

AGENDA

Denver Board of Water Commissioners

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

Wednesday, June 26, 2019 9:00 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

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. Vault Modifications 2019-2020 – Contract 503689
2. Third Amendment for Chemical Feed Systems Design for Marston and Moffat Treatment Plants – Contract 503012
3. First Amendment for Lead Reduction Program – Contract 504012
4. Approval of 2020 Medical, Dental and Vision Rates for Employees and Retirees

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B. Individual Approval Items

- | | | |
|--|-----------------|-----------|
| 1. The U.S. Forest Service 2019 Collection Agreement from Forests to Faucets Partnership – Contract 504063 | Christina Burri | 5 minutes |
|--|-----------------|-----------|

III. POLICY MATTERS

- | | | |
|---|----------------|------------|
| A. OCR Update | Jeremy Ross | 10 minutes |
| B. Northwater Treatment Plant Update | Pete McCormick | 15 minutes |

IV. EXECUTIVE UPDATE

A. CEO Update

B. CFO Update

1. Monthly Financial Report

C. Operations Update

V. BRIEFING PAPERS & REPORTS

A. Briefing Papers

B. Reports

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

I. ACTION ITEMS

A. Action Items as Trustee

1. Minutes from May 22, 2019

II. INFORMATION ITEMS

A. Information Items as Plan Sponsor and or Trustee

1. 2018 Annual and Popular reports for the Retirement Plans

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: June 26, 2019

Board Item: II-A-1

Vault Modifications 2019-2020 Contract 503689

Action by Consent

Individual Action

Purpose and Background:

The Vault Modifications Program is an ongoing program to modify, repair, replace, and construct new vaults in Denver Water's Distribution System. The four vault sites included in this project have been selected based on condition assessment, their importance to the system, and the ability to schedule a conduit outage for the work to take place. The current project consists of providing the labor, materials, and equipment for the following locations:

- Kendrick Reservoir and Pump Station, rehab high side meter vault – new 42-inch butterfly valve.
- Chatfield Reservoir and Pump Station, rehab filling valve vault – new 24-inch sleeve valve and 16-inch surge relief valve.
- West Wagon Trail Road and South Lowell Boulevard, rehab vault – two new 8-inch pressure reducing valves.
- West Vassar Place and South Kipling Street, new vault – new 8-inch pressure reducing valve.

Budget and Schedule:

The total amount of this contract is \$1,981,772 and the term of the contract is June 26, 2019 to June 1, 2020. Funds for this contract will come from the 2019 budget for the Vault Modifications 2019-2020 business unit which has sufficient funds to pay the \$802,765 estimated to be needed in 2019. The remaining funds will be budgeted in the year 2020.

Selection of Business Partner:

Denver Water solicited proposals from six general contractors listed on the Prequalified Contractor List under the Civil-Vaults discipline. This contract was a restricted bid process using Invitation to Bids on the QuestCDN platform. On June 6, 2019, bids were received from five general contractors. Aslan Construction, Inc. was selected based on the lowest cost bid.

S/MWBE Information:

The Minority and Women-owned Business Enterprise (MWBE) goal established for this construction project is 5% participation. Aslan Construction, Inc. achieved 9.8% participation.

Recommendation:

It is recommended that the Board approve Contract 503689 with Aslan Construction, Inc. for the 2019-2020 Vault Modifications project for the contract period June 26, 2019, to June 1, 2020, for a total contract amount not to exceed \$1,981,772.

Approvals:

- | | |
|--|--|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Gail Cagle, Chief Human Resources Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Christopher R. Dermody, Chief Information Officer |
| <input type="checkbox"/> Brian D. Good, Chief Administrative Officer | <input checked="" type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input type="checkbox"/> Mike King, Chief External Affairs Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 26, 2019

Board Item: II-A-2

Third Amendment for Chemical Feed Systems Design for Marston and Moffat Treatment Plants Contract 503012

Action by Consent

Individual Action

Purpose and Background:

The Colorado Department of Public Health and Environment (CDPHE), the state's drinking water quality regulatory agency, requires that Denver Water add orthophosphate to the water for the control of lead corrosion. This designation was provided in a letter from CDPHE dated March 20, 2018, with the implementation required at all three drinking water treatment plants (Foothills, Marston, and Moffat) by March 20, 2020.

This third amendment to Contract 503012 includes Services During Construction to support the Denver Water staff with construction of the chemical feed systems at the Marston and Moffat Treatment Plants. The original Request for Proposal stated future agreement amendments are at Denver Water's discretion to retain the consultant team to provide final design work and Services During Construction.

Budget and Schedule:

The amount requested for the third amendment is \$255,604. A table showing the history of amendments is below:

Item	Cost	Description
Original Agreement (November 30, 2017)	\$431,304.00	Preliminary Design for Foothills, Marston, and Moffat
First amendment (April 11, 2018)	\$500,177.30	Final Design and Services During Construction for Foothills
Second amendment (October 10, 2018)	\$503,738.00	Final Design for Marston and Moffat
Third amendment (June 26, 2019)	\$255,604.00	Services During Construction for Marston and Moffat
Total Agreement Amount	\$1,690,823.30	

The total amount of this amendment is \$255,604 and the term of the agreement is November 30, 2017 to June 30, 2020. Funds for this agreement will come from the 2019 budget for the Marston Chemical Feed Systems business unit and Moffat Chemical Feed Systems business unit, which have sufficient funds to pay the \$178,923 estimated to be needed in 2019. The remaining \$76,681 will be budgeted in year 2020.

Selection of Business Partner:

Brown and Caldwell was selected for the agreement through a quality-based selection process which included four proposers. The original agreement was awarded November 30, 2017 in the amount of \$431,304. These services during construction will be billed at the hourly rate in the competitively-procured agreement.

S/MWBE Information:

The Minority and Women-owned Business Enterprise goal established for this project is 5% participation. Brown and Caldwell is anticipated to achieve 13.9% participation.

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Recommendation:

It is recommended that the Board approve the third amendment to Contract 503012 with Brown and Caldwell for services during construction, for an extension of the agreement period through June 30, 2020, and for an additional \$255,604 for a total amended agreement amount not to exceed \$1,690,823.30.

Approvals:

- | | |
|---|--|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Christopher R. Dermody, Chief Information Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input checked="" type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input type="checkbox"/> Gail Cagle, Chief Human Resources Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 26, 2019

Board Item: II-A-3

First Amendment for Lead Reduction Program Contract 504012

Action by Consent

Individual Action

Purpose and Background:

Since 2012, Denver Water has been studying optimal forms of corrosion control to minimize the release of lead from lead service lines and plumbing fixtures with lead solder at customer's taps in Denver Water's treated water service area. Based on Denver Water's studies, on March 20, 2018, the Colorado Department of Public Health and the Environment (CDPHE) designated orthophosphate as optimal corrosion control for Denver Water's system pursuant to the Safe Drinking Water Act's Lead and Copper Rule. Since CDPHE's designation of orthophosphate, Denver Water has proceeded to design and construct facilities necessary to treat with orthophosphate in accordance with CDPHE's designation. At the same time, Denver Water is exploring whether a variance from the Lead and Copper Rule's corrosion control treatment requirements would allow Denver Water to achieve greater public health protection at a reduced monetary and environmental cost for the region.

Conceptually, the variance would involve implementation of a Lead Reduction Program, consisting of a point of use filter distribution and accelerated lead service line replacement program. With the approval of the variance, Denver Water would also seek a treatment modification request from CDPHE to allow it to increase pH levels to further reduce lead releases from customers' service lines and plumbing fixtures.

Denver Water has retained Mott MacDonald, LLC to provide program management services for development of the Lead Reduction Program to support the development of a variance request and design a Lead Reduction Program that can be implemented upon approval by the U.S. Environmental Protection Agency. Under Contract 504012, Mott MacDonald, LLC will complete Phase I which extends from May 10, 2019, through October 18, 2019. Specifically, under Phase I, Mott MacDonald, LLC will:

- Develop a program management plan.
- Program controls and reporting.
- Provide technical support in reviewing and developing Denver Water's variance request and supporting materials.
- Assist with a lead removal filter pilot study.
- Assist with development of a communications, education and outreach plan.
- Develop a lead service line inventory based upon predictive modeling.
- Develop implementation planning.

This contract was initially approved with a not to exceed amount of \$300,000. Because a variance appears to be a promising approach, and Mott MacDonald, LLC will be asked to do additional work under Phase I as listed above, the contract amount needs to be increased to \$1,497,000 to allow Mott MacDonald, LLC to complete all items described above.

Budget and Schedule:

The total amount of this contract is \$1,497,000 and the term of the contract is May 1, 2019, to December 31, 2019. Because of the uncertainty in the scope of the variance and the feasibility of obtaining approval, this contract was not budgeted for 2019. This contract will be paid out of the Variance Lead Program business unit and the variance will be represented in the monthly operating project forecast. The system and program managers will monitor the overall operating project budget throughout the year and identify if an overall budget variance may be needed. If the variance is approved, this contract may need to be amended for additional work in future years.

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Selection of Business Partner:

A Request for Proposal describing the work to be completed in Phase I was issued on April 1, 2019, to eight firms and posted on denverwater.org. Proposals were received from five firms on April 15, 2019. Based upon an objective review of proposals, the selection team interviewed four firms. Mott MacDonald, LLC was selected as the program manager for Phase I of the Lead Reduction Program and will be subcontracting with AECOM Technical Services, Inc. and GBSM (public relations). Both Mott MacDonald, LLC and AECOM Technical Services, Inc. have experience with lead response efforts conducted or currently being conducted in several major U.S. cities.

S/MWBE Information:

Due to the specialized nature of the work requiring experience with lead programs in other large cities around the United States and the expedited schedule, significant opportunities for MWBE participation were not present and participation was not achieved with this contract. However, significant MWBE opportunities will be present if the variance is approved and implemented and the participation goals will be established to obtain higher levels of participation for this work.

Recommendation:

It is recommended that the Board approve the first amendment to Contract 504012 with Mott MacDonald, LLC for program management services for Phase I of Denver Water's Lead Reduction Program and for an addition of \$1,197,000 for a total amended contract amount not to exceed \$1,497,000.

Approvals:

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Christopher R. Dermody, Chief Information Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input type="checkbox"/> Gail Cagle, Chief Human Resources Officer | <input checked="" type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 26, 2019

Board Item: II-A-4

Approval of 2020 Medical, Dental and Vision Rates for Employees and Retirees

Action by Consent

Individual Action

Purpose and Background:

Denver Water is self-insured for medical and dental costs, which means that the total cost of claims is paid by Denver Water contributions, employee/retiree contributions, and employee/retiree out-of-pocket payments. As part of the annual process to establish employee and retiree contributions for plan coverage, the previous plan year performance is reviewed.

The review reflects an increase in the cost of claims to the medical plan resulting in a cost increase for the 2020 medical plan of 16.4% (\$2.6 million). While the cost of the plan is increasing for both Denver Water and employees, the split between what is contributed by Denver Water and employees is recommended to remain at the 83/17 percent split respectively. The rationale for this recommendation is the demand on internal resources to configure this change into ADP and PeopleSoft will put the January 1, 2020 implementation of ADP at risk.

To cover this cost increase, Denver Water's contribution is approximately \$15.6 million, and the employee/retiree contribution is approximately \$3.2 million, distributed by plan type as depicted in the attached 2020 Medical, Dental and Vision rates document.

Dental and vision plan rates will remain status quo for 2020. The rates need to be established at this time so the Open Enrollment configuration can begin in the benefits system, and communication to employees can begin now. Open Enrollment for 2020 will be completed one last time in PeopleSoft and will occur Aug. 24, 2019 – Sept. 9, 2019.

2020 Medical Plan Rates:

- Plan contribution will increase from 2019 by 16.4%
- Maintain the 83% / 17% (employer / employee and retiree) contribution split
- Wellness incentive of \$15/month will be continued
- No plan design changes

2020 Dental and Vision Plan Rates:

- No increase to plan contribution
- No plan design changes

Budget and Schedule:

The 2020 contribution rates will be included in the 2020 budget process.

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Recommendation:

It is recommended the Board approve the 2020 Medical, Dental and Vision Contributions described in the attached rate document.

Attachment: 2020 Medical, Dental and Vision Rates Document

Approvals:

- | | |
|---|--|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Christopher R. Dermody, Chief Information Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Gail Cagle, Chief Human Resources Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 26, 2019

Board Item: II-B-1

The U.S. Forest Service 2019 Collection Agreement From Forests to Faucets Partnership Contract 504063

Action by Consent

Individual Action

Purpose and Background:

Since 2010, the From Forests to Faucets Partnership (Partnership) has been a successful collaborative partnership between Denver Water and the U.S. Forest Service (USFS). The goals of the partnership are to implement forest and watershed health projects to reduce the risk of catastrophic wildfire and restore forests impacted by catastrophic wildfire events in Denver Water's priority watersheds.

An expanded Partnership program was approved by the Board on December 14, 2016. The program was initiated by a Memorandum of Understanding (MOU) with the USFS, Colorado State Forest Service (CSFS), and Natural Resources Conservation Service. Under the expanded partnership, Denver Water will invest \$16.5 million in forest and watershed health, which will be matched at least dollar for dollar by USFS and/or CSFS for a total value of the Partnership of over \$33 million.

Every year under the MOU, the USFS submits a collection agreement for the proposed forest health projects. This collection agreement (Contract 504063) for \$1,949,084 is from the MOU's committed funds as part of the partnership. The focus of this agreement is to conduct wildfire risk reduction, watershed restoration and improvements, and maintenance of past and current treatments on approximately 7,561 acres on National Forest System lands within priority watersheds.

Budget and Schedule:

It is anticipated we will spend \$1,500,000 in 2019, and the remainder of this agreement will be paid in subsequent years as the work is completed. Funds for this contract will come from the 2019 budget for From Forests to Faucets business unit, which has sufficient funds. Any variances to the spending against this budget will be reported as an exception on the Quarterly Performance Reports.

S/MWBE Information:

S/MWBE is not applicable for this item.

Recommendation:

It is recommended that the Board approve Contract 504063 for \$1,949,084 with USFS for forest health and wildfire risk reduction for the contract period June 26, 2019 to June 26, 2024.

Approvals:

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Christopher R. Dermody, Chief Information Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input checked="" type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
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