

AGENDA

Denver Board of Water Commissioners

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

Wednesday, February 14, 2018 9:20 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

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 10, 2017 - Open and Executive
2. Minutes from January 24, 2017 - Open and Executive
3. Revisions to Operating Rules
4. Amendment No. 2 with AECOM for Northwater Treatment Plant Contract 17101A/501682
5. Ratification of Construction Contract Change Orders and Amendments and Professional Services Agreement Amendments

B. Individual Approval Items

III. POLICY MATTERS

- | | | |
|-------------------------------------|----------------|------------|
| A. IRP Update | Sarah Dominick | 30 minutes |
| B. Integrated Marketing Plan | Kathie Dudas | 15 minutes |

IV. EXECUTIVE UPDATE

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

V. BRIEFING PAPERS & REPORTS

- A. Briefing Paper**
 - 1. Legislative Update
 - 2. IRP Briefing Paper
- 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: February 14, 2018

Board Item: II-A-3

Revisions to Operating Rules

Action by Consent

Individual Action

Summary:

An opportunity exists to examine our rules and procedures to ensure Denver Water aligns with new construction forms (including looking at rules, codes and regulations outside of Denver Water) and bring new and redevelopment onto the system at the highest level of efficiency; as well as operational effectiveness. Denver Water assembled a project team of internal and external subject matter experts in February 2015 to further understand the issues that dense development is facing. While evaluating these changes, additional opportunities to refine existing rules for clarity were discovered and are included in these proposed changes, but are not specifically related to dense development. The following changes to the Denver Water Operating Rules are being proposed:

1. Operating Rule Chapter 1 – General.

Proposal to add terminology and definitions for “Manifold tap” as it is incorporated into the proposed additions attached and will be applied to future design requirements.

2. Operating Rule 2.06.1 - General Requirements.

The addition of the term “Manifold License” is to ensure Denver Water aligns with new construction forms and brings new and redevelopment onto the system at the highest level of efficiency; as well as operational effectiveness. Development patterns are evolving and Denver Water’s existing Rules, Standards and Processes for new development and redevelopment impact the ability to bring these customers onto our system efficiently and effectively from a water use, operational, and communications perspective.

3. Operating Rule 5.03.3 - Consecutive Systems.

Additional details are being proposed to the existing rule to help clarify the terms of this rule and provide specific examples for our customers and the Entity that is responsible for maintaining the property, infrastructure, and distribution system. The term “customer” was confusing for customers and the Entity to understand the division of responsibilities between the two so the word “customer” has been replaced with “Entity”.

Proposal to remove the following items:

4. Operating Rule 2.10.1 - Causes for Suspension of Service.

Proposal to remove the detector check valve requirement because it is no longer a requirement in the fire protection design requirements.

5. Operating Rule 2.03.1 - Conditions for Issuance of Fire Protection License.

Proposal to remove the detector check valve requirement because it is no longer a requirement in the fire protection design requirements.

6. Operating Rule 6.03.1 - Fire Protection Service.

Proposal to remove rule because Denver Water no longer meters fire service lines.

Recommendation:

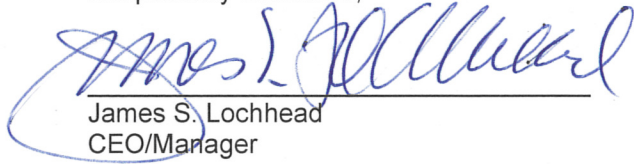
It is recommended that the Board approve the revisions to Operating Rules in Chapters 1, 2, 5, and 6 with the attached proposed language.

Approvals:



Mike King
Chief External Affairs Officer

Respectfully submitted,



James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 14, 2018

Board Item: II-A-4

Amendment No. 2 with AECOM for Northwater Treatment Plant Contract 17101A/501682

Action by Consent

Individual Action

Summary:

The Northwater Treatment Plant is a new 150 million gallon per day facility to be constructed on Denver Water's Ralston Reservoir property north of Golden on Colorado State Highway 93. AECOM is under contract for Design Package #5 – Architectural and Building Systems work.

In order to maintain Project schedule, AECOM will need additional scope and time extensions to continue to coordinate elements of the design through their participation in several Continuous Improvement events. Additionally, scope is being added to take over elements of the project from other design packages in an effort to reduce coordination risk and place scope with those design packages best positioned to accomplish the work.

Budget Information:

The 2018 Capital Improvement Plan for the Northwater Treatment Plant Business Unit includes sufficient funds for the estimated \$449,516 of expenditures in 2018.

Selection of Business Partner:

The initial contract for this Project resulted from a competitive selection.

S/MWBE Information:

The MWBE goal for Design Package #5 for design was 8-12%. The AECOM team has achieved 8.6% MWBE participation for the current 30% design phase.

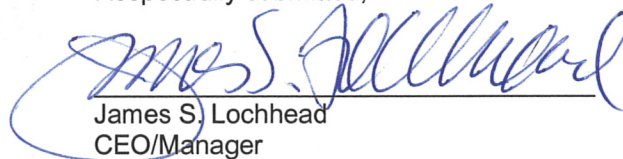
Recommendation:

It is recommended that the Board approve the Amendment No. 2 to Contract No. 17101A/501682 with AECOM for additional design for Northwater Treatment Plant Architectural and Building Systems work for an extension of the contract period through May 31, 2018 and for an addition of \$449,516 for a total amended contract amount not to exceed \$1,476,330.

Approvals:


Robert J. Mahoney
Chief Engineering Officer

Respectfully submitted,


James S. Lochhead
CEO/Manager


Angela Brimont
Chief Finance Officer

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

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



DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 14, 2018

Board Item: II-A-5

Ratification of Construction Contract Change Orders and Amendments and Professional Services Agreement Amendments

Action by Consent

Action

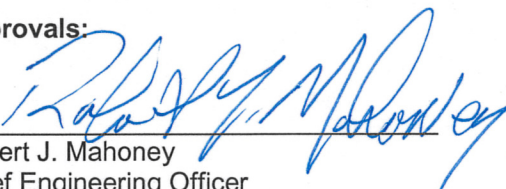
Summary:

The attached are Construction Contracts Change Orders and Amendments and Professional Services Agreement Amendments for Board ratification for December 2017 through January 2018.

Recommendation:

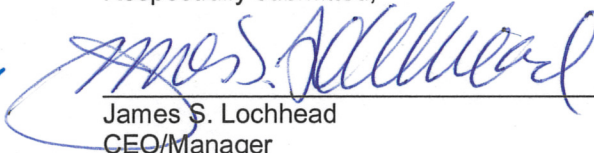
It is recommended that the Board ratify these Construction Contract Change Orders and Amendments and Professional Services Agreement Amendments.

Approvals:



Robert J. Mahoney
Chief Engineering Officer

Respectfully submitted,



James S. Lochhead
CEO/Manager

This list of Change Orders and Amendments is required per the September 13, 2017 resolution which raised the CEO's signing authority to \$750,000. These requirements may be modified by a future Board resolution.

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 14, 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:

As of February 2, 2018, the legislature has introduced 313 bills. We are currently tracking 21 bills, supporting seven and opposing none as outlined in the attached Report on 2018 Legislation.

Here is a summary of significant issues and updates:

1. Recycled Water Legislation – The House Ag Committee amended and passed the three House bills authorizing uses for toilet flushing (11 to 2), food crop irrigation (11 to 2), and cultivation of marijuana (12 to 1). The amendments to the bill clarify and strengthen the bills, and address concerns by plumbers, water rights users and the Colorado Department of Public Health and Environment. These three bills now go to the Appropriations Committee due to relatively small fiscal impacts. We do not anticipate any issues with the next committee.
2. Lead Plumbing Policy – We came to you in the winter of 2016 with a memo outlining potential statewide policy changes that could advance the goal of promoting awareness and removal of lead plumbing. In the 2017 Session, a bill was enacted authorizing a program and funding for school testing. This Session, the Speaker of the House has expressed interest in some of the remaining ideas from our memo. We have included the original memo in the packet and will offer a progress update on this priority.

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):

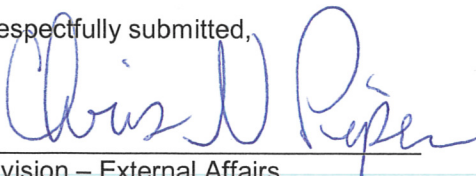
Chris Piper, Government Relations, External Affairs

Attachments:

Report on 2018 Legislation

Memo: Legislative options for mitigating lead in water, September 8, 2016

Respectfully submitted,



Division – External Affairs

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 14, 2018

Board Item: V-A-2

Briefing Paper for Integrated Resource Plan Update

Strategic Plan Alignment:

Lenses: Customer Centric Industry Leader Long-Term View

Long-range planning has always been a strength of Denver Water's, enabling us to meet customers' needs in a rapidly growing, semi-arid region and in a time of increasing climate uncertainty.

Summary:

The Integrated Resource Plan (IRP) is a long-range planning tool that evaluates the factors and future uncertainties that affect the performance of Denver Water's system, the resources available (or potentially available) to meet possible future conditions, and ultimately the ability to meet the future needs of our customers. It is a system-wide collaborative process that will provide a roadmap for the future and inform the Capital Plan. It aligns to the Strategic Plan Objective of having "a visionary, adaptable long-range planning approach that considers the challenges of a warming climate and ensures diversity in supply and delivery, and efficiency in use". The IRP has three primary goals:

- Create a water supply, treatment, and delivery strategy for the future,
- Inform the Capital Plan, and
- Encourage innovation.

Denver Water began the most recent IRP planning process in 2016 (IRP 2065). Early in the process, project leadership met with each Commissioner to solicit input and perspective. The first year and a half of the IRP 2065 process has been the "homework" period when the project team focused on foundational analysis and data gathering. In the next phase of the project, the project team will be developing an Adaptive Plan that will help Denver Water prepare for and adapt to changing conditions in the future.

Background:

In spring 2016, Denver Water solicited proposals to provide technical and plan development consulting services for IRP 2065. The selected consultant CH2M (now Jacobs) has been working closely with Denver Water's staff, a strategy consultant (GBSM), and other consultants working for Denver Water. The IRP project is on time and on budget. To date, the IRP Team has completed six key steps in the planning process:

- **Service Level Assumptions:** Service Level Assumptions are measures of current Denver Water system performance. They are essentially system performance metrics that reflect how Denver Water is currently operating its water system. These Service Levels become baseline assumptions that need to continue to be met in the future. The system will be tested for its ability to continue to provide these Service Level Assumptions under changing and more challenging future conditions.
- **Planning Futures:** Planning Futures guide the IRP analysis and were developed through a scenario planning process. The four Planning Futures allow for the examination of plausible future conditions and outcomes given the potential range of the highest-impact and most uncertain drivers over the next 50 years. These drivers include climate change, economic conditions, and lifestyle preferences. While the Planning Futures are not predictive, they provide a framework for considering a range of challenges, opportunities, and solutions relevant to plan for.
- **Current System Assessment:** The composition and capabilities of Denver's current water system is reflected in the Current System Assessment. Systems documented include the raw water collection, recycled water, distribution, and treatment systems, in addition to the current water use patterns.

- **Gaps and Opportunities Analysis:** Gaps between what the system is capable of providing today and what might be needed under the range of conditions described in the Planning Futures were calculated for each portion of the water system. Areas where Denver Water has additional capacity were identified as Opportunities.
- **Toolbox of Options:** An inclusive list of Options – new supply, reuse, capacity, and efficiency solutions – for meeting the Gaps for each Planning Future were identified and assessed. Each Option includes a triple bottom line assessment describing the associated social, environmental and financial impacts.
- **Portfolios:** Portfolios are a unique combination of Options selected from the Toolbox of Options to meet the Gaps in each Planning Future. Portfolios were designed using sentiments and values from the Planning Future descriptions, to minimize the triple bottom line considerations, and with input from key stakeholders.

In the next few months, the IRP 2065 team will be working with key stakeholders in Denver Water to finalize the IRP. The major steps of the process that still need to be completed are listed below.

- **Adaptive Plan (in process)**
The Adaptive Plan is the method by which the IRP will institutionalize a continuous planning process to inform capital and resource planning on an ongoing basis. This will ensure Denver Water is prepared for, and can adapt to, an uncertain future. The Adaptive Plan will outline a process for recommending 1) near-term actions and projects, 2) mid-term actions and triggering events to monitor, 3) actions to develop and preserve options for the long-term, 4) an ongoing monitoring, evaluation and adjustment program, and 5) opportunities for additional exploration.
- **Policy Statement (pending)**
At the conclusion of some of Denver Water's previous IRP efforts the Board has elected to issue a policy (or resource) statement. These statements have publicly outlined the key learnings and direction that have resulted from each of the previous IPR efforts. The Board may elect to issue a policy statement at the end of IRP 2065 and this will be a topic for the Board to consider in the second quarter of 2018.

Owner(s):

Sarah Dominick, IPR Project Manager
Water Resource Strategy

Respectfully submitted,

Sarah Dominick
IRP Project Manager

Mike King
Chief External Affairs Officer