

# 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 27, 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

1. Water Reuse Association – Abbey Antolovich – 5 minutes

#### 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. First Amendment for Federal, State and Local Government Outreach – Contract 501310
2. Fifth Amendment to Contract with ESRI for Extension of Enterprise License Agreement (ELA) – Contract 500484
3. Design of the Ranch Creek Canal Improvements, Phase 2 – Contract 503894

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4. Moffat Tunnel Collection System Vasquez-St. Louis Collection Conduit Siphon No. 1 Phase III-Fraser River Crossing – Contract 503249
5. Fourth and Fifth Amendments for Gross Reservoir Expansion Project Design Engineer – Contract 503074
6. Tree Removal Plan Gross Reservoir Expansion Project Contract - 503863
7. Revisions to Operating Rules

## **B. Individual Approval Items**

- |  |                 |            |
|--|-----------------|------------|
| 1. Reimbursement Resolution for Tax-Exempt Debt  | Angela Bricmont | 10 minutes |
| 2. Operations Complex Redevelopment Photovoltaic Installation – Contract 503911 and OCR Update                                 | Bob Mahoney     | 20 minutes |
| 3. NTP Update  | Pete McCormick  | 20 minutes |
| a. Allocation of Additional Owner Contingency Early Works Work Package GMP 2B for Northwater Treatment Plant – Contract 503448 |                 |            |
| b. Access – Improvements to Highway 93 Work Package GMP 2C for Northwater Treatment Plant – Contract 503838                    |                 |            |

## **III. POLICY MATTERS**

- |                               |              |            |
|-------------------------------|--------------|------------|
| <b>A. 2018 Year-in-Review</b> | Jim Lochhead | 30 minutes |
|-------------------------------|--------------|------------|

## **IV. EXECUTIVE UPDATE**

**A. CEO Update**

**B. CFO Update**

**C. Operations Update**

## **V. BRIEFING PAPERS & REPORTS**

### **A. Briefing Papers**

1. Legislative Update

### **B. Reports**

## **VI. ADJOURNMENT**

## **VII. TRUSTEE MATTERS**

1. Meeting as Trustee: Minutes from December 5, 2018 Trustee Meeting
2. Meeting as Trustee: The Employees Retirement Plan – Callan's 4Q 2018 Performance Report – Alex Browning, Callan 10 minutes
3. Meeting as Plan Sponsor: Elwood 4Q 2018 Performance Report
4. Meeting as Trustee and or Plan Sponsor: 4Q 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 D.R.M.C. Sec. 2-34**

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 27, 2019

Board Item: II-A-1

## First Amendment to Federal, State, and Local Government Outreach Contract 501310

Action by Consent

Individual Action

### Purpose and Background:

Squire Patton Boggs, LLP has provided federal, state, and local government consulting services including, but not limited to representation, professional advice, and support services regarding issues and changes in water, environmental, permitting and general political public policies. They will continue to assist in pursuing public policy strategies for Denver Water's major initiatives and projects and provide support in executing the analysis of legislation and monitoring federal activities.

### Budget and Schedule:

The total amount of this amendment is \$132,000 and the term of the amendment is June 1, 2019 to May 31, 2021. Funds for this service/contract will come from the 2019 through 2021 budget for the Chief External Affairs Office. Funds are budgeted to pay the \$66,000 estimated expenditure in 2019. The remaining funds will be budgeted in years 2020 to 2021.

### Selection of Business Partner:

In 2016, the Denver Water Purchasing and Contracting section issued a Request for Proposal (RFP) via Rocky Mountain E-Purchasing System, the Denver Water public website, and a direct e-mail to the SBE/MWBE Chambers List, as well as four local consultants who specialize in the services requested. Denver Water received responses from two vendors, one of which was a Small Business Enterprise. The selection committee evaluated both proposals based on understanding of work, legislation expertise, staffing plans, experience and price. The committee selected Squire Patton Boggs (US) LLP as the proposer with the best experience, relationships and ability to meet Denver Water's overall needs.

### Recommendation:

It is recommended that the Board approve the First Amendment to Contract 501310 with Squire Patton Boggs, LLP for consulting services related to government relations and political policy strategies for an extension of the contract period through May 31, 2021 and for an addition of \$132,000 for a total amended contract amount not to exceed \$336,000.

### Approvals:

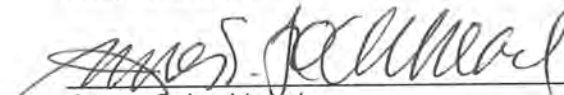


Mike King  
Chief External Affairs Officer



Angela Brichmont  
Chief Finance Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 27, 2019

Board Item: II-A-2

## Fifth Amendment to Contract with ESRI for Extension of Enterprise License Agreement (ELA) Contract 500484

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water has used the Environmental Systems Research Institute (ESRI) suite of GIS software tools for geospatial data editing, analysis, storage, mapping and decision support for over 23 years. This suite of tools is critical for assisting in the mapping and management of Denver Water's operational assets. This Enterprise License Agreement entitles Denver Water to continued unlimited use of all ESRI products during the term of this three-year agreement.

### **Budget and Schedule:**

The total amount of this contract is \$504,000 and the term of the amended contract is March 10, 2019 to March 9, 2022. Funds for this service/contract will come from the 2019 budget for IT Enterprise Asset Management, which has sufficient funds to pay the \$168,000 estimated to be needed in 2019. The remaining \$336,000 will be budgeted in years 2020 and 2021.

### **Recommendation:**

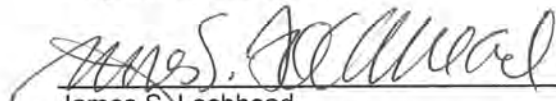
It is recommended that the Board approve the Fifth Amendment to Contract Number 500484 Enterprise License Agreement with Environmental Systems Research Institute, Inc. for geospatial mapping and analytics software and tools to extend the contract period through March 9, 2022, and for an additional amount of \$504,000, for a total amended contract amount not to exceed \$1,721,900.

### **Approvals:**



Chris Dermody  
Chief Information Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



Angela Bricmont  
Chief Finance Officer

## DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 27, 2019

Board Item: II-A-3

### Design of the Ranch Creek Canal Improvements, Phase 2 Contract 503894

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Action by Consent

Individual Action

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#### **Purpose and Background:**

The Moffat Tunnel Collection System gathers water from the Western Slope through various canals, pipes, tunnels, and siphons that come together to enter the Moffat Tunnel. The water is transported through the tunnel to Gross Reservoir, on to Ralston Reservoir and then to the Moffat Water Treatment Plant. The Ranch Creek Canal is a portion of this collection system. In 1994, the first 1,700 feet of the Ranch Creek Canal downstream of the Arrow Tunnel (Phase 1) was replaced with pipe. Pipe was used since it reduces seepage and evaporation losses, decreases maintenance tasks (especially in winter) and reduces public and wildlife safety concerns. The most downstream portion of Ranch Creek Canal lies above the Lakota Subdivision, which is in a phase of rapid development. Construction of Phase 2 is scheduled for the summer of 2020.

This contract is for the Design of the Ranch Creek Canal Improvements, Phase 2. The project scope includes piping of 4,400 feet of unlined canal, transition structures, stream intakes and bypasses, and a new measuring flume. The design activities include hydraulic modeling, geotechnical investigation, plan and specification preparation, constructability reviews and estimates, and bidding services. Permitting required by the US Forest Service will be handled by Denver Water. The design contract does not include construction phase services. As specified in the original Request for Proposal (RFP), construction phase services may be added through an amendment to the contract.

#### **Budget and Schedule:**

The total amount of this contract is \$579,300 and the term of the contract is February 27, 2019 through December 31, 2020. Funds for this agreement will come from the 2019 Ranch Creek Canal Improvements Business Unit, which has insufficient funds of \$472,223 to pay the \$510,000 estimated to be needed in 2019. A variance will be requested to cover additional costs for this year. The remaining funds needed will be budgeted for in 2020.

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

This solicitation was an open proposal process using RFP posted on the Denver Water website. Seven proposals were received on January 7, 2019 and reviewed and scored by a team of Denver Water evaluators in accordance with the quality based selection criteria listed in the RFP. HDR Engineering, Inc. of Colorado achieved the highest score with an associated price of \$579,300.


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

The Minority and Woman Business Enterprise (MWBE) goal established for this construction project was 5% participation. HDR Engineering, Inc. has proposed a 22% participation.

#### **Recommendation:**

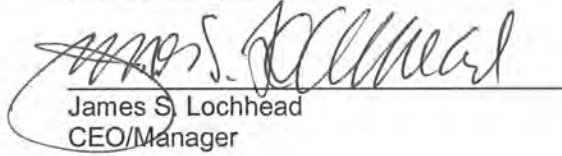
It is recommended that the Board approve Agreement 503894 with HDR Engineering Incorporated for design of the Ranch Creek Canal Improvements, Phase 2 for the contract period February 27, 2019 through December 31, 2020 for a total contract amount not to exceed \$579,300.

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 27, 2019

Board Item: II-A-4

## Moffat Tunnel Collection System Vasquez-St. Louis Collection Conduit Siphon No. 1 Phase III – Fraser River Crossing Contract 503249

Action by Consent

Individual Action

### Purpose and Background:

The Moffat Tunnel Collection System, Vasquez-St. Louis Collection, Conduit Siphon No. 1 is a main raw water collection artery connecting directly into the west portal of the Moffat Tunnel. Siphon No. 1 was installed in the mid-1930s as a key component of the original Moffat Tunnel Collection System. Replacement of the siphon is needed to address age and condition concerns. Phase I of the project, completed in 2013, consisted of the replacement of 1,171 feet of 72-inch pipe down the slope of the Winter Park Ski Area. Phase II of the project, completed in 2016, consisted of replacing 255 feet of 72-inch diameter pipe within a large concrete chase.

Phase III involves replacement of 380 feet of 72-inch diameter pipe that is primarily aerial pipe on supports across the Fraser River.

### Budget and Schedule:

The work will be completed in 2019. The 2019 Capital Improvement Plan for the Moffat Tunnel Collection System, Vasquez-St. Louis Collection, Conduit Siphon No 1 Phase III – Fraser River Crossing Business Unit includes sufficient funds to pay the \$3,944,200 needed for this Contract.

### Selection of Business Partner:

Denver Water solicited bids from four General Contractors listed on the Prequalified Contractor List under the Civil Pipelines discipline. This contract was a restricted bid process using Invitation to Bids on the QuestCDN platform. On February 13, 2019 bids were received from four General Contractors. Ames Construction Inc. of Colorado was selected based on the lowest cost bid.

### S/MWBE Information:

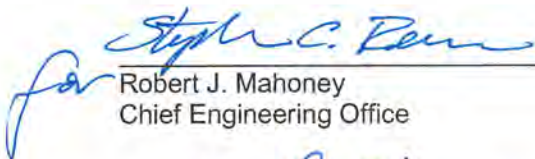
The Minority and Women Business Enterprise (MWBE) goal established for this construction project is 5% participation. Ames Construction Inc. achieved 5.31% participation.

### Recommendation:

It is recommended that the Board approve Contract 503249 with Ames Construction Inc. for construction of the Moffat Tunnel Collection System, Vasquez-St. Louis Collection, Conduit Siphon No. 1 Phase III – Fraser River Crossing project for the contract period of February 27, 2019 through December 1, 2019 for a total contract amount not to exceed \$3,944,200.

### Approvals:

Respectfully submitted,

  
for Robert J. Mahoney  
Chief Engineering Office

  
James S. Lochhead  
CEO/Manager

  
Angela Briemont  
Chief Finance Officer



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 27, 2019

Board Item: II-A-5

## Fourth and Fifth Amendments for Gross Reservoir Expansion Project Design Engineer Contract 503074

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water continues to form an integrated project team comprised of Denver Water staff, Consultants, Engineers, Contractors, Specialists, and Regulators to deliver the Gross Reservoir Expansion (GRE) project. In January 2018, Denver Water contracted with Stantec/AECOM to fulfill the Design Engineer role. Their scope and fee were negotiated based on our understanding of the work in late 2017.

*Amendment Four* - Program clarity and understanding has improved significantly in many areas including management requirements, regulatory requests, and design feature details. The GRE Program Management Team (PMT) has carefully monitored potential scope, fee, and schedule changes to the Design Engineer resulting from improved program definition. The PMT identified several areas of change that could not be reasonably anticipated at the start of design including final complexity of the design schedule required for integration with the program schedule; modifications to the spillway physical model being prepared by Colorado State University; length of required roadway improvements; aerial extent of rockfall mitigation at the base of Gross Dam; and additional field monitoring staff requested by the Federal Energy Regulatory Commission.

*Amendment Five* - The PMT identified the Gross Dam Outlet Works as a necessary design element in preparation of the Design Engineer contract. However, at the time, design constraints and requirements could not be fully described including the desired useful life and operability guidelines. Therefore, the PMT provided only broad guidance to the Design Engineer for design of the Outlet Works with the expectation of a progressive design approach. As expected, program advancement in 2018 permitted the PMT to greatly improve definition of the Outlet Works requirements and ultimately select a preferred alternative.

The purpose of this Board Item is to execute the Fourth and Fifth Amendments to the GRE Design Engineer contract for work that is a result of greater design definition, slightly increased monitoring requirements, unexpected regulatory requests, and the addition of Owner-Controlled Contingency.

### **Budget and Schedule:**

The amount requested for Amendment No. 4 is \$260,000 and the amount requested for Amendment No. 5 is \$200,000. A table showing the history of amendments is below.

Item	Cost	Description	Notes
Original Agreement	\$13,000,000	Design of Gross Reservoir Expansion	Board Approved December 13, 2017
Amendment No. 1	\$0	Co-location Office requirements	Board Approved January 23, 2018
Amendment No. 2	\$0	Corrections to Design Engineering Labor Rates	Board Approved February 12, 2018
Amendment No. 3	\$539,522	Scope addition – design changes and additions	Board Approved September 12, 2018 Improved communications infrastructure and unexpected regulatory requests.

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Amendment No. 4	\$260,000	Scope addition – design changes and additions	Design definition, slightly increased monitoring requirements, unexpected regulatory requests and the addition of Owner-Controlled Contingency
Amendment No. 5	\$200,000	Scope addition - Outlet Works requirements	
<b>Total Contract Amount</b>	<b>\$13,999,522</b>		

Funds for these Amendments were included in the 2019 budget of 15.45M, presented in the most recent Board report. The overall GRE program budget is unchanged as a result of Amendment No. 4 and 5.

**Selection of Business Partner:**

The GRE Design Engineer was selected through a value based competitive process which considered qualifications, design approach, technical submissions, and cost.

**S/MWBE Information:**

No specific MWBE goal was set for the Design Engineer services, although MWBE participation during design was strongly encouraged by Denver Water. The Stantec/AECOM team will achieve an approximate 6% MWBE participation for the total of the Phase 2 services.

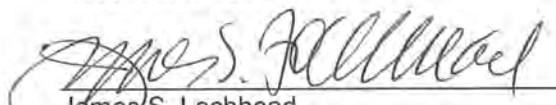
**Recommendation:**

It is recommended that the Board approve the Fourth Amendment for \$260,000 and the Fifth Amendment of \$200,000 to Contract 503074 with Stantec/AECOM as the Design Engineer for a total amended contract amount not to exceed \$13,999,522.

**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 27, 2019

Board Item: II-A-6

## Tree Removal Plan Gross Reservoir Expansion Project Contract 503863

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water needs an updated Tree Removal Plan (Plan) for the Gross Reservoir Expansion Project. The Plan will identify and recommend tree removal activities for the inundation area, including methods of disposal for the material cleared from the inundation area, travel routes for equipment and material, and necessary improvements for access issues. Stakeholders, such as the U.S. Forest Service (USFS), Colorado State Forest Service (CSFS), Boulder and Jefferson Counties will be included in the development of the Plan.

Denver Water and permitting agencies have received numerous comments regarding impacts associated with tree removal activities. A conceptual Plan was developed in 2008 which listed possible methods for removal and disposal of material, but it did not recommend which methods would be used for removal, disposal, or travel. Since 2008, the timber market has changed and new opportunities (e.g. Biochar) are available for disposal of forest materials. The updated Plan will incorporate current best industry practices and identify a preferred method in consultation with the agencies.

### **Budget and Schedule:**

The total amount of this contract is \$319,157 and the term of the contract is February 27, 2019 to December 31, 2019. Funds for this contract will come from the 2019 budget for the Gross Reservoir Expansion Project, which has a 2019 budget for \$15.45 million and includes the \$319,157 need for this contract in 2019.

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

Denver Water staff met several times with the USFS and CSFS to get their advice on qualified contractors to perform this work. Due to the complexity of the site (such as steep slopes, limited access, 400+ acres, multiple agencies involved, considerable public opposition), Denver Water and the USFS understood that the number of qualified and interested contractors could be limited.

Denver Water staff prepared a Request for Proposal (RFP) which was publicly posted on December 12, 2018. In addition to the posting, the RFP was sent by email to almost 20 firms on the CSFS' list of "Forestry Contractors" that develop Forest Management Plans, to solicit as much interest as possible. A mandatory site meeting was held on January 8, 2019 and six interested parties attended. Two parties withdrew from consideration prior to the due date. Denver Water only received one bid on January 25, 2019 (due date) and that bid was not opened at that time.

After an internal discussion, Denver Water staff contacted the four remaining parties to ascertain why they submitted or did not submit a proposal. One party decided not to bid as their expertise was primarily in urban areas and Gross Reservoir is rural and the Plan would require technical expertise they did not have in-house. The remaining three qualified parties combined forces and jointly submitted the one bid received. The scope of work complexity and volume of work were the leading factors in their decision. However, Denver Water staff estimated these efforts at \$250,000, and with review of the proposal and coordination with USFS and CSFS, determined the work outlined was necessary and the proposed design contract provides a reasonable cost for the work. Specifically, the proposal addressed the steps needed to identify and recommend methods for tree removal and utilization of residue. Additionally, the proposal addressed the steps to identify travel routes and necessary road improvements.

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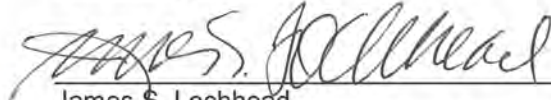
**Recommendation:**

It is recommended that the Board approve Contract 503863 with Tetra Tech, Inc. for development of the Tree Removal Plan for the Gross Reservoir Expansion Project for the contract period February 27, 2019 to December 31, 2019 for a total contract amount not to exceed \$319,157.

**Approvals:**

  
\_\_\_\_\_  
Robert Mahoney  
Chief Engineer

Respectfully submitted,

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

  
\_\_\_\_\_  
Angela Bricmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 27, 2019

Board Item: II-A-7

## Revisions to the Operating Rules

Action by Consent

Individual Action

### Purpose and Background:

Denver Water reviewed its Operating Rules to ensure the necessary business rules are in place and provide guidelines in which to conduct daily business activities and inform decision-making. Throughout 2018, a team of employees from Sales Administration, Office of General Counsel, and an Engineering Technical Writer, collaborated on the revisions. The proposed revisions have also been reviewed and approved by Denver Water's Distributors.

Many of the changes are not substantive, including renumbering pages, consistent use of defined terms, and capitalizing defined terms.

The following changes are being recommended to make the Operating Rules consistent with current practices:

- Removal of Rule 2.02.4 a. and b. The practice of Meter Setting was discontinued because construction crews were not ready for the meter to be set this soon. Contractors prefer to schedule meter setting when their site is ready. Thus, this practice is no longer a requirement. (p. 7)
- Removal of Rule 2.05.4. Existing Permits. Stub-Ins that were impacted by this rule have either been converted to a full tap or have been terminated. (p. 9)
- Removal of Rule 2.07.5 b. Annual Fee. We recommend removing this rule because 90% of Stub Ins are converted to a Standard Service License within 12 months of installation, while the remaining are converted within 24 months. The \$70 annual fee was charged to cover the cost of a field employee monitoring the site to ensure SDCs are paid prior to activation. The annual fee was deemed unnecessary because we have reporting in place to monitor these sites if we see consumption on a meter that has not passed inspection and we will send a field employee to monitor the site. (p. 12)
- Rule 3.03. Construction Water Use. We recommend removing the "set the meter within three days of installing the tap" requirement for meter setting because construction crews were not ready for the meter to be set this soon. Contractors prefer to schedule this when their site is ready for the meter to be set. (p. 22)
- Removal of Rule 5.02.3 a. Master Meter Maintenance. This contract type is no longer an option that Denver Water offers. (p. 27)

### Recommendation:

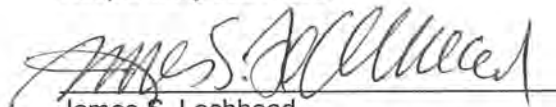
It is recommended that the Board approve the revisions to the Operating Rules outlined in the attachment.

### Approvals:



Mike King  
Chief External Affairs Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 27, 2019

Board Item: II-B-1

## Reimbursement Resolution for Tax-Exempt Debt

Action by Consent

Individual Action

### **Purpose and Background:**

Staff is recommending that the Board adopt the attached Reimbursement Resolution ("Resolution") for tax-exempt debt. The purpose of the Resolution is to declare an intent to use tax-exempt debt proceeds to reimburse Denver Water for eligible project expenditures. It has been our practice to use cash reserves to pay for capital expenditures and to reimburse for those expenditures with tax-exempt bond proceeds at a later date. The benefits of this practice include the ability to optimize the size and timing of the bond issue, minimize negative arbitrage, and increase certainty about the timing and size of capital expenditures to be debt-financed.

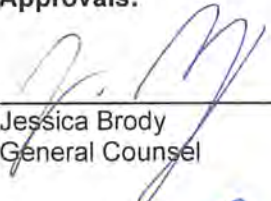
Reimbursement of capital expenditures with tax-exempt debt requires an advance written declaration of intent. The attached Reimbursement Resolution confirms the Board's intent to use tax-exempt debt to reimburse cash reserves for eligible project expenditures incurred in 2019 and beyond. The 2019 Resolution replaces the 2014 Reimbursement Resolution which covered capital expenditures through the end of 2018.

Denver Water expects to spend approximately \$835 million for expansion and replacement capital projects in the next few years. Some of the largest projects include construction of the North Water Treatment Plant and Gross Reservoir expansion, completion of the Operations Complex redevelopment, main replacements, construction of the Water Resources Center, and pump station upgrades. All reimbursement projects must be approved by the Board through the annual budget process.

### **Recommendation:**

It is recommended that the Board adopt the attached Resolution, declaring its official intent to reimburse cash reserve expenditures from the proceeds of one or more series of bonds, in an expected maximum aggregate principal amount of \$835 million.

### **Approvals:**

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

Respectfully submitted,

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

  
\_\_\_\_\_  
Angela Briemont  
Chief Finance Officer



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 27, 2019

Board Item: II-B-2

## Operations Complex Redevelopment Photovoltaic Installation Contract 503911

Action by Consent

Individual Action

### **Purpose and Background:**

The Operations Complex Redevelopment (OCR) Project includes construction of six new buildings, a parking garage, and two building renovations as part of a sustainable site redevelopment. One of the major objectives of the OCR Project includes building sustainable facilities with the goal for the new administration building of achieving net zero energy and LEED Platinum certification.

In order to achieve net-zero energy for the administration building, installation of photovoltaics (solar panels) was planned as part of the Project. The Project originally assumed a power purchase agreement (PPA) which would not require any up-front capital costs. After a net present value analysis of a PPA versus outright purchase, it was determined to move forward with an outright purchase of solar panels. A model provide by the National Renewable Energy Lab shows a payback period of approximately 17 years.

Contract 503911 is for the outright purchase and installation of solar panels on the administration building, parking garage, and visitor parking lot to offset 100% of the administration building's energy use.

### **Budget and Schedule:**

The total amount of this contract is \$2,634,997 which includes a \$100,000 Owner-directed contingency for use solely on this contract. Any unused contingency funds will not be transferred to the OCR Project. The term of the contract is February 27, 2019 to December 31, 2019. Funds for this contract will come from the 2019 budget for the OCR Business Unit which has sufficient funds to pay the \$2,634,997 estimated to be needed in 2019.

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

Denver Water, through the Owner's Representative Trammell Crow, solicited proposals for this work. Two proposals were received. Namaste Solar was selected through a quality-based selection process based on experience, schedule, project approach, system energy production, and cost.

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

Due to the specialized nature of the work, no Minority and Women Business Enterprise (MWBE) goal was established for the project.

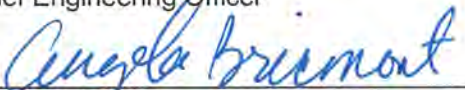
### **Recommendation:**

It is recommended that the Board approve Contract 503911 with Namaste Solar for the procurement and installation of photovoltaics for the OCR Project with a contract period of February 27, 2019 through December 31, 2019 and a total contract amount not to exceed \$2,634,997. This Contract will require an increase to the OCR Project Budget by the same amount for a total not to exceed \$204,530,173.

### **Approvals:**

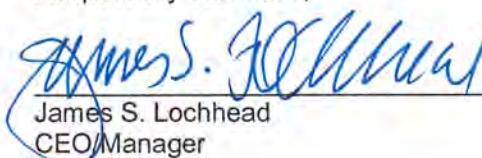


Robert J. Mahoney  
Chief Engineering Officer



Angela Bricmont  
Chief Finance Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 27, 2019

Board Item: II-B-3

## Allocation of Additional Owner Contingency Early Works Work Package GMP 2B for Northwater Treatment Plant Contract 503448

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water (DW) is in the process of designing and constructing the Northwater Treatment Plant (NTP) on DW's Ralston Reservoir property north of Golden to supplement the Moffat Water Treatment Plant (WTP). The scope of work for the Project includes the construction of a 75-MGD initial capacity NTP; and continuing Moffat WTP operations with a capacity of up to 60 MGD through 2040, as needed.

The purpose of this Board Item is to request the allocation of additional Owner Contingency funds to the Early Works GMP 2B. This GMP includes inherent risks due to the nature of the work, which are being covered by Owner Contingency due to the type of changes incurred. The additional Owner Contingency allocation for GMP 2B includes:

- The addition of a 30-inch bypass to the Conduit No. 22 cross, required to maintain raw water service to North Table Mountain Water and Sanitation District during a Moffat outage. This addition is necessitated by the decision to maintain Moffat WTP operations subsequent to NTP startup.
- Modifications to the City of Arvada connection, at the City's request.
- Modifications to the 48-inch Conduit No. 22 bypass, necessitated due to differing site conditions.
- Replacement of the pipeline from Upper Long Lake to the Ralston-Clear Creek Canal. This pipeline, originally anticipated to be demolished, must remain operable due to water rights agreements with the Agricultural Ditch and Reservoir Company.
- Modifications to the connection to existing Conduits No. 16 and 22 at the Ralston Outlet Works Valve House, due to discovery of existing concrete and cobbles overlying the existing conduits.
- Allocation for additional unknown site conditions necessitating future changes.

### **Budget and Schedule:**

In summary, this amendment adds the remainder of the GMP 2B Owner Contingency budget to this contract.

The Total Construction Cost is currently estimated at \$414,567,509, including Owner Contingency of \$20,000,000, for a total \$520,000,000 Total Project Cost approved by the Board on June 27, 2018. The GMP 2B budget is \$10,900,000, including Owner Contingency of \$1,200,000. The work was originally contracted for \$9,487,870.46 with no Owner's Contingency included in the contract. To date, \$348,062.45 of Owner's Contingency and \$41,435.01 of transfer funds from GMP 2A have been amended into the contract, resulting in a current GMP 2B value of \$9,877,367.92.

### **Contingencies and Allowances:**

No additional Contractor Contingency or Allowances are being requested with this Board Item.

Consistent with the Construction Services Agreement, Denver Water retains risk associated with differing site conditions. To date, two amendments have been executed consuming the majority of the original Owner Contingency allocation for this GMP. The NTP Team is requesting an additional allocation of Owner Contingency in the amount of \$851,937.55 for GMP 2B, resulting in \$17,300,000 remaining in the \$20,000,000 Owner Contingency budget.

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Recognizing that the majority of construction risks are associated with below-grade construction, this allocation is appropriate given the retrofit nature of the work encompassed by GMP 2B, and falls within the total Owner Contingency budget. This allocation results in a total contracted amount for GMP 2B of \$10,729,305.47, which is below the GMP budget of \$10,900,000.

**Selection of Business Partner(s):**

Subcontractors were procured by Kiewit through competitive bids for GMP 2B.

**S/MWBE Information:**

S/MWBE participation within GMP 2B remains at 4.6% with an original target of 4%.

**Recommendation:**

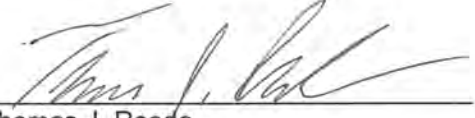
It is recommended that the Board approve the proposed Amendment to Contract 503448, allocating \$851,937.55 of Owner Contingency into the Contract, for a total not-to-exceed GMP 2B cost of \$10,729,305.47, and a total contract value of \$11,113,592.18 inclusive of GMPs 2A and 2B.

**Approvals:**

  
\_\_\_\_\_  
Robert J. Mahoney  
Chief Engineering Officer

Respectfully submitted,

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

  
\_\_\_\_\_  
Thomas J. Roode  
Chief Operations and Maintenance Officer

  
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Angela Briemont  
Chief Finance Officer



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 27, 2019

Board Item: II-B-3

## Access - Improvements to Highway 93 Work Package GMP 2C For Northwater Treatment Plant Contract 503838

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water (DW) is in the process of designing and constructing the Northwater Treatment Plant (NTP) on DW's Ralston Reservoir property north of Golden to supplement the Moffat Water Treatment Plant (WTP). The scope of work for the Project includes the construction of a 75-MGD initial capacity NTP; and continuing Moffat WTP operations with a capacity of up to 60 MGD through 2040, as needed.

The purpose of this Board Item is to execute the Access – Improvements to Highway 93 Work Package (WP), also known as GMP 2C, under the Construction Services Agreement with Kiewit Infrastructure Co. (Agreement 503388) in support of advancing the NTP Project through Task 5 – Construction. The Access Road GMP 2C includes:

- Improvements to SH93 required by Colorado Department of Transportation (CDOT), including southbound deceleration and acceleration lanes connecting to the new Access Road; and installation of new mast arm signals on the west side of SH93.
- Construction of a new Access Road west of SH93 across adjacent landowners' property to DW's Ralston property.
- Installation of new fence and driveway necessary to maintain existing landowner access from West 64<sup>th</sup> Parkway.

### **Budget and Schedule:**

The Total Construction Cost is currently estimated at \$414,567,509, including Owner Contingency of \$20,000,000, of the total \$520,000,000 Total Project Cost approved by the Board on June 27, 2018. The GMP 2C budget is \$2,672,348, including Owner Contingency of \$300,000. The cost of WP 2C is \$2,173,219.11 including Owner and Contractor Contingencies and Allowances, which is below the budget estimate despite additions to the scope of work on SH93 by CDOT. Funds for GMP 2C will come from the 2019 budget for the NTP Business Unit.

### **Contingencies and Allowances:**

As part of GMP 2C, Kiewit Infrastructure Co. is assuming risks related to existing roadway conditions and utilities, stormwater management, and damage to adjacent properties. Roadway striping, traffic control, existing utilities, and stormwater management have been included as allowances, which are estimated at \$260,000. Contractor risks associated with existing roadway conditions and damage to adjacent properties have been carried as Contractor Contingency in the amount of \$29,440. This results in a total Contractor Contingency allocated to date of \$5,436,824, leaving \$22,563,176 of unallocated Contractor Contingency out of an overall \$28,000,000 budget.

Consistent with the Construction Services Agreement, Denver Water retains risk associated with scope growth, differing site conditions, and potential impacts of the easements with adjacent landowners, for which a \$286,600 allocation of Owner Contingency is requested as part of GMP 2C. The allocation for GMP 2C results in \$17,013,400 remaining in the \$20,000,000 Owner Contingency budget.

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**Selection of Business Partner(s):**

Subcontractors were procured by Kiewit through competitive bids for GMP 2C. Of special note for this GMP, the CMAR conducted outreach with and released the Request for Bids to six firms. Of the original bid pool, four firms declined to bid over the course of the procurement, including one that dropped out the day before bids were due, due to current workload.

**S/MWBE Information:**

The Minority and Women Business Enterprise (MWBE) goal established for this GMP was 9.2% participation. Based on the outcome of bids, MWBE participation for GMP 2C is anticipated to be below the established goal at 7.2%. Despite this, due to the increased MWBE participation on previously contracted GMPs, NTP remains on track to meet or exceed the overall 8% goal for NTP Construction.

**Recommendation:**

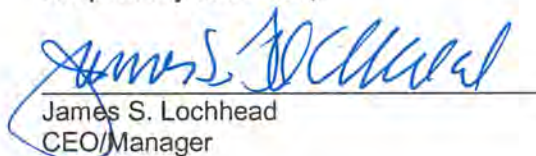
It is recommended that the Board approve proposed Contract 503838 with Kiewit Infrastructure Co. for Access Road GMP 2C for the NTP Project for the contract period of February 27, 2019 to September 24, 2019, with a total not-to-exceed cost of \$2,173,219.11 (including Owner Contingency).

**Approvals:**

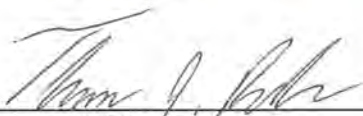


Robert J. Mahoney  
Chief Engineering Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



Thomas J. Roode  
Chief Operations and Maintenance Officer



Angela Bricmont  
Chief Finance Officer



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 27, 2019

Board Item: V-A-1  
REVISED

## Briefing Paper for Legislative Update

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### 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

We are not recommending taking positions on any bills at this time, however there are a few new and anticipated bills we are monitoring, which are discussed below.

**FAMLI Leave ACT** – Senators Winter and Williams are working to introduce a bill to create a family and medical leave insurance program. The starting point for this bill is last year's HB18-1001 also known as "FAMLI," which failed to pass in the Republican-controlled Senate. Now that Democrats have control of both chambers of the legislature, this concept is much more likely to pass. In broad terms, this bill will provide wage replacement that will cover every employee in the state during qualified family and medical leave, which will likely include at a minimum, the types of leave covered by the federal Family and Medical Leave Act. It proposes to pay for the program through mandatory premiums from both employees and employers which will likely total one percent of the employee's pay at the outset. Wage replacement for qualified leave will likely be a percentage of the employee's wages (graduated based on how the employee's wage rate compares to the state median wage) with a cap of \$1000 per week. Members of the business community are providing feedback to the bill sponsors to address concerns and challenges with the bill. We are monitoring this process closely.

**Energy and Water Efficiency** – We have learned that the Southwest Energy Efficiency Project is working with Representative Froelich to introduce a bill that will mandate many new energy and water efficiency standards. Proponents are also proposing to expand the WaterSense legislation that we worked on in 2014. We are studying the proposal and will provide updates and recommendations as it progresses.

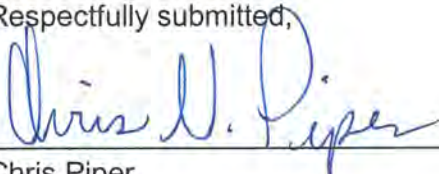
**Right to Survive** – There will be a City of Denver ballot measure this spring known as Initiative 300, The Right to Survive. This local ballot measure is similar to HB19-1096, Colorado Right to Rest to which we are currently opposed. We are preparing a draft resolution for your consideration in opposition to Initiative 300.

**Augmentation Plans for Instream Flows** – We have learned that a group of water lawyers are working on a proposal to clarify that augmentation plan water can be used to prop up flows in rivers and be designated as an instream flow. There is some desire to do this on the Poudre River and the State Engineer is reluctant to allow it without an express provision in the law. We will be studying this proposal and updating you as it progresses.

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,



Chris Piper  
Manager of Government Relations



Mike King  
Chief of External Affairs