

AGENDA

Denver Board of Water Commissioners

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

Wednesday, August 14, 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. Minutes from July 10, 2019 – Open Session
2. Minutes from July 24, 2019 – Open Session
3. Resolution Authorizing Acquisition of Property Via Eminent Domain for the Gross Reservoir Expansion Project at Colorado Highway 72
4. Intergovernmental Agreement with Platte Canyon Water and Sanitation District for Collection of District Surcharge – Contract 504112
5. Amendment to Personnel Policies Chapter 7 and Chapter 12

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B. Individual Approval Items

- | | | |
|---|-----------------|------------|
| 1. Hillcrest Reservoir and Pump Station Replacement Project Modification to Contract 15979A/501033 Budget | Paul Ries | 5 minutes |
| 2. Resolution for Variance from the Lead and Copper Rule to Implement Denver Water's Proposed Lead Reduction Program Plan | Nicole Poncelet | 45 minutes |

III. POLICY MATTERS

- | | | |
|---|-----------------|------------|
| A. 2nd Quarter Performance Report | Angela Bricmont | 30 minutes |
| B. Dam Safety Program | Darren Brinker | 30 minutes |
| C. Hazeltine Reservoir | Ryan Stitt | 5 minutes |

IV. EXECUTIVE UPDATE

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

V. BRIEFING PAPERS & REPORTS

- A. Briefing Papers**
- B. Reports - Dam Safety Update**

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

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 14, 2019

Board Item: II-A-3

Resolution Authorizing Acquisition of Property Via Eminent Domain for the Gross Reservoir Expansion Project at Colorado Highway 72

Action by Consent

Individual Action

Purpose and Background:

The Board plans to construct the Gross Reservoir Expansion (GRE) project as part of its long-term, multi-pronged water supply approach which includes conservation, recycled water, and responsible sourcing of new supply. The GRE 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 crucial in providing a secure water future for Denver Water customers.

The Board's staff determined that certain improvements are necessary at the intersection of State Highway 72 and Gross Dam Road to safely allow for construction traffic and the continued use of the intersection. A portion of these improvements are located on private lands that, once the alignment is approved by the Colorado Department of Transportation, will need to be acquired, potentially using eminent domain.

As the construction stage of the project approaches, the Board's staff has determined that they should begin the process of acquiring the necessary private lands.

Budget and Schedule:

Funds will come from the 2019 budget for the GRE project business unit, which has sufficient funds for the cost of these acquisitions.

S/MWBE Information:

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

Recommendation:

It is recommended that the Board adopt the attached resolution authorizing negotiations for the acquisition of lands at the intersection of State Highway 72 and Gross Dam Road.

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 type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input checked="" 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 type="checkbox"/> Thomas J. Roode, Chief Operations Officer |
| <input type="checkbox"/> Gail Cagle, Chief Human Resources Officer | |

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 14, 2019

Board Item: II-A-4

Intergovernmental Agreement with Platte Canyon Water and Sanitation District for Collection of District Surcharge Contract 504112

Action by Consent

Individual Action

Purpose and Background:

Platte Canyon Water and Sanitation District (Read & Bill 215, Contract 500187) has requested that Denver Water include a surcharge on bills sent to customers in their district. Operating Rule 6.06.3 provides that an additional Distributor Improvement Charge may be added to customers' bills at the request of a distributor. The surcharge proceeds would be used by Platte Canyon Water and Sanitation District to fund immediate replacement of infrastructure in their Read & Bill service area. The district is generally located between South Platte Canyon Road and South Wadsworth Boulevard between West Bowles Avenue and West Chatfield Avenue and serves approximately 3,074 customers.

Upon Board approval, Platte Canyon Water and Sanitation District will pay the standard \$2,205 for the initial development of the surcharge billing capability. Once the program begins, Platte Canyon Water and Sanitation District customers will be billed a monthly surcharge on their water bill. Denver Water will remit to Platte Canyon Water and Sanitation District the proceeds from the surcharge minus Denver Water's quarterly fee of \$444.15 or \$1,777.00 annually.

The contract may be terminated by either party with 60 days written notice. If terminated by Denver Water within five years, Platte Canyon Water and Sanitation District is not entitled to a refund.

Budget and Schedule:

The total amount of this contract is \$2,205 and the term of the contract is September 1, 2019 to September 1, 2029. Funds for this contract will come from the 2019 budget for Distributor Relations Budget, which has sufficient funds to pay the one-time \$2,205 initial set up fee estimated to be needed in 2019 which will then be reimbursed in full by Platte Canyon Water and Sanitation in 2019.

S/MWBE Information:

S/MWBE is not applicable for this item.

Recommendation:

It is recommended that the Board approve Contract 504112 with Platte Canyon Water and Sanitation District for collection of the surcharge.

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 type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" 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: August 14, 2019

Board Item: II-A-5

Amendment to Personnel Policies Chapter 7 and Chapter 12

Action by Consent

Individual Action

Purpose and Background:

In preparation for the implementation of the new enterprise human resources information system, ADP, staff has reviewed business processes, policies and procedures associated with human resources, payroll and time keeping, ensuring our processes align with ADP “out of the box” best practices. This approach allows Denver Water to implement industry best practices without making costly and unnecessary customizations to the ADP system. While additional Personnel Policies may require modification, there are four policies that must be modified now to complete the approval of the ADP system configuration.

7-3-(5) PTO Cash Conversion:

Current policy requires employees to have five years of service to be eligible to participate in PTO cash conversion. Removing the 5-year requirement will streamline ADP system processing and eliminate the need for manual intervention. Changes to this policy will also help contribute to reducing PTO liability enabling more employees to participate.

7-6-(1)(f) Use of Accrued Leave and 7-9-(2) Injury Leave and Workers’ Compensation:

Current policies allow employees on short-term disability leave to use up to four hours a day of paid leave (PTO or personal leave) while off work to supplement their disability pay (disability wage replacement is approximately 45% of full wages). Removing the hour threshold will allow employees more financial flexibility during their time of disability, while contributing to reducing PTO liability.

7-17 Succession Planning – Pre-Retirement Part Time Employment:

Current policy allows eligible employees who intend to retire within two years to work part-time while making contributions to health insurance at full-time employee rates. This policy has been minimally utilized over the last 8 years. With the transition to ADP, this policy would add an additional cost to the set-up in ADP because of the need for additional tables and configuration. Employees will still be able to request a part-time work schedule to transition to retirement but will no longer be able to contribute to health insurance at a full-time rate.

12-7 On-Call Pay:

Current policy does not reflect the practice of call-back pay when an employee is called back for unscheduled work outside of his/her normal shift. The policy is revised to add this practice into our process, and to be in alignment with ADP’s recommendation of best practices.

Budget and Schedule:

There is no budgetary impact for this item.

Recommendation:

It is recommended that the Board adopt the modifications to the Personnel Policies described in the attachment.

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Approvals:

- James S. Lochhead, CEO/Manager
- Julie Anderson, Chief of Staff
- Jessica R. Brody, General Counsel
- Angela C. Bricmont, Chief Financial Officer
- Gail Cagle, Chief Human Resources Officer

- Brian D. Good, Chief Administrative Officer
- Mike King, Chief External Affairs Officer
- Robert J. Mahoney, Chief Engineering Officer
- Thomas J. Roode, Chief Operations Officer

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 14, 2019

Board Item: II-B-1

Hillcrest Reservoir and Pump Station Replacement Project Modification to Contract 15979A/501033 Budget

Action by Consent

Individual Action

Purpose and Background:

The Hillcrest Reservoir and Pump Station Replacement project consists of the demolition of two existing 15-million-gallon rectangular storage tanks, a 12,000 square foot pump station, switch gear, switchyard, and pumps. The existing structures have had multiple issues with expansive soils causing permanent damage over the past 50 years. The demolished infrastructure will be replaced with three 15-million-gallon post-tensioned tanks, a 16,000 square foot pump station with 11 large pumps, switch gear, and a switch yard.

On November 4, 2015, the Board approved Contract 501033, previously known as 15979A, with MWH Constructors, Inc. as the Construction Manager at Risk (CMAR) for the Hillcrest Reservoir and Pump Station project for \$100,000,000 along with an additional \$2,000,000 in owner's contingency. Final contract costs, determined as Guaranteed Maximum Prices (GMPs), were negotiated and agreed upon with Denver Water for each of the proposed six work packages identified in the table below.

During construction and demolition, Denver Water was able to dewater onsite conduits and found significant deterioration of the pipes. Replacement of these conduits required amendments to the original project scope. The Board was updated through a briefing paper on December 6, 2017 and a milestone update presentation on June 21, 2018. The table outlines the amendments to the original scope and associated costs totaling \$3,727,859.

The total awarded CMAR GMP for all work packages is \$97,583,485. This includes an underrun of \$1,200,000 of Work Package 3 at completion. The amendments in scope, in addition to the total awarded CMAR GMP, require a total GMP of \$101,311,344. To reconcile the \$3,727,859 of amendments to the original scope, an additional \$1,500,000 is requested to fund Work Packages 5 and 6. The Table summarizes the requested modification to Contract 501033.

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**Hillcrest Reservoir and Pump Station
Work Package and Contract Summary Table**

Work Package/Scope Amendment Description	November 2015 – Anticipated Budget	Awarded or Closed GMP	Scope Amendment Amount
WP 1 - Pipe Procurement	\$2,413,740	\$1,373,895	
WP 2 - Pipe Install	\$11,420,000	\$7,025,442	
WP 3 - Tanks	\$59,966,420	\$56,551,119	
Backflow Preventers			\$91,603
Conduit 29 Leak Repairs			\$223,686
Conduit 29 Replacement			\$2,295,350
Conduit 28 Replacement			\$552,903
Conduit 28 Pipe Modification			\$564,317
WP 4 - Pump Station	\$23,800,000	\$30,880,274	
WP 5 - Happy Canyon Site Restoration	\$1,199,840	\$1,909,864	
WP 6 - Pump Station Site Restoration	\$1,200,000	\$1,042,891	
	\$100,000,000	\$98,783,485	\$3,727,859
WP 1 through 6 - Contract Underrun to Completion		\$1,200,000	
Total CMAR GMP		\$97,583,485	
Scope Amendments Total		\$3,727,859	
Required Total GMP		\$101,311,344	
Additional Funds Required		\$1,311,344	
August 14, 2019 Requested Modification to CMAR Budget		\$1,500,000	
Owner's Contingency		\$2,000,000	
Estimate at Completion		\$103,500,000	

Note:

1. WP 3 - Tanks scope amendments were required additions to the original scope of the GMP work packages.
2. As of July 2019 Pay Application, WP 3 - Tanks is underrunning its awarded GMP contract amount of \$56,551,119 by \$1,200,000.

Finally, another issue was encountered that the contractor is continuing to assess. During substructure demolition of the old water storage tanks, additional asbestos has been discovered and Denver Water staff, along with MWH and its environmental sub-consultant are currently working with Colorado Department of Public Health and Environment to finalize a sampling and abatement plan. Denver Water will update the Board as we learn more information, and additional funds to reconcile the discovered asbestos and abatement will be presented for approval in a future board item once cost becomes finalized. An estimated cost range is between \$2,000,000 and \$4,000,000.

Budget and Schedule:

The total amount of this project budget increase request is \$1,500,000 and the term of the contract is unchanged. These additional funds will be budgeted and used in the 2020 budget.

Selection of Business Partner:

MWH Constructors, Inc. was selected as the CMAR through a quality-based selection process which included six proposers. The original CMAR contract was awarded November 4, 2015 in the amount of \$100,000,000.

S/MWBE Information:

The Minority and Women-owned Business Enterprise goal for the overall project is 5% and MWH Constructors, Inc. is currently realizing a 7.8% participation.

Recommendation:

It is recommended that the Board approve this request to award Work Packages 5 and 6 and modify the budget for Contract 501033 with MWH Constructors, Inc. for the Hillcrest Reservoir and Pump Station Replacement project within the original contract period of November 4, 2015 through September 1, 2020 for an addition of \$1,500,000 for a total contract budget amount \$101,500,000, plus use of previously-approved owner's contingency of \$2,000,000 for a total not to exceed budget of \$103,500,000.

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 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 type="checkbox"/> Thomas J. Roode, Chief Operations Officer |
| <input type="checkbox"/> Gail Cagle, Chief Human Resources Officer | |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 14, 2019

Board Item: II-B-2

Resolution for Variance from the Lead and Copper Rule to Implement Denver Water's Proposed Lead Reduction Program Plan

Action by Consent

Individual Action

Purpose and Background:

The proposed Resolution authorizes the CEO/Manager and staff to submit an application to the Environmental Protection Agency (EPA) for a variance from the corrosion control treatment requirements under the Safe Drinking Water Act's Lead and Copper Rule.

In 2012, at the end of Denver Water's annual lead and copper monitoring period, the 90th percentile value for sample results of lead levels in tap water for Denver Water's sampling pool of homes with known lead service lines or lead solder was 17 µg/L, exceeding the Lead and Copper Rule action level of 15 µg/L. In response to the 2012 lead action level exceedance, which was Denver Water's first and only exceedance of the lead action level, Denver Water conducted a detailed study to improve its corrosion control treatment. Based upon the study, the Colorado Department of Public Health and Environment designated orthophosphate treatment as optimal corrosion control treatment for Denver Water's system.

Although orthophosphate treatment is effective at reducing lead concentrations at customers' taps, Denver Water has developed a Lead Reduction Program Plan which will achieve greater public health benefits at a much faster rate. The Lead Reduction Program Plan will also avoid the adverse consequences of orthophosphate treatment, which include increased wastewater treatment costs to remove phosphorus, impacts to the environment and certain Denver Water facilities, as well as long-term capital, operation and maintenance costs.

Under the variance, Denver Water will seek approval from EPA to implement its Lead Reduction Program Plan in place of orthophosphate treatment. The Lead Reduction Program Plan involves several essential elements, including the development of a lead service line inventory for the integrated system, an accelerated lead service line replacement program that will replace all service lines within the integrated system within 15 years, and a filter distribution program to customers with known, likely or possible lead service lines.

Budget and Schedule:

This item will result in an overall program cost of approximately \$293,700,000 to \$591,900,000 over the next 15 years.

Recommendation:

It is recommended that the Board adopt the proposed resolution approving a variance request from the Lead and Copper Rule to implement Denver Water's proposed Lead Reduction Program Plan.

Approvals:

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input checked="" type="checkbox"/> Thomas J. Roode, Chief Operations Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input checked="" 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 |
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