

# AGENDA

## Denver Board of Water Commissioners

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

**Wednesday, June 13, 2018 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

### 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 May 9, 2018 - Open and Executive
2. Minutes from May 23, 2018 - Open and Executive
3. Colorado River System Conservation Pilot Program Third Amendment to Contract 15580A - 500977
4. Operations Complex Redevelopment Project Restore Contingency & Public Art Budget
5. Ratification of Construction Contract Change Orders and Amendments and Professional Services Agreement Amendments

**B. Individual Approval Items**

**III. POLICY MATTERS**

- |                                         |              |            |
|-----------------------------------------|--------------|------------|
| <b>A. Continuous Improvement Update</b> | David Winter | 15 minutes |
| <b>B. Property Philosophy</b>           | Amy Turney   | 30 minutes |

**IV. EXECUTIVE UPDATE**

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

**V. BRIEFING PAPERS & REPORTS**

- A. 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: June 13, 2018

Board Item: II-A-3

## Colorado River System Conservation Pilot Program Third Amendment to Contract 15580A - 500977

Action by Consent

Individual Action

### **Purpose and Background:**

On July 30, 2014, Denver Water, the Central Arizona Water Conservation District, the Metropolitan Water District of Southern California, the Southern Nevada Water Authority, and the United States Bureau of Reclamation ("Funders") entered into an agreement ("Funding Agreement") for a pilot program for funding voluntary water conservation and reduction in use within the Colorado River system. Under the Funding Agreement, the Funders have tested several rounds of pilot projects in the Upper and Lower Colorado River Basin to mitigate low levels in Lakes Powell and Mead, among other purposes.

Currently paragraph 6.3 of the Funding Agreement provides that NGOs may contribute funding for pilot projects by making funds available through a party to the Funding Agreement. Since entering into the Funding Agreement, third party non-governmental organizations ("NGOs") have contributed funds to Denver Water and other Funders for funding pilot projects. However, the Funding Agreement is silent as to whether NGOs may provide input on pilot project selection.

Certain NGOs have expressed a desire to provide more input on pilot project selection and the opportunity to provide funding directly rather than through a Funder. To address these desires, Amendment No. 3 amends the Funding Agreement to provide that:

- NGOs may continue to either provide funding through a Funder or contribute funds directly to the pilot program under a Third-Party Contribution Agreement, attached to Amendment No. 3 as Exhibit A.
- NGOs who contribute funds to the Pilot Program may participate directly in the review of project proposals and provide input on project selection.
- If a Funder or NGO does not agree with accepting a project proposal, the Funder or NGO may dissent from funding the project with their funds.

In addition, Amendment No. 3 sets a deadline of December 1 of each year for the Funders to agree on amounts that each Funder will contribute toward the Pilot Program in the following year. No decisions have been made at this time as to whether Denver Water will contribute additional funds to the Pilot Program in 2019.

### **Approval Process for Future Third Party Contribution Agreements or Acceptance of NGO Funds:**

For Third Party Contribution Agreements under Amendment No. 3, the CEO/Manager will be authorized to execute Third Party Contribution Agreements after advising the Board. Subject to the Board's approval of Amendment No. 3, the Board is advised that the CEO/Manager will approve a Third Party Contribution Agreement in conjunction with the other Funders with the Environmental Defense Fund ("EDF") and Walton Family Foundation ("WFF") involving the contribution of \$1 million dollars for the funding of Lower Colorado River Basin projects in 2018.

For NGO contributions made indirectly through Denver Water under paragraph 6.3 of the Funding Agreement, as has been Denver Water's past practice to date, before accepting funds, the CEO/Manager will advise the Board and, if the funds exceed the CEO/Manager's spending authority, the CEO/Manager will request Board approval.

### **Budget and Schedule:**

Neither Amendment No. 3, nor the Third Party Contribution Agreement with the EDF and WFF make any funding commitments on behalf of Denver Water and therefore should not affect the budget.

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

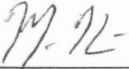
Integrity :: Vision :: Passion :: Excellence :: Respect



**Recommendation:**

It is recommended that the Board approve the Third Amendment to the Funding Agreement under Contract 15580A – 500977.

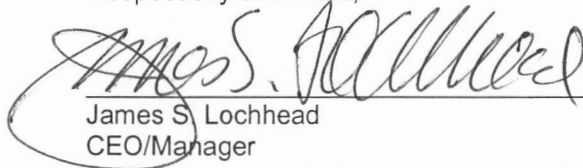
**Approvals:**



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Mike King  
Chief External Affairs Officer

Respectfully submitted,



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James S. Lochhead  
CEO/Manager

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 13, 2018

Board Item: II-A-4

## Operations Complex Redevelopment Project Restore Contingency & Public Art Budget

Action by Consent

Individual Action

### **Purpose and Background:**

The Operations Complex Redevelopment (OCR) project budget was approved on May 27, 2015. The budget included \$1.25M of Owner's Allocated Contingency for environmental issues and \$5M for Owner's Unallocated Contingency. To date, the total Allocated and Unallocated Contingency spent on environmental and unforeseen site conditions is approximately \$4M including the \$1.25M environmental allocation plus an additional \$2.8M from Owner's Unallocated Contingency. As of the OCR Board Report on May 23, 2018, all the Owner's Unallocated Contingency has been spent. To complete the OCR project scope and meet the project objectives, additional funds will be required.

### **Budget and Schedule:**

The approved OCR project budget is \$195.8M. The amount requested in this board item is an additional \$4.6M. The breakdown of the requested amount includes:


- Restoration of Owner's Unallocated Contingency spent to date on environmental issues totaling \$2.8M.
- Future potential environmental risk for the remaining site work based on past trends estimated at \$1.2M; actual amount could be more or less.
- Restoration of the public art budget to 1% of the original construction budget totaling \$600,000.

The 2018 OCR budget does not have sufficient funds for this request. Of the \$4.6M, it is anticipated that \$1.6M will be needed for 2018. Future expenditures will be budgeted in 2019-2020. Any additional expenditures beyond the approved 2018 budget will be reported to the Board quarterly.

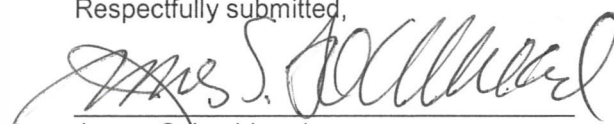
### **Recommendation:**

It is recommended that the Board approve additional funds for the OCR project in the amount of \$4.6M. Of the \$4.6M, \$2.8M will be added to and managed as Owner's Unallocated Contingency, \$1.2M will be added to and managed as Allocated Contingency for environmental issues, and \$600,000 will be added to the public art line item in the budget.

### **Approvals:**

  
Robert J. Mahoney  
Chief Engineering Officer

Respectfully submitted,

  
James S. Lochhead  
CEO/Manager

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Angela Bricmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 13, 2018

Board Item: II-A-5

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

Action by Consent

Action

### Purpose and Background:

The attached are Construction Contracts Change Orders and Amendments and Professional Services Agreement Amendments for Board ratification for March 2018 through April 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.