the Second Amendment to Contract 503281 with HDR Engineering for additional services in support of the Moffat Collection System Siphon 1, Phase 3 project for an additional \$162,000, bringing the total contract amount to \$728,900.

**Approvals:**



Robert J. Mahoney  
Chief Engineering Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



Angela Bricmont  
Chief Finance Officer



## DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 13, 2019

Board Item: V-A-1

### Briefing Paper for Legislative Update

#### Strategic Plan Alignment

Lenses:  Customer Centric  Industry Leader  Long-Term View

Government Relations plays a key role in issues important to Denver Water's success by advocating the interests of Denver Water in legislative and regulatory matters, specifically by proactively lobbying the Colorado General Assembly.

#### Summary

As of February 7, 2019, the legislature has introduced 304 bills. This is behind pace for the number of bills introduced by this time for previous years, and we anticipate that there will be many more bills coming soon. We are currently tracking 21 bills. We have completed our analysis of most of the bills introduced since the beginning of session and are recommending supporting two of them and opposing one, as discussed below:

**HB19-1096 Colorado Right To Rest** – This bill creates the Colorado Right to Rest Act, which establishes basic rights for people experiencing homelessness, including but not limited to the right to rest in public spaces, which includes property owned by Denver Water, to shelter themselves from the elements, to eat or accept food in any public space where food is not prohibited, to occupy a legally parked vehicle, and to have a reasonable expectation of privacy of their property. It allows any person whose rights have been violated to seek enforcement in a civil action. While we believe in basic rights for people experiencing homelessness, the very broad definition of “public space” would pose safety and operational concerns at many of our facilities. **Recommendation: OPPOSE**

**HB19-1113 Protect Water Quality Adverse Mining Impacts** – Current law does not explicitly address the use of perpetual water treatment as the means to minimize impacts to water quality in a reclamation plan for a mining operation. The legislation requires that a reclamation plan for a new or existing permit must show by substantial evidence what the end date is for water quality treatment to ensure compliance with water quality standards and requires that the financial warranty cover water quality treatment and monitoring costs. The following two exceptions apply: (1) if water quality impacts were unforeseen at the time of approval of the reclamation plan or were already existing at the mine site before January 1, 2019; or (2) if the site was previously mined but not permitted as of January 1, 2019 where existing water quality conditions do not meet applicable water quality standards and no end date can be reasonably established. The legislation also removes the ability to have a certified financial statement serve as the financial warranty. This provision is protective for Denver Water watersheds. **Recommendation: SUPPORT**

**SB19-020 Wildland Fire Airspace Patrol System** – The bill requires the Center of Excellence for Advanced Technology Aerial Firefighting, to study and, if feasible, implement a system to patrol the airspace above a wildland fire. There are concerns about drones interfering with fire suppression efforts. We should support this effort to ensure that fire suppression efforts are as safe and effective as possible. **Recommendation: SUPPORT**

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 information on all our bills.

<b>Background</b>	N/A
<b>Budget</b>	N/A
<b>Alternatives</b>	N/A
<b>Approach</b>	N/A
<b>Owner(s)</b>	Chris Piper, Government Relations, External Affairs
<b>Attachments</b>	Report on 2019 Legislation

Respectfully submitted,

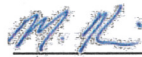
DocuSigned by:



Chris Piper

Manager of Government Relations

DocuSigned by:



Mike King

Chief of External Affairs