

# AGENDA

## Denver Board of Water Commissioners

Video Conference: <http://zoom.us/join>, Meeting ID: 867 2845 0917 - Passcode: 601026 or

Dial in (669) 900-6833 - Meeting ID: 867 2845 0917 - Passcode: 601026

Members of the public are asked to participate via video conference due to COVID-19 safety protocols

**Wednesday, May 25, 2022 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. Last Chance Ditch Diversion Dam Replacement - Contract 504770

#### B. Individual Approval Items

- |  |                |            |
|--|----------------|------------|
| 1. Northwater Treatment Plant Update                                     | Pete McCormick | 15 minutes |
| a. Construction Oversight<br>Amendments – Contracts 501559<br>and 501471 |                |            |

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- |  |               |            |
|--|---------------|------------|
| 2. Property, Casualty, and Cyber Insurance Policy Renewals/Purchases | Usha Sharma   | 5 minutes  |
| 3. 2021 Audited Financial Statements                                 | Juilie Lorton | 15 minutes |

### **III. POLICY MATTERS**

### **IV. EXECUTIVE UPDATE**

- A. CEO Update**
- B. CFO Update - Financial Report - April 30, 2022**
- C. Operations Update**

### **V. BRIEFING PAPERS & REPORTS**

- A. Briefing Paper**
- B. Report**
  - 1. Lead Reduction Program Dashboard

### **VI. ADJOURNMENT**

## VII. TRUSTEE MATTERS

### I. ACTION ITEMS

1. Meeting as Trustee: Minutes from April 27, 2022 Trustee Meeting
2. Meeting as Trustee and or Plan Sponsor: 2021 Retirement Plans Audited Financial Statements Sam Hellwege, CLA 10 minutes
3. Meeting as Trustee: Actuarial Report for the Employees' Retirement Plan and Other Postemployment Benefits Paul Wood, GRS 20 minutes

### II. INFORMATION ITEMS

1. Meeting as Plan Sponsor: 1Q 2022 Performance Report for 401(k) Plan and 457 Plan - Portfolio Evaluations, Inc. Greg McCarthy, PEI 10 minutes
2. Meeting as Trustee: DB Plan - 1Q 2022 Performance Report Usha Sharma 5 minutes
3. Meeting as Trustee and or Plan Sponsor: 1Q 2022 Summary Retirement Program Report for DB Plan, 401(k) Plan and 457 Plan

## 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: May 25, 2022

Board Item: II-A-1

## Last Chance Ditch Diversion Dam Replacement Contract 504770

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to execute a contract for the construction of the Last Chance Ditch Diversion Dam Replacement. The Last Chance Ditch Diversion Dam is a raw water diversion on the South Platte River at the mouth of Waterton Canyon. The existing dam structure dates to 1903. For an unknown period, the diversion was idle. In 2003 modifications were made to the diversion structure and gates, and Conduit No. 157 was constructed to reestablish water diversions from this location to the Kessler Pump Station. In spring of 2020, major deterioration of the downstream face of the concrete dam was identified. A business case process identified full replacement of the structure as the preferred alternative. This contract is to replace the diversion dam structure and reconfigure the diversion gate to Conduit No. 157.

### **Budget and Schedule:**

The total amount of this contract is \$1,645,200 and the term of the contract is May 25, 2022 through April 5, 2023. Funds for this contract will come from the 2022 budget for Last Chance Diversion Replacement business unit, which has \$597,676 budgeted. A 2022 project budget increase in the amount of \$140,000 is recommended by the Systems and Programs Managers to account for the contractor payments, owner procured material, and internal labor. The balance of funds required for this contract will be budgeted in budget year 2023.

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

Denver Water solicited bids from four general contractors listed on the prequalified contractor list under the Heavy Civil discipline. This contract was a restricted bid process using invitations to bid on the QuestCDN platform. On May 3, 2022, bids were received from four general contractors. ACC Mountain West of Colorado was selected based on the lowest cost bid.

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

The Small Minority and Women-owned Business Enterprise goal established for this construction project is 5% participation. ACC Mountain West achieved 5% participation.

### **Recommendation:**

Staff recommends that the Board approve Contract 504770 with ACC Mountain West for Last Chance Ditch Diversion Dam Replacement for the contract period May 25, 2022 through April 5, 2023 for a total contract amount not to exceed \$1,645,200.

### **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"/> Richard B. Marsicek, Chief Water Resource Strategy 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 Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer                  |

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: May 25, 2022

Board Item: II-B-1-a

## Northwater Treatment Plant Construction Oversight Amendments Contracts 501559 and 501471

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to present two contract amendments necessary to advance the Northwater Treatment Plant (NTP) project through the Facilities Commissioning and Startup (FCS) of the construction phase. In accordance with the NTP objectives, the project planning, design, and construction are being completed in a series of tasks as shown in Table 1.

**Table 1: Project Delivery Tasks**

Task	Status
Task 1: Mobilization	Complete
Task 2: Design Services Procurement	
Task 3: Preliminary Design	
Task 4A: 30% Design	
Task 4B: Final Design	
Task 5A & 6: Construction Oversight and Transfer of Facility Ownership	In Progress
Task 5B: Construction	In Progress

The planning, design, and construction professional services were split into multiple Design Packages (DPs) for procurement, which occurred between 2016 and 2019. The DPs for NTP are shown in Table 2.

**Table 2: Design Packages**

DP No.	DP Name
1	Site and Civil
2	Treatment Process Systems and Structures
3	Electrical, Instrumentation and Controls
4	Ancillary Treatment
5	Architectural and Building Mechanical
6	Post-Tensioned Tanks
7	Moffat Facility Improvements
9	NTP Programming

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At the time, the above amendments were anticipated to carry the DPs through completion of Task 5A and 6 – Construction Oversight and Transfer of Facility Ownership. However, changes in team makeup and the needs of the Project have necessitated additional amendments for DP02 and DP03. The amendments presented herein include the following:

- Eighth amendment to DP02 Contract 501559 with CH2M Hill Engineers, Inc. (CH2M) to provide additional FCS support and training for Denver Water Operations and Maintenance staff on NTP systems and processes. This amendment increases CH2M's Task 5A and 6 budget by \$559,886.
- Eighth amendment to DP03 Contract 501471 with Carollo Engineers (Carollo) to perform electrical and instrumentation field inspection services following the departure of a full-time Denver Water Construction Project Inspector from the team. The position was backfilled by a consultant with expertise on the technology and Project. Additional scope within this amendment includes Carollo's support of FCS and training for Denver Water Operations and Maintenance staff on NTP systems and processes. This amendment increases Carollo's Task 5A budget by \$1,569,146.

**Budget and Schedule:**

The amounts of these amendments are \$559,866 for Contract 501559, and \$1,569,146 for Contract 501471. The terms of these contracts commence May 25, 2022 and end December 31, 2024. Funds for these contracts will come from the 2022 budget for the NTP business unit, which has sufficient funds to pay the \$950,000 estimated to be needed in 2022. The remaining \$1,179,032 will be budgeted in years 2023 through 2024. While these amendments will not impact the NTP budget, they will increase the current project estimate at completion from \$512.5 million to \$514.6 million.

**Selection of Business Partner:**

Contracts being amended within this Board item were originally procured using competitive selection. Competitive selection of all NTP consultants occurred between 2016 and 2019, after which each was contracted for only the initial phase of work.

**S/MWBE Information:**

Goals were established for each DP contract prior to initiation of procurement, with a program MWBE participation goal for design of 4% to 8%. To date, all DP consultant contracts are meeting or exceeding their participation goals. No additional participation is anticipated to be achieved as a result of these amendments due to the limited scope of services.

**Recommendation:**

Staff recommends that the Board approve the following amendments to professional services contracts detailed below for construction oversight and transfer of facility ownership associated with the NTP Project.

- Eighth amendment to Contract 501559 with CH2M for \$559,886, resulting in a total contract value of \$10,419,215.
- Eighth amendment to Contract 501471 with Carollo for \$1,569,146, resulting in a total contract value of \$14,543,992.

**Approvals**

- James S. Lochhead, CEO/Manager
- Julie Anderson, Chief of Staff
- Jessica R. Brody, General Counsel
- Angela C. Bricmont, Chief Finance Officer

- Brian D. Good, Chief Administrative Officer
- Richard B. Marsicek, Chief Water Resource Strategy Officer
- Robert J. Mahoney, Chief Engineering Officer
- Thomas J. Roode, Chief Operations Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: May 25, 2022

Board Item: II-B-2

## Property, Casualty, and Cyber Insurance Policy Renewals/Purchases

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to obtain the Board's approval of the 2022-2023 insurance strategy and delegate renewal of the agreements to the CEO to bind annual coverage. At the May 11, 2022, Board meeting, Marsh, Denver Water's insurance broker, presented and recommended Denver Water renew its existing insurance policies including property, fiduciary, excess liability, crime, cyber, terrorism, and malicious attacks. All lines of coverage except for crime insurance will be effective for the next 12 months, beginning June 1, 2022.

### **Budget and Schedule:**

The total amount of these policy renewals is \$1,081,571 and the term of the policies are June 1, 2022, through May 31, 2023 for all lines of coverage, except for crime, which has a three-year policy period beginning on June 1, 2020 with an end date of May 31, 2023. Funds for these services will come from the 2022 insurance budget. The Finance division budgeted \$1,081,241 in the 2022 budget for the above policies; a budget variance of \$330 will be required.

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

Denver Water issued a Request for Proposal for broker services in June 2019 and received five proposals. Marsh was selected based on their experience, staffing plan, understanding of work, professional references, demonstrated expertise, and pricing. Marsh markets Denver Water's property and casualty insurance every three to five years, or sooner if market conditions exist.

### **Recommendation:**

Staff recommends that the Board approve the 2022-2023 insurance strategy and delegate renewal of the agreements for property and equipment, excess liability, fiduciary, crime, cyber, terrorism, and malicious attack insurance to the CEO to bind annual coverage. The total amount of this renewal is \$1,081,571.

### **Approvals**

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

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: May 25, 2022

Board Item: II-B-3

## 2021 Audited Financial Statements

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to present the Denver Water's audited financial statements for the Board's acceptance. CliftonLarsenAllen, LLP (CLA), Denver Water's external auditors, conducted an audit of the financial statements in accordance with Generally Accepted Auditing Standards resulting in an unmodified (clean) opinion.

The audited financial statements being provided to the Board are included in the Annual Comprehensive Financial Report (Annual Report) for Denver Water. The audit opinion is incorporated into the financial statements as the "Independent Auditors' Report." Upon the Board's acceptance, the Annual Report is posted to both the internal and external Denver Water websites, and the Electronic Municipal Market Access (EMMA) website in compliance with SEC regulations.

Below are some highlights:

The Annual Report shows Denver Water's financial position to be strong at the end of 2021, with an overall increase in net position of over \$97 million. The operating revenues were down due to weather-related lower water sales in 2021 compared to 2020. An increase in capital contributions, e.g., system develop charges, mitigated the impact of lower operating revenues. Operating expenses were very similar between years, with a 2% increase.

Capital assets grew \$326.9 million in 2021. The two largest additions were the Northwater Treatment Plant comprising \$121 million and regulated assets, or the Lead Reduction Program, at \$61 million. The Water Resource Center at the National Western Complex is reflected on the financial statements as a \$10 million-dollar prepaid expense, as it is not a Denver Water asset. The expense will be recognized when the lease is incurred, at the completion of the project.

The Employees' Retirement Plan (pension) is reported as a Fiduciary Pension Trust Fund and is incorporated in Denver Water's basic financial statements.

### **Budget and Schedule:**

There is no budgetary impact for this item.

### **Recommendation:**

Staff recommends that the Board accept the 2021 Annual Comprehensive Financial Report for Denver Water.

### **Approvals**

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

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