

AGENDA

Denver Board of Water Commissioners

Video Conference: <http://zoom.us/join>, Meeting ID: 922 0745 7751 - Passcode: 367275 or

Dial in (669) 900-6833 - Meeting ID: 922 0745 7751 - Passcode: 367275

Wednesday, January 13, 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

D. Legislative Update

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 December 2, 2020
2. Minutes from December 16, 2020
3. Clarkson Pump Station Renovation – Contract 504358
4. Foothills Treatment Plant Conversion to LAS and Hydro DC System – Contract 504339
5. Dillon Marina Lease with Town of Dillon – Contract 504740

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B. Individual Approval Items

- | | | |
|---|------------|------------|
| 1. Hazeltine Material Removal | Ryan Stitt | 10 minutes |
| a. Hazeltine Reservoir Material Removal for SACWSD IGA - Contract 504745 and Fourth Amendment - Contract 503956 | | |

III. POLICY MATTERS

- | | | |
|---|-------------------|------------|
| C. Water Supply Update | Jason Finehout | 10 minutes |
| D. Four Mile Creek Fen Wetland Mitigation Bank Update | Jessica Alexander | 10 minutes |

IV. EXECUTIVE UPDATE

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

V. BRIEFING PAPERS & REPORTS

- A. Briefing Paper
 - 1. Briefing Paper for Four Mile Creek Fen Wetland Mitigation Bank
- 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: January 13, 2021

Board Item: II-A-3

Clarkson Pump Station Renovation Contract 504358

Action by Consent

Individual Action

Purpose and Background:

Clarkson Pump Station was built in 1966 and is one of Denver Water's pumping stations that maintains water pressure in a particular delivery zone. It is located near the intersection of West Belleview Avenue and South Broadway Boulevard in Greenwood Village. The pump station maintains pressure during periods of high demand and is particularly important when certain equipment at Highlands Pump Station and Hillcrest Pump Station is out of service. The pump station still contains most of its original equipment and has required increased maintenance over the last eight years. Spare parts are becoming increasingly difficult to find and currently only three of the six pumps are operational. Work performed under this contract will renovate Clarkson Pump Station, replacing all its mechanical and electrical equipment.

Budget and Schedule:

The total amount of this contract is \$4,480,588 and the term of the contract is January 13, 2021 through May 12, 2022. Funds for this contract will come from the 2021 Clarkson Pump Station Renovation business unit, which includes sufficient funds to pay the \$2,000,000 estimated to be needed in 2021. The remaining \$2,480,588 of this contract will be budgeted in the year 2022.

Selection of Business Partner:

Denver Water solicited bids from four general contractors listed on the prequalified contractor list under the Water Treatment and Pump Station discipline. This contract was a restricted bid process using invitations to bid on the QuestCDN platform. On December 17, 2020, bids were received from four general contractors. Moltz Construction, Inc. of Colorado was selected based on the lowest cost bid.

S/MWBE Information:

The Minority and Women-owned Business Enterprise goal established for this construction project is 12% participation. Moltz Construction, Inc. has proposed 13.1% participation.

Recommendation:

Staff recommends that the Board approve Contract 504358 with Moltz Construction, Inc. for the Clarkson Pump Station Renovation project for the contract period January 13, 2021 through May 12, 2022 for a total contract amount not to exceed \$4,480,588.

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 |

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: January 13, 2021

Board Item: II-A-4

Foothills Treatment Plant Conversion to LAS and Hydro DC System Contract 504339

Action by Consent

Individual Action

Purpose and Background:

Denver Water utilizes chlorine and ammonia to form chloramines for water disinfection within the distribution system. The Foothills Treatment Plant is converting the ammonia system used in the disinfection process to liquid ammonium sulfate (LAS). LAS is an inherently safer chemical compared to ammonia and has the advantage of decreasing galvanic corrosion potential in lead plumbing. The Marston and Moffat Treatment Plants converted to LAS in February and May 2020 respectively, and the Northwater Treatment Plant includes LAS.

As part of this project, the direct current (DC) system on the hydroelectric generator at the Foothills Treatment Plant will be replaced because the batteries are beginning to show signs of acid leakage. The charging system is original from the 1980s and parts are no longer available for repairs. The conversion to LAS and replacement of the hydroelectric generator DC system has been combined into one project for economy of scale and to limit the number of contractors on the Foothills Treatment Plant site at one time.

Budget and Schedule:

The total amount of this contract is \$1,538,800 and the term of the contract is January 13, 2021 through November 5, 2021. Funds for this contract will come from the 2021 Foothills Conversion to Liquid Ammonium Sulfate business unit, which does not include sufficient funds to pay the \$1,538,800 estimated to be needed in 2021 since the estimate was not reworked at 90% by a construction contractor due to the tight project schedule. A project budget adjustment of \$535,800 is recommended by the System and Program Managers.

Selection of Business Partner:

Denver Water solicited bids from five general contractors listed on the prequalified contractor list under the Water Treatment and Pump Stations disciplines. This contract was a restricted bid process using invitations to bid on the QuestCDN platform. On December 22, 2020, bids were received from five general contractors. Glacier Construction Company, Inc. of Colorado was selected based on the lowest cost bid.

S/MWBE Information:

The Minority and Women-owned Business Enterprise goal established for this project is 5% participation. Glacier Construction Company, Inc. has proposed a 14.9% participation.

Recommendation:

Staff recommends that the Board approve Contract 504339 with Glacier Construction Company, Inc. for construction of the Foothills Treatment Plant Conversion to LAS and Hydro DC System for the contract period January 13, 2021 through November 5, 2021 for a total contract amount not to exceed \$1,538,800.

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 |

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: January 13, 2021

Board Item: II-A-5

Dillon Marina Lease with the Town of Dillon Contract 504740

Action by Consent

Individual Action

Purpose and Background:

The Town of Dillon (Town) and the Denver Board of Water Commissioners entered into a lease agreement in September of 1994 for the operation of the Dillon Marina. The marina has been operational on Denver Water property since that lease agreement was effective.

The Dillon Marina has become a key part of the waterfront experience in Dillon. The Town has continually updated and expanded their marina operation within the lease boundary over the past 25 years. Recently, the Town has also made major improvements to their amphitheater and park located on the adjacent town property. The Town recently adopted a Master Plan for the area, reflecting the continued use of the waterfront as a Town amenity.

Over the last year, we have been working with the Town to determine ways of protecting water quality while allowing for continued recreation on Dillon Reservoir. The Town has prepared Spill Prevention, Control, and Countermeasures (SPCC) Plan to ensure that they are prepared in the event of an accidental spill. In addition, the Town has agreed to remove fuel tanks from the docks, further reducing the chance for an inadvertent spill while also increasing the level of insurance that the Town carries in regards to the marina operation.

The Town pays 4% of their gross revenue from the marina operation to the Dillon Reservoir Recreation Committee (DRReC). DRReC uses these funds to support signage, enforcement, and recreation improvements within the established DRReC boundary around the reservoir.

Budget and Schedule:

There is no budgetary impact for this item, the funds generated by the agreement are directed to DRReC.

Recommendation:

It is recommended that the Board approve Contract 504740 lease agreement for Dillon Marina with the Town of Dillon.

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 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: January 13, 2020

Board Item: II-B-1-a

Hazeltine Reservoir Material Removal for SACWSD Intergovernmental Agreement (Contract 504745) and Fourth Amendment to Contract 503956

Action by Consent

Individual Action

Purpose and Background:

The purpose of this intergovernmental agreement and contract amendment is to accommodate a request from South Adams County Water and Sanitation District (SACWSD) to remove additional material from Hazeltine Reservoir to enlarge the reservoir while also reducing Denver Water's costs to complete construction.

Hazeltine Reservoir is the largest of five downstream reservoirs in Denver Water's North Complex and is the most critical for operations of the Complex. The Complex will be used to store water generated as reusable return flows from transbasin diversions. Hazeltine Reservoir is a reclaimed gravel mine, and material is being removed from the reservoir to develop a total of 30,000 acre-feet of storage. Following completion of material removal in 2020, the final step in completing the reservoir floor will be grading to provide drainage to the north end of the reservoir toward the future pump station wetwell and reduce the potential for dead pool storage. Denver Water's partner in the Complex, SACWSD, desires to pay for additional removal of up to 800,000 CY of material to provide 500 acre-feet of additional storage for its use. A key benefit to Denver Water will be the completion of the majority of final floor grading, saving Denver Water an estimated \$500,000.

The SACWSD Intergovernmental Agreement (Contract 504745) provides for SACWSD to pay costs associated with material removal, including site dewatering. The Fourth Amendment to Contract 503956 directs the contractor, Concrete Express, Inc. (dba CEI), to remove up to 800,000 CY of common fill for SACWSD.

Budget and Schedule:

The work will begin in 2021 and will be completed in 2024, in time for construction of the Hazeltine Pump Station. All costs for this work, with the exception of periodic Denver Water construction inspection oversight, will be paid by SACWSD. Following approval of the agreement, the long-term forecast will be revised to significantly reduce, and possibly eliminate, capital expenditures for final grading.

Selection of Business Partner:

Due to the unique and specialized nature of this work, Denver Water solicited a proposal from CEI. The proposal was evaluated based on the experience of the firm and the designated personnel proposed, availability of designated personnel, and the cost of the proposed services. CEI was found to meet the criteria required to perform the needed services. SACWSD has requested to utilize CEI based on their successful completion of Hazeltine Reservoir material removal for Denver Water.

S/MWBE Information:

Due to the specialized nature of the work, no Minority and Women-Owned Business Enterprise goal was established for this project.

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Recommendation:

Staff recommends the Board approve:

1. The Intergovernmental Agreement (Contract 504745) with South Adams County Water and Sanitation District for removal of up to 800,000 CY of excess material from January 1, 2021 through September 30, 2024; and
2. The Fourth Amendment to Contract 503956 with CEI to execute the removal of up to 800,000 CY of excess material and to complete the final grade of Hazeltine Reservoir.

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 |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: January 13, 2021

Board Item: V-A-1

Briefing Paper for Four Mile Creek Fen Wetland Mitigation Bank

Strategic Plan Alignment

The 17-year process to establish Denver Water's Four Mile Creek Fen Wetland Mitigation Bank (Bank) concluded recently in November 2020. The Bank supports the Excellent Operations Perspective and Environmental Stewardship Goal in the Strategic Plan. Denver Water is an industry leader in its ownership and management of this certified wetland mitigation bank. In taking a long-term view to proactively restore the unique wetland habitat on its property located in the headwaters of the South Platte River, Denver Water recognized the ecological value and opportunities afforded in the creation of the Bank.

Lenses: Customer Centric Industry Leader Long-Term View

Summary

The purpose of this briefing paper is to inform the Board that the Bank's remaining credits were approved by the U.S. Army Corps of Engineers (Corps) on November 24, 2020, following a final Corps site inspection this past July. This represents the final step of the Bank's establishment and approval process, which is a milestone concluding this long-term project that began in 2003.

- The Bank is located nine miles southeast of the Town of Fairplay in Park County. The wetland is adjacent to Four Mile Creek, a perennial tributary to the South Platte River. Denver Water owns and maintains approximately 1,870-acre feet of the historical Four Mile Creek Ranch within which the Bank lies.
- Staff presented an update on the Bank to the Board on October 11, 2017, whereby the Board approved a long-term protection instrument on title that will preserve and maintain the Bank's unique wetlands.
- On November 29, 2017, the Corps approved Denver Water's withdrawal of 3.36 credits from the Bank for use as compensatory mitigation to offset impacts to wetlands due to its Moffat Collection System Project and the Gross Reservoir Expansion.

Background

Mitigation banks are a federally approved means of compensating for wetland impacts regulated under Section 404 of the Clean Water Act. Mitigation banks are wetland areas that are restored, enhanced, created, or preserved with the express purpose of providing required compensation for future wetland impacts. A Section 404 permit recipient withdraws sufficient credits from the bank to offset wetland losses resulting from permitted activities. Most commonly, credits are purchased from a third-party bank; however, entities can develop banks specifically for their own use. Such "single-user" banks are commonly created by agencies, such as

the Colorado Department of Transportation, that have a frequent need for compensatory mitigation. The Four Mile Creek Fen Mitigation Bank (Bank) has been designed as a single-user bank for use by Denver Water to meet its own regulatory compliance needs.

In 2003, Denver Water initiated the process to create a wetlands mitigation bank on its Four Mile Ranch property in Park County. The Corps approved the Bank Enabling Instrument (BEI) agreement to commence the project on August 27, 2007. Construction of the Bank to restore the condition of the existing fen wetlands onsite was completed in 2010. Post-construction monitoring of the restoration was completed in 2014.

Fens are a special type of groundwater-fed wetland found in high alpine valleys, which tend to occur near existing raw water collection infrastructure or in areas that may be desirable for future water development projects. Fens provide benefits to water quality, and they consist of peat soils that take thousands of years to accumulate. The U.S. Fish and Wildlife Service has designated fens as "Resource Category 1" habitats, whereby its management goal is "no net loss." Currently, federal jurisdictional agencies do not recognize an acceptable form of mitigation for impacts to fens. As a result, the ability to acquire authorizations for projects that may adversely affect fens poses many challenges.

Denver Water's Bank is unique in that it is the only fen wetland bank approved by the Corps in the U.S. to date. The Bank's 75 acres of wetlands is also impressive for its size. Although it is not a commercial bank and the credits are not for sale, the value of the Bank's wetlands is difficult to measure but when compared to commercial wetland banks across the West, the Bank's credits are estimated to be worth approximately \$100,000 per credit. This estimate would put the total value of the Bank's 64.1 credits at roughly \$6.41 million.

Construction of the Bank's restoration consisted almost exclusively of filling a 4,300-ft long drainage ditch that was built on site in the 1970's by a previous ranch owner to drain the wetlands. Filling the ditch and repairing the wetlands restored the natural hydrologic function and ecological diversity of the wetlands. The Bank met all performance standards required of the annual post-construction monitoring. A comparison of the Bank's 2004 pre-restoration conditions with the 2014 post-restoration conditions found that the restoration efforts exceeded expectations and so the total restored wetland area was significantly larger than originally predicted.

To ensure the Bank's long-term protection, the 2007 BEI agreement required a binding covenant be placed on title, which limits uses within the Bank to those conservation uses necessary to accomplish preservation, maintenance, and repair among other Corps-approved uses. On October 11, 2017 the Board approved a long-term protection instrument on the property title.

In total, the Bank contains 75 acres of extremely rich fen and associated mineral soil wetland that were restored along with 41 acres of surrounding grasslands that serve as an upland buffer. In the 2007 BEI agreement, the Corps established

conversion ratios to determine the amount of mitigation credits the Bank would receive. Thus, the Corps determined that the Bank would receive 64.1 mitigation credits based on the amount of preserved fen and upland buffer, 10 credits more than the Corps' original estimate.

Due to the astonishing positive response of the wetland area to the restoration treatments and the resulting increase in credits realized, there was significant delay in the Corps' approval of the full amount of Bank credits. Ultimately, the Corps approved the full 64.1 credits, which was consistent with the crediting procedures outlined in the 2007 BEI agreement.

Finally, on November 24, 2020, the Corps approved the entire extent of 64.1 credits at the Bank, which is now recognized on its public database Regulatory In-lieu Fee and Bank Information Tracking System (RIBITS) website <https://ribits.ops.usace.army.mil/>.

I would like to thank the Board for its continued support of this project over the last 17 years and the numerous current and former Denver Water staff that have supported this project and who work to maintain the ecological richness of this unique property today.

Budget	N/A
Alternatives	N/A
Approach	N/A
Owner(s)	Jessica Alexander
Attachments	Presentation, Four Mile Creek Fen Wetland Mitigation Bank, update January 27, 2021

Respectfully submitted,

Jessica Alexander, Environmental Lead Scientist Mike King, Chief External Affairs Officer