

AGENDA

Denver Board of Water Commissioners

Video Conference: <http://zoom.us/join>, Meeting ID: 995 6256 0553 - Passcode: 318526 or

Dial in (669) 900-6833 - Meeting ID: 995 6256 0553 - Passcode: 318526

Wednesday, June 9, 2021 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. Minutes from May 12, 2021
2. Minutes from May 26, 2021
3. Adoption of Arapahoe County's Local All-Hazard Mitigation Plan
4. Revision to Operating Rules Chapter 2
5. Recommendation for Across-The-Board Base Pay Adjustments

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B. Individual Approval Items

- | | | |
|--|------------|------------|
| 1. Aquifer Storage and Recovery Feasibility Study | Bob Peters | 10 minutes |
| a. Aquifer Storage and Recovery Feasibility Study: Capitol Hill Exploratory Borehole and Monitoring Well – Contract 504897 | | |

III. POLICY MATTERS

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 D.R.M.C Sec. 2-34.

- A. Confidential Report

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 9, 2021

Board Item: II-A-3

Adoption of Arapahoe County's Local All-Hazard Mitigation Plan

Action by Consent

Individual Action

Purpose and Background:

The purpose of multi-hazard mitigation planning is to reduce or eliminate long-term risk to people and property. In order for state, local, and tribal jurisdictions to be eligible for Federal Emergency Management Agency (FEMA) assistance prior to, during and after a disaster strikes, they must develop all-hazard mitigation plans. Each jurisdiction, along with their supporting stakeholder agencies, must participate in the plan development, identify mitigation projects within their agency's jurisdiction/property, manage and maintain their daily operational commitments, formally adopt the plan and submit the completed plan to FEMA for approval. These all-hazard mitigation plans must be reviewed and updated in 5-year cycles.

In 2012, several local county governments (participating counties below) asked that Denver Water participate in their local planning effort due to the extent of Denver Water's infrastructure located in their counties. Denver Water's Emergency Management Program continues to participate in these local planning efforts to ensure pre- and post-disaster funding opportunities are available should something occur which impacts the water system.

As a local government entity, Denver Water could prepare its own comprehensive all-hazard mitigation plan instead of being a stakeholder in other jurisdictions' plans. The benefits of being a stakeholder include: less expense; greater transparency and awareness of holistic community-based risks; and improved community relationships. Depending on the risks identified, there may also be an opportunity to work with local communities in obtaining grant funding to either further analyze or mitigate risks. As a stakeholder, Denver Water commits staff time to report the status of projects to local communities. There are no additional projects required by this plan, only projects that Denver Water has already committed to.

Denver Water is participating as a stakeholder in the following counties' All-Hazard Mitigation Plans:

- Adams County
- Arapahoe County
- Douglas County
- Denver City & County
- Douglas County
- Jefferson County
- Grand County
- Summit County

Each jurisdiction will require approval by a separate resolution. As the plans become ready, staff will seek a resolution for each plan.

Budget and Schedule:

There is no budgetary impact for this item. Any/all projects are currently held under specified program areas.

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Recommendation:

Staff recommends that the Board approve the Arapahoe County mitigation plan as it pertains to Denver Water.

Approvals:

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

TITLE: RESOLUTION ADOPTING THE ARAPAHOE COUNTY MULTI-HAZARD MITIGATION PLAN 2021 AS IT PERTAINS TO DENVER WATER.

ADOPTED AND APPROVED ON JUNE 9, 2021 BY THE CITY AND COUNTY OF DENVER ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

Gary M. Reiff, Board President

James S. Lochhead, CEO/Manager

WHEREAS, Arapahoe County requested that the City and County of Denver, acting by and through its Board of Water Commissioners (Denver Water), as a property owner in Arapahoe County, participate in mitigation planning prescribed by the Disaster Mitigation Act of 2000 by assisting in the preparation of Arapahoe County's Multi-Hazard Mitigation Plan; and

WHEREAS, Denver Water recognizes the threat that natural hazards pose to people and facilities within Arapahoe County; and

WHEREAS, undertaking hazard mitigation actions will reduce the potential for harm to people and property from future hazard occurrences; and

WHEREAS, the Colorado Department of Emergency Management and the Federal Emergency Management Agency (FEMA) Region VIII officials have reviewed the Arapahoe County Multi-Hazard Mitigation Plan and approved it contingent upon official adoption of the participating governing body; and

WHEREAS, Denver Water desires to comply with the requirements of the Disaster Mitigation Act where it specifically references Denver Water within the Arapahoe County Multi-Hazard Mitigation Plan; and

WHEREAS, Denver Water, in conjunction with Arapahoe County Government is recognizing the FEMA approval of the Arapahoe County Multi-Hazard Mitigation Plan, which inventories the threat that natural hazards pose to people and property within that community; and

WHEREAS, an adopted Multi-Hazard Mitigation Plan is required as a condition of future funding for mitigation projects under multiple FEMA pre- and post-disaster mitigation grant programs; and

Adopted by the Board on June 9, 2021

WHEREAS, Denver Water has facilities within the Planning Area, and participated in the mitigation planning process to prepare this Multi-Hazard Mitigation Plan; and

NOW, THEREFORE, BE IT RESOLVED: The City and County of Denver, acting by and Through its Board of Water Commissioners, hereby adopts the Arapahoe County Multi-Hazard Mitigation Plan as it pertains to Denver Water.

Adopted by the Board on June 9, 2021

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 9, 2021

Board Item: II-A-4

Revisions to Operating Rules Chapter 2

Action by Consent

Individual Action

Purpose and Background:

The purpose of these revisions is to align business processes for internal staff and to provide clarity for customers. Denver Water staff periodically reviews Denver Water Operating Rules to ensure the necessary business rules are consistent and provide guidelines in which to conduct daily business activities. This set of proposed revisions addresses two distinct issues. The first provides clarification on System Development Charge (SDC) credits for existing customers. The second aligns Denver Water's policy and practices around reinstatement of water service for customers who are working to pay down their bill. A team of employees from Sales Administration, Finance, Public Affairs, and the Office of General Counsel collaborated on the following set of proposed revisions.

Revise Rule 2.07.6 (a) Calculation of SDC Credit. We recommend a revision to clarify that Denver Water determines the dollar amount of the SDC credit in a manner that is consistent with the SDC schedule adopted by the Board in 2013. Current practice is to determine a dollar amount for the customer to use towards the purchase of a new water tap based on the nature and size of the existing tap to be cut. Thus, if an existing multifamily property is redeveloped, the SDC credit will be calculated based on the dollar value listed in the SDC schedule for obtaining a new tap.

Revise Rule 2.10.2 (a) and (c) Suspension for Non-Payment. We recommend a revision to allow for Denver Water to reinstate water service for customers that are making any effort to pay down their bill, rather than require payment in full. In reviewing our procedures to resume shut offs after COVID, staff determined that the verbiage requiring payment in full was inconsistent with Denver Water's practice of working with the customer toward payment of past-due charges.

The proposed revisions are attached and clarify these rules. These revisions have been reviewed by Denver Water's distributors and no major concerns were raised.

Budget and Schedule:

There is no budgetary impact for this item.

Recommendation:

Staff recommends the Board approve the revisions to the Operating Rules outlined in the attachment.

Approvals:

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

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 9, 2021

Board Item: II-A-5

Recommendation for Across-The-Board Base Pay Adjustments

Action by Consent

Individual Action

Purpose and Background:

The objective of Denver Water's Total Rewards philosophy is to create a well-balanced and fiscally responsible Total Rewards Program that attracts and retains top talent.

A core component of our Total Rewards philosophy is base pay that is market-based and competitive. Annual salary adjustments are consistent with that philosophy and are the primary means to maintain competitive base pay at Denver Water.

Due to the economic uncertainty associated with the pandemic, many employers including Denver Water did not plan for base pay increases in their 2021 budgets. However, with the economy and business operations rebounding, employers are now beginning to implement those adjustments.

Initial data from our 2021 market analysis indicates that overall, Denver Water's base pay is still competitive, but has dropped 5% in comparison to the market median. Average base-pay adjustments for peer organizations and the broader market continue to hover around 3%.

Staff proposes to implement an overall 3% across-the-board pay adjustment for all employees with a Fully Meets or higher rating for the 2020 performance review cycle. Because 2020 performance evaluations were completed under the assumption of no merit pay, staff proposes base pay adjustments that are tied to the employee's position in their pay range and their date of hire, with no differentiation for overall performance rating (i.e., Fully Meets, Consistently Exceeds, Outstanding). Additionally, to align with when employees would have received their 2020 pay adjustments, staff proposes that employees receive a lump sum adjustment for the pay period beginning March 21, 2021, through the implementation of the percentage pay increases. If approved, the percentage increases would be implemented in employee pay checks on July 2, 2021.

Budget and Schedule:

The proposed adjustment results in a variance of approximately \$1.9M, plus applicable payroll taxes, to the 2021 budget.

Recommendation:

Staff recommends the Board approve a 3% budget for an across-the-board base pay increase in 2021 to maintain our competitive position in the market and to be implemented as described above.

Approvals:

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

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 9, 2021

Board Item: II-B-1-a

Aquifer Storage and Recovery Feasibility Study: Capitol Hill Exploratory Borehole and Monitoring Well Contract 504897

Action by Consent

Individual Action

Purpose and Background:

Denver Water's long-range planning identified Aquifer Storage and Recovery (ASR) as a potentially feasible water supply option for the future. ASR involves utilizing wells to store potable water from the distribution system within the Denver Basin aquifers during years of adequate supply. During droughts, stored water is recovered, treated, and delivered to customers. Investigations began in 2014 with the goal of constructing an operational ASR facility. As a result of the investigations, staff identified the Capitol Hill Pump Station and Reservoir facility as a good candidate for the first facility.

The next steps toward developing the Capitol Hill ASR Project require that Denver Water verify that the aquifer at this specific site is suitable for ASR by drilling an exploratory borehole to conduct geophysical logging, as well as collect water and rock samples to analyze water quality and aquifer properties. This information is also required to begin the permitting process with the Environmental Protection Agency to obtain authorization for the eventual injection of water into the aquifers. If aquifer conditions are favorable for ASR and a permit is acquired from the EPA, ASR wells will be constructed in the future under a separate effort that includes detailed operational testing of the wells. Under Contract 504897 for Part 1 of this project Leonard Rice Engineers (LRE) will competitively procure field contractors for borehole drilling, noise abatement, geophysical logging, sample collection, and monitoring well installation. Upon conclusion of Part 1, an amendment will be presented to the Board addressing the expenditures for Part 2, involving the field work. Part 2 is estimated to cost \$600,000-\$800,000. LRE will oversee and manage implementation of the field work.

Budget and Schedule:

The total amount of this contract is \$80,334 and the term of the contract is June 9, 2021 through December 31, 2021. Funds for this contract will come from the 2021 budget for the Aquifer Storage and Recovery Feasibility Study, which has sufficient funds to pay the \$80,334 estimated to be needed in 2021.

Selection of Business Partner:

A Request for Proposals for the consulting services for this project was published on April 2, 2021 on the Denver Water web site and the RFP was directly sent to nine firms known to have the requisite experience. Fifteen firms attended a pre-proposal meeting held on April 15, 2021. Two proposals were submitted. Proposals were reviewed by a team of employees from External Affairs, Operations & Maintenance, Engineering, and the Office of General Counsel. The team selected LRE due to their experience implementing this type of work. LRE successfully managed the procurement and oversight of similar work for Denver Water in 2015 and 2016.

S/MWBE Information:

S/MWBE goals have not been established for Part 1 of this project. A goal of 5% has been established for Part 2.

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Recommendation:

Staff recommends that the Board approve Contract 504897 with LRE for procurement of borehole drilling, logging, sampling, monitoring well installation, and noise abatement services for the contract period June 9, 2021 through December 31, 2021 for a total contract amount not to exceed \$80,334.

Approvals:

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