

# AGENDA

## Denver Board of Water Commissioners

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

**Wednesday, April 24, 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. Fourth Amendment for Annual Software Subscription & Support for IBM Cognos Business Intelligence Software – Contract 500683
2. Intergovernmental Agreement with South Suburban Parks and Recreation concerning the Farnell Lane Wells and Nevada Ditch – Contract 503980
3. Second Amendment with Boulder County Sheriff's Office for Patrols at Gross Reservoir – Contract 501315

**B. Individual Approval Items**

- |  |                |            |
|--|----------------|------------|
| <b>1. First Amended Water Service Agreement (Master Meter, Total Service and Total Service Improvement) with Alameda Water and Sanitation District (Intergovernmental Agreement) – Contract 500614</b> | Julie Seagren  | 5 minutes  |
| <b>2. Resolution Authorizing Acquisition of Property via Eminent Domain for the Gross Reservoir Expansion Project</b>  | Gary Booth     | 10 minutes |
| <b>3. First Amendment for Ralston Dam Primary Spillway Modification Project – Contract 503731</b>  | Erin Gleason   | 10 minutes |
| <b>4. Mass Excavation, Demolition, Underslab Pipe Install – Floc/Sed and Filters Work Package GMP 4A for Northwater Treatment Plant – Contract 503839</b>  | Pete McCormick | 20 minutes |

**III. POLICY MATTERS**

- |                      |             |            |
|----------------------|-------------|------------|
| <b>A. OCR Update</b> | Jeremy Ross | 10 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**

### **A. Action Items as Trustee**

1. Minutes from February 27, 2019
2. Changes in Actuarial Assumptions for the Employees' Retirement Plan                      Leslie Thompson                      15 minutes

## **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 §24-6-402(4)

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 24, 2019

Board Item: II-A-1

## Fourth Amendment for Annual Software Subscription & Support for IBM Cognos Business Intelligence Software Contract 500683

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water has been using IBM Cognos Business Intelligence software since 2005 to build scheduled operational reports and to develop ad-hoc reports related to financial, work management, water consumption and water control system data. This board item is for the annual renewal of IBM Cognos Business Intelligence software subscription and support services. This renewal of software subscription and support services is fully consistent with the 2017 Grant Thornton recommendations and the Denver Water Business Technology Roadmap which calls for continued invest in Business Intelligence tools and capabilities.

### **Budget and Schedule:**

With this fourth amendment, the total amount of the contract is \$767,921.64 and the extended term of the contract is 05/01/2019 to 04/30/2020. Funds for this service/contract will come from the 2019 budget for IT Data Services, which has sufficient funds to pay the \$138,916.25 needed in 2019.

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

Insight Public Sector Inc. is an IBM software reseller, supporting the State of Colorado NASPO (National Association of State Procurement Officials) ValuePoint cooperative purchasing agreement for IBM Cognos software products.

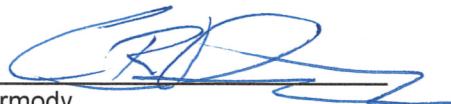
### **S/MWBE Information:**

Insight Public Sector Inc. is not an S/MWBE.

### **Recommendation:**

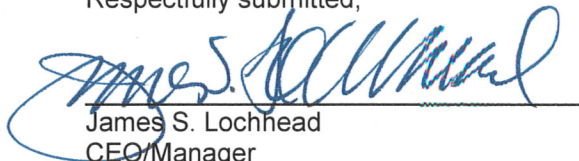
It is recommended that the Board approve the Fourth Amendment to contract number 500683 with Insight Public Sector Inc. for annual subscription and support renewal of IBM Cognos Business Intelligence for an extension of the contract period through 04/30/2020 and for an addition of \$138,916.25 for a total amended contract amount not to exceed \$767,921.64.

### **Approvals:**

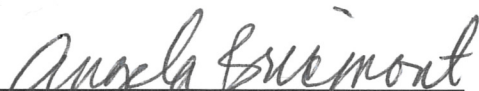


Chris Dermody  
Chief Information Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



Angela Bricmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 24, 2019

Board Item: II-A-2

## Intergovernmental Agreement with South Suburban Parks and Recreation concerning the Farnell Lane Wells and Nevada Ditch Contract 503980

Action by Consent

Individual Action

### Purpose and Background:

Denver Water owns 11.33 shares of the Nevada Ditch that are decreed for irrigation using the Farnell Lane Wells ("Farnell Lane Wells Shares") on a property that is now the Littleton Golf Course owned by South Suburban Parks and Recreation District ("South Suburban"). This property is inside of Denver Water Combined Service Area. South Suburban owns 1.25 shares of Nevada Ditch, divertible at the ditch headgate at Chatfield Reservoir, that are currently used to irrigate the Golf Course ("Ditch Headgate Shares"). This agreement provides a reliable supply of water for a customer within the service area using an existing asset decreed for the appropriate use in the proper location. In exchange, Denver Water will receive South Suburban's Ditch Headgate Shares. Denver Water and South Suburban will cooperatively apply for a new well permit within six months of the date of the agreement. Denver Water will pay to South Suburban \$425,000 at the time a contract for design and construction is let. Construction of the replacement well is to occur within two years of the issuance of the well permit. At the time construction is completed a closing will occur in which the parties will exchange assets and repayment of the \$425,000 will commence.

### Budget and Schedule:

The total amount of this contract is \$425,000 for construction of a replacement well and appurtenant facilities. Funds for this contract will be budgeted for in the 2020 Water Rights Maintenance, Evaluation, and Acquisition business unit. These funds will be re-paid to Denver Water over a five-year period with a 2% interest rate. It is anticipated that funds will be fully re-paid in or around 2027.

### Recommendation:

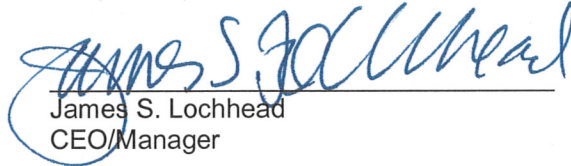
It is recommended that the Board approve Contract 503980 with South Suburban Parks and Recreation Department to convey the Board's interest in the Farnell Lane Wells and to receive South Suburban's interest in the Nevada Ditch.

### Approvals:



Mike King  
Chief External Affairs Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



Angela Bricmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 24, 2019

Board Item: II-A-3

## Second Amendment with Boulder County Sheriff's Office for Patrols at Gross Reservoir Contract 501315

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water is required to provide recreation patrol services for Gross Reservoir as part of the FERC-required Recreation Management Plan. This includes an on-site recreation manager, in place since 2003, to "facilitate law enforcement and public education." The Recreation Management Plan specifies that if additional law enforcement presence is required, those patrols shall be handled by the Boulder County Sheriff's Office (BCSO), since Gross Reservoir falls within the jurisdiction of the BCSO.

Since 2002, Denver Water has contracted with the BCSO to place Recreational Rangers at Gross Reservoir during the May through September boating season.

This Second Amendment to Contract 501315 extends that agreement for one year and includes budget for three recreational rangers, uniforms, and a one-year lease for two BCSO vehicles.

### **Budget and Schedule:**

Labor and uniforms were included in the 2019 budget. A variance of \$15,800 is needed to cover the cost of leased vehicles.

### **Recommendation:**

It is recommended that the Board approve the Second Amendment Contract 501315. Total cost for the one-year extension is \$88,309.23.

### **Approvals:**

*Brian Good*  
\_\_\_\_\_  
For Brian Good  
Chief Administrative Officer

Respectfully submitted,

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

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

## DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 24, 2019

Board Item: II-B-1

### **First Amended Water Service Agreement (Master Meter, Total Service and Total Service Improvement) with Alameda Water and Sanitation District (Intergovernmental Agreement) Contract 500614**

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Action by Consent

Individual Action

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

Under Operating Rule 5.02.1(a), Distributors with Read and Bill or Master Meter contracts may request to convert to Total Service status to ensure that their customers receive the level of service that Denver Water's standards and rules require. This conversion is accomplished through a Total Service Improvement contract, under which Denver Water takes control over the Distributor's existing water system pursuant to a plan to upgrade it to Total Service standards. Denver Water determines the schedule to complete the upgrades and recovers the cost of constructing the upgrades through payments from the Distributor or assessment of surcharges on the customers within the Distributor's service area.

Alameda Water and Sanitation District has Master Meter, Read and Bill as well as Total Service areas within its district boundary. Alameda has requested to convert its Read and Bill area to Total Service. The current Read and Bill portion of their service area is located roughly between South Pierce Street and South Sheridan, from West Jewell to West Florida, serving 510 taps. Denver Water staff have been in discussions with Alameda for almost a year regarding conversion of the Read and Bill area to Total Service status. Denver Water has identified the necessary upgrades to facilities and improvements in property interests. Alameda has communicated with its customers and developed financial resources for it to undertake and construct the improvements.

The First Amended Water Service Agreement (Master Meter, Total Service and Total Service Improvement), Contract # 500614, provides that Denver Water will take over operation of the Read and Bill portion of Alameda's distribution system on May 1, 2019. The facilities and related property interests will be conveyed to Denver Water that same day. While Denver Water operates the system, Alameda will construct the necessary upgrades and acquire the needed property interests identified in the agreement and convey them to Denver Water as completed. If Alameda fails to complete the upgrades within five years, Denver Water will finish construction and recover its costs by applying a surcharge to the customers in Alameda's Total Service Improvement area. This Amended Agreement does not modify service to current Master Meter or Total Service areas.

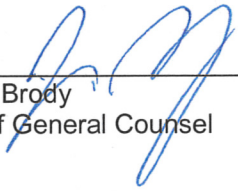
#### **Budget and Schedule:**

Denver Water's Transmission & Distribution department is prepared to undertake the maintenance and repair work and absorb the increased duties of Total Service.

#### **Recommendation:**

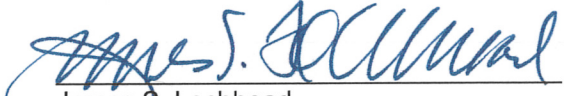
It is recommended that the Board approve the First Amended Water Service Agreement (Master Meter, Total Service and Total Service Improvement), Contract # 500614, with Alameda Water and Sanitation District.

**Approvals:**

  
\_\_\_\_\_  
Jessica Brody  
Office of General Counsel

  
\_\_\_\_\_  
Mike King  
Chief External Affairs Officer

Respectfully submitted,

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



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 24, 2019

Board Item: II-B-2

## Resolution Authorizing Acquisition of Property via Eminent Domain for the Gross Reservoir Expansion Project

Action by Consent

Individual Action

### Purpose and Background:

Denver Water plans to construct the Gross Reservoir Expansion (GRE) Project as part of its long-term, multi-pronged water supply approach including conservation, recycled water, and responsible sourcing of new supply. The GRE Project will raise Gross Dam by 131 feet to provide an additional 77,000 acre-feet of storage capacity in Gross Reservoir. Expanding storage at Gross Reservoir is critical to securing water supply for Denver Water customers.

In preparation for the expansion work, certain improvements are necessary to Gross Dam Road between Highway 72 and Gross Dam. These improvements will enable the road to meet design standards to enable two vehicles traveling in opposite directions to pass safely at all points along the road. Current designs show some of these necessary improvements will encroach on private lands that will need to be acquired, potentially using eminent domain.

As the construction stage of the project approaches, Denver Water staff determined that it is time to begin the formal process of acquiring the necessary private lands.

The 2019 Budget for GRE Project includes sufficient funds for the cost of these acquisitions.

### Recommendation:

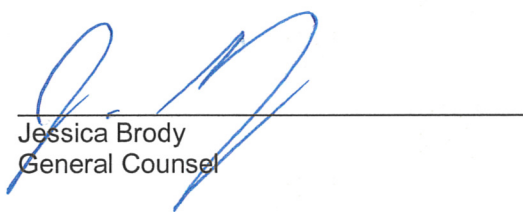
For the foregoing reasons, it is recommended that the Board adopt the attached Resolution authorizing negotiations for the acquisitions of lands along Gross Dam Road.

### Approvals:

  
Robert J. Mahoney  
Chief Engineering Officer

Respectfully submitted,

  
James S. Lochhead  
CEO/Manager

  
Jessica Brody  
General Counsel

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 24, 2019

Board Item: II-B-3

## First Amendment for Ralston Dam Primary Spillway Modification Project Contract 503731

Action by Consent

Individual Action

### **Purpose and Background:**

Ralston Dam was originally constructed in 1936 and impounds Ralston Reservoir. The reservoir stores runoff from Ralston Creek drainage and water from the western slope which is conveyed to Ralston Reservoir through the Moffatt Tunnel, Gross Reservoir, and the Boulder Creek Diversion Canal. All water in Denver Water's Northern System flows through Ralston Reservoir before getting treated at the Moffat Water Treatment Plant. The primary spillway at Ralston Dam was designed to standards in place in 1936, and did not include items like concrete reinforcing, waterstop at joints, or a robust underdrain system found in current spillway designs. There have been several repairs to the spillway since the original construction. The required maintenance, recent incidents at other dams, and potential design deficiencies prompted Denver Water staff to analyze the spillway for safety and structural integrity.

The analysis that was performed identified unacceptably high risk of failure of the Ralston Dam primary spillway chute when flowing. Consequently, Denver Water has decided to replace critical portions of the spillway chute to meet modern standards. Internal resource limitations necessitated procuring consulting services for the spillway design, and AECOM was selected as the consultant.

The original agreement with AECOM in the amount of \$287,740 was executed under the CEO signing authority. During design, the extent of deficiencies in the spillway chute was discovered to be more significant than originally anticipated and additional subsurface geotechnical information is needed to support design and limit construction risk. This amendment for additional geotechnical information in the amount of \$29,242 brings the total contract over the \$300,000 CEO signing authority and, therefore, Board approval is requested for this amendment.

It is anticipated that another phase of consultant work will be required during construction, which is planned to begin in August 2019. The original Request for Proposal and Agreement stated future contract amendments are at Denver Water's discretion to retain the chosen consultant team to provide services during construction. Board approval will be requested prior to the start of future phases of work.

### **Budget and Schedule:**

The total amount requested for Amendment No. 1 is \$29,242. The original contract amount was \$287,740, and with the amendment the total contract amount will be \$316,982. The contract duration will remain unchanged with an end date of August 30, 2019. Funds for this service/contract will come from the 2019 budget for Ralston Dam Spillway Modification, which has sufficient funds of \$2,881,804 to pay the \$266,805 required for design in 2019.

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

AECOM Technical Services, Inc. was selected for the agreement through a quality-based selection process which included three proposers. The original agreement was awarded November 14, 2018 in the amount of \$287,740. The services for design and bidding will be billed at the hourly rate in the competitively procured agreement.

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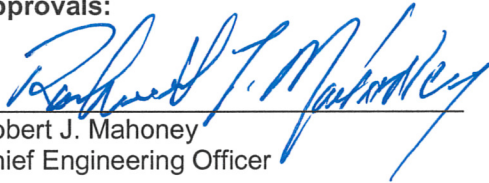
**S/MWBE Information:**

No MWBE goal established for the design portion of the project. A MWBE goal will established for the construction portion of this project.

**Recommendation:**

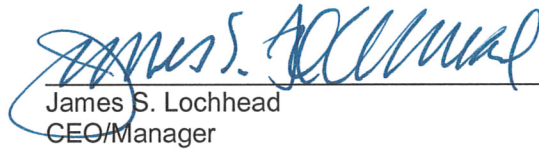
It is recommended that the Board approve the First Amendment to Contract 503731 with AECOM for the design of the Ralston Spillway Modification for an addition of \$29,242 resulting in a total amended contract amount of \$316,982.

**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: April 24, 2019

Board Item: II-B-4

## Mass Excavation, Demolition, Underslab Pipe Install – Floc/Sed and Filters Work Package GMP 4A for Northwater Treatment Plant Contract 503839

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water is in the process of designing and constructing the Northwater Treatment Plant (NTP) on the 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 Mass Excavation, Demolition, Underslab Pipe Install – Floc/Sed and Filters Work Package (WP), also known as GMP 4A, under the Construction Services Agreement with Kiewit Infrastructure Co. (Agreement 503388) in support of advancing the NTP Project through Task 5 – Construction. GMP 4A includes:

- Select utility demolition and disposal to allow excavation of the major NTP structures to occur.
- Site clearing, excavation, grading, and underdrain systems for the Rapid Mix/Flocculation/Sedimentation (Floc/Sed) and Filter Buildings, as well as the Clearwells.
- Installation of large-diameter, underslab pipe at the Floc/Sed and Filter structures.

### **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 4A baseline budget was \$9,000,000, including Owner Contingency of \$1,500,000. The estimate at completion (EAC) based on scope shifts from future GMPs that have occurred since the budget was established is \$13,155,431. The cost of WP 4A is \$11,724,062.62 including Owner and Contractor Contingencies and Allowances, which is below the EAC. The NTP Business Unit for 2019 and 2020 includes sufficient funds for GMP 4A.

### **Contingencies and Allowances:**

As part of GMP 4A, Kiewit Infrastructure Co. is assuming risks related to additional dewatering, effort related to processing and re-use of on-site materials, slope stabilization for excavations, subcontractor performance, additional field welding, and staffing availability. Dewatering, supply of on-site materials, slope stabilization, and staff relocations have been included as allowances, which are estimated at \$408,800. Contractor risks associated with processing on-site materials, subcontractor performance, and field welding have been carried as Contractor Contingency in the amount of \$229,908.93. This results in a total Contractor Contingency allocated to date of \$5,666,733, leaving \$22,333,267 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 extreme weather, for which a \$1,500,000 allocation of Owner Contingency is requested as part of GMP 4A. The allocation for GMP 4A results in \$15,513,400 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 4A. Despite distributing the Request for Proposals to eight bidders, five declined to bid and only three bids were received. Based on best value, the award was split between competitive bids from Kiewit and Esco.

**S/MWBE Information:**


The MWBE participation goal for GMP 4A was established at 6.4%, as accounted for within the original 8% MWBE goal for NTP Construction. Based on the outcome of bids, MWBE participation for GMP 4A is anticipated to be below the established goal at 5.48% versus the set goal of 6.4%, excluding Owner Contingency. Based on 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 503839 with Kiewit Infrastructure Co. for GMP 4A for the NTP Project for the contract period of April 24, 2019 to April 30, 2020, with a total not-to-exceed cost of \$11,724,062.62 (including Owner Contingency).

**Approvals:**

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

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

Respectfully submitted,

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

  
\_\_\_\_\_  
Angela Brucmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 24, 2019

Board Item: V-A-1

## 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 have the following updates and recommendations on legislation below.

#### **HB19-1218 Loaned Water for Instream Flows to Improve Environment** –

This bill modifies the instream flow loan program by expanding the number of years within a 10-year period that a loan may be exercised from three years to five years and allows a loan to be renewed for up to two additional 10-year periods. Denver Water sought and received two amendments in the House, and we are currently supporting the bill. Since your last meeting, the Colorado River District and the Colorado Water Conservation Board have proposed some clarifying language to one of our amendments. We have arrived at an agreement on this and continue to support the bill. **Position: SUPPORT**

**HB19-1271 Augmentation of Instream Flows** – This bill clarifies that the Colorado Water Conservation Board (CWCB) may augment stream flows to preserve or improve the natural environment to a reasonable degree by use of an acquired water right that has been previously quantified and changed to include augmentation use, without requiring a further change of the water right. The CWCB believes this can already be done but the State Engineer does not. A group of water rights holders on the Poudre River are hoping this bill will clarify that this can be done, and they can file such an application. Staff is working with the sponsors to clarify the language of the bill to ensure that these are new applications for augmentation and that they go through water court. Other entities are seeking to add language requiring that updates to infrastructure, such as headgates, are paid for by the applicant. Denver Water does not agree with this approach and believes the bill should be silent on this and leave it up to the court process to determine in each application who pays for such upgrades, and we are seeking that position. **Recommendation: AMEND**

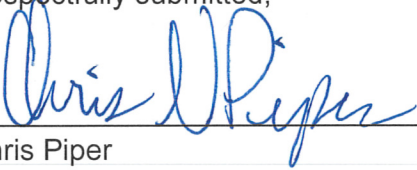
Attached is the full bill report, which includes a summary table followed by a detailed report on each bill we are tracking. Please refer to this attached report for information on all our bills.

### Background

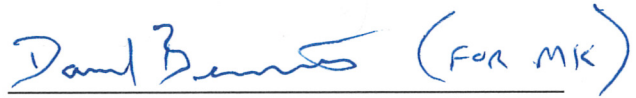
N/A

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

Respectfully submitted,



Chris Piper  
Manager of Government Relations



Mike King  
Chief of External Affairs