

# AGENDA

## Denver Board of Water Commissioners

Video Conference: <http://zoom.us/join>, Meeting ID: 974 9132 8348 - Passcode: 225086 or

Dial in (669) 900-6833 - Meeting ID: 974 9132 8348 - Passcode: 225086

**Wednesday, November 17, 2021 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. Minutes from October 27, 2021
2. Fifteenth Authorization for Additional Contract Funds for Oracle America Inc. – Contract 500409
3. City Ditch Non-Potable Water Lease Agreement - Contract 504950
4. Website Hosting and Technical Support Services - Contract 504952
5. Purchase and Sale Agreement from Shea Homes, Limited Partnership for High Line Canal property - Contract 504879

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## **B. Individual Approval Items**

- |  |                |            |
|--|----------------|------------|
| 1. Memorandum of Understanding to Establish the High Line Canal Collaborative - Contract 505050  | Tom Roode      | 5 minutes  |
| 2. Lead Reduction Program Update   | Alexis Woodrow | 15 minutes |
| a. Fifth Amendment for Mott MacDonald, LLC - Contract 504012   |                |            |
| b. Accelerated Lead Service Line Replacement for Lead Reduction Program (2022) - Contracts 505056, 505057, 505058  |                |            |
| c. Accelerated Lead Service Line Replacement for Lead Reduction Program – Approval of 2021 Total Contract Amount Exceedance for Contracts 504686, 504687 |                |            |

## **III. POLICY MATTERS**

- |                                       |                 |            |
|---------------------------------------|-----------------|------------|
| <b>A. Q3 Performance Report</b>       | Stephanie Abram | 20 minutes |
| <b>B. North Water Treatment Plant</b> | Pete McCormick  | 15 minutes |

## **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

### I. ACTION ITEMS

1. Meeting as Trustee: Minutes from October 17, 2021  
Trustee Meeting

### II. INFORMATION ITEMS

- |    |   |                       |            |
|----|---|-----------------------|------------|
| 1. | <u>Meeting as Trustee and or Plan Sponsor</u> : DB Plan -<br>3Q 2021 Performance Report - Callan                                      | Aneta Rettig          | 5 minutes  |
| 2. | <u>Meeting as Plan Sponsor</u> : 3Q 2021 Performance<br>Report for 401(k) Plan and 457 Plan - Portfolio<br>Evaluations, Inc           | Greg McCarthy,<br>PEI | 10 minutes |
| 3. | <u>Meeting as Trustee and or Plan Sponsor</u> : 3Q 2021<br>Summary Retirement Program Report for DB Plan,<br>401(k) Plan and 457 Plan | Aneta Rettig          |            |

## 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: November 17, 2021

Board Item: II-A-2

## Fifteenth Authorization for Additional Contract Funds for Oracle America Inc. Contract 500409

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Action by Consent

Individual Action

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### **Purpose and Background:**

The purpose of this Board item is to renew the yearly maintenance and support contract for Oracle's Customer Care and Billing (CC&B) software. This software is used to manage the full customer lifecycle for Denver Water, including tap sales, meter reading, billing, payments, collections, field work, and customer correspondence. The terms and conditions remain unchanged.

### **Budget and Schedule:**

The requested amendment amount of \$347,697.43 will increase the total amount of this contract to \$6,077,518.70 and the term of this contract is January 1, 2008, through December 27, 2022. Funds for this contract will be included in the proposed 2022 budget of the IT Customer Information Systems business unit, to pay the \$347,697.43.

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

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

### **Recommendation:**

Staff recommends that the Board approve the Fifteenth Amendment to Contract 500409 with Oracle America Inc. for the CC&B software maintenance and support for an extension of the contract period through December 27, 2022, for an addition of \$347,697.43, for a total amended contract amount not to exceed \$6,077,518.70.

### **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"/> 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 Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer                  |

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 17, 2021

Board Item: II-A-3

## City Ditch Non-Potable Water Lease Agreement Contract 504950

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to approve a lease agreement to provide non-potable water to the City and County of Denver (City) for irrigation at the Harvard Gulch Park and Golf Course (Harvard Gulch Park Complex). The non-potable water lease agreement with the City involves a lease of 48 statutory inches, which equates to 1.25 cfs, under Priority No. 1 of the City Ditch water right from April 1 through October 31 for irrigation at Harvard Gulch Park Complex.

The lease is being issued in fulfillment of Denver Water's obligations under a December 24, 2015 Interagency Agreement (2015 Agreement) with the City. Under the 2015 Agreement, the City agreed to construct an irrigation pond and convert its irrigation system at the Harvard Gulch Park Complex from potable to raw water to be delivered via the City Ditch. This resulted in a reduction of 126 acre-feet of potable water demand. Upon completion of construction, Denver Water is required to issue "a new contract to [Denver] Parks for irrigation water from City Ditch in the amount of forty-eight (48) statutory inches (1.25 cfs.), . . . for which Parks will pay the City of Englewood at the published City Ditch rate."

Denver Water owns the City Ditch water right, subject to existing leases, and at one time owned the physical ditch from its headgate to its terminus at City Park, in Denver. However, under a December 1, 2003 City Ditch/High Line Canal Agreement (2003 Agreement) with Englewood, Denver Water transferred to Englewood ownership of a segment of the ditch extending from its headgate at Chatfield Reservoir up to the City Ditch Harvard Gulch blow-off. With the transfer of the ditch to Englewood, Englewood agreed to be responsible for charging fees to existing and future contract users South of the Harvard Gulch blow-off, which includes the new headgate installed to make deliveries to irrigate the Harvard Gulch Park Complex.

Pursuant to the 2003 Agreement with Englewood, the City will pay to Englewood the annual assessment set for the inches of water leased to the City, which will cover Englewood's cost of service to the Harvard Gulch Park Complex.

### **Budget and Schedule:**

There is no budgetary impact for this item.

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

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

### **Recommendation:**

Staff recommends that the Board approve this perpetual Non-Potable Water Lease Agreement, Contract 504950 with the City and County of Denver.

### **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"/> Richard B. Marsicek, Chief Water Resource Strategy 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: November 17, 2021

Board Item: II-A-4

## Website Hosting and Technical Support Services Contract 504952

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to recommend approval of Contract 504952 with Interpersonal Frequency for website hosting and technical support services. The hosting and technical support are for denverwater.org, our public facing website, grossreservoir.org, the custom site for the Gross Reservoir Expansion Project and denverwater.org/TAP, Denver Water's news site.

Through this new contract, Denver Water would pay an annual fee for the firm to continue website hosting and development services for the websites named above. The contract includes updated security protections and a subscription to Voice of Citizen, a service that collects analytics about how website visitors use the sites. We use this data to improve user experiences.

### **Budget and Schedule:**

The total amount of this contract is \$460,000 and the contract term is December 1, 2021 through December 31, 2025. Funds for this contract will come from the 2021 budget for the Integrated Marketing Business Unit, which has sufficient funds to pay the \$37,354 estimated to be needed in 2021. The remaining \$422,646 will be budgeted in years 2022 through 2025.

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

Denver Water Procurement issued a request for information (RFI) to gather information about the capabilities of other vendors, as well as pricing for support hours, annual hosting fees and migration costs. Nineteen different vendor responses were evaluated, and although costs for hosting and support services were comparable to the current vendor, additional costs to migrate to a new platform were prohibitive. Based on this, the team determined to continue working with the current contractor, Interpersonal Frequency.

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

Interpersonal Frequency is a Small Business Enterprise and certified Minority-Owned Business Enterprise.

### **Recommendation:**

Staff recommends that the Board approve Contract 504952 with Interpersonal Frequency for website hosting and technical support services for the contract period December 1, 2021 through December 31, 2025, for a total contract amount not to exceed \$460,000.

### **Approvals:**

James S. Lochhead, CEO/Manager

Brian D. Good, Chief Administrative Officer

Julie Anderson, Chief of Staff

Richard B. Marsicek, Chief Water Resource Strategy Officer

Jessica R. Brody, General Counsel

Robert J. Mahoney, Chief Engineering Officer

Angela C. Bricmont, Chief Financial Officer

Thomas J. Roode, Chief Operations Officer

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 17, 2021

Board Item: II-A-5

## Purchase and Sale Agreement from Shea Homes, Limited Partnership for High Line Canal property Contract 504879

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Action by Consent

Individual Action

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### **Purpose and Background:**

The purpose of this Board item is to approve the acquisition of property adjacent to the High Line Canal from Shea Homes, LP, to maintain continuity of the maintenance road and recreation path in the areas where the canal channel was widened for stormwater purposes.

In 2019, Denver Water entered into an Intergovernmental Agreement with Mirabelle Metropolitan District to allow stormwater to be discharged into the High Line Canal. The Mirabelle Metropolitan District manages the Solstice development on property originally owned by Shea Homes, LP in Douglas County. The 2019 agreement allowed the canal channel to be widened to accommodate the development's stormwater with adequate freeboard. In locations where bridges were constructed over the widened canal, the adjacent maintenance road and recreation path, needed to be relocated onto the bordering property. To ensure Denver Water's maintenance access along the canal and the continuity of ownership of the recreation path, Shea Homes, LP will convey the necessary parcels through the Purchase and Sale Agreement Contract 504879 at no cost.

### **Budget and Schedule:**

There is no budgetary impact for this item.

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

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

### **Recommendation:**

Staff recommends that the Board approve Contract 504879 with Shea Homes, LP to acquire property adjacent to the High Line Canal.

### **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 type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer               |
| <input type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input checked="" type="checkbox"/> Thomas J. Roode, Chief Operations Officer       |

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 17, 2021

Board Item: II-B-1

## Memorandum of Understanding to Establish the High Line Canal Collaborative Contract 505050

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to enter into an agreement establishing a collaborative decision-making group with thirteen regional jurisdictional partners who have interests in the High Line Canal, be it for recreation, stormwater, irrigation, or other land use benefits. The resulting Collaborative will guide decisions to ensure the High Line Canal is preserved, protected, and enhanced as a regional legacy for future generations.

Denver Water owns and operates the High Line Canal for irrigation purposes. The 100-foot corridor consisting of a canal channel with a maintenance road/recreation trail, traverses 71 miles across the metro area from Douglas County to Aurora. The corridor has become a recreation and greenway treasure for the cities and counties it crosses. The canal channel has also been studied and proven suitable for various stormwater utility purposes in addition to its irrigation use.

For more than 10 years, jurisdictions from across the region have been collaborating on how to preserve and enhance the greenway in light of limited irrigation water deliveries and increased recreation and stormwater needs. The High Line Canal Conservancy (Conservancy), a non-profit organization dedicated to harness private funding for the benefit of the canal corridor, desires to establish a collaborative team that will meet and make decisions as a unit for the benefit of the High Line Canal. The Collaborative will consist of County of Arapahoe, Colorado, (Arapahoe County), the City of Aurora (Aurora), the City of Littleton (Littleton), the City of Cherry Hills Village (Cherry Hills), the City and County of Denver, by and through the Department of Parks and Recreation (Denver Parks), the City and County of Denver, acting by and through its Board of Water Commissioners (Denver Water), South Suburban Park and Recreation District (SSPRD), the Southeast Metro Stormwater Authority (SEMSWA), the City of Greenwood Village (Greenwood Village), the Highlands Ranch Metropolitan District (Highlands Ranch Metro), Mile High Flood District (MHFD) and the Conservancy. The Conservancy will serve as backbone to the Collaborative, providing facilitation, communication and coordination of the partners to enhance shared goals and funding opportunities. The contribution to support this facilitation from each of the Collaborative members is \$10,000 per year.

### **Budget and Schedule:**

The total amount of this contract is \$250,000 and the term of the contract is November 17, 2021 through November 17, 2046. Funds for this service/contract will come from the Chief OM Officer 2021 budget which has sufficient funds to pay the \$10,000 estimated to be needed in 2021. The remaining \$240,000 will be budgeted in subsequent years.

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

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

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**Recommendation:**

Staff recommends that the Board approve Contract 505050 with Arapahoe County, Aurora, Littleton, Cherry Hills, Denver Parks, Douglas County, SSPRD, SEMSWA, Greenwood Village, Highlands Ranch Metro, MHFD and the Conservancy for purpose of establishing the High Line Canal Collaborative for the contract period November 17, 2021 through November 17, 2046 for a total contract amount not to exceed \$250,000.

**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"/> 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 Financial Officer | <input checked="" type="checkbox"/> Thomas J. Roode, Chief Operations Officer       |

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 17, 2021

Board Item: II-B-2-a

## Fifth Amendment for Mott MacDonald, LLC Contract 504012

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to amend Contract 504012 with Mott MacDonald, LLC for 2022 services.

On May 15, 2019, Denver Water entered into Contract 504012 with Mott MacDonald, LLC (Mott) for program management services in support of Denver Water's effort to secure a variance from the Safe Drinking Water Act's corrosion control treatment requirements under the Lead and Copper Rule. Under the original scope of work attached to the contract, Mott's scope was limited to Phase I, which provided general program management support and the development of a: lead reduction program, a filter pilot study, a lead service line (LSL) inventory, a lead service line replacement program, a program management plan, and a communications, outreach, and education plan.

With the U.S. Environmental Protection Agency's (EPA) approval of the variance request on December 16, 2019, Denver Water implemented its Lead Reduction Program. Under the third amendment to the contract, the scope of work was modified to add "Phase II" which consists of implementation of the Lead Reduction Program. The fifth amendment to the contract continues program management support. During the 2022 Phase II work, Mott will:

- Perform ongoing program management, program controls and reporting for Phase II.
- Provide program management services for accelerated LSL replacement, including review of invoices, budget tracking, schedule and workflow management, construction management, permit management, and tracking of metrics.
- Provide support for Denver Water's request to extend the lead program variance order.
- Assist with vendor and contractor procurement for ALSLR construction, filter distribution and water quality testing contracts.
- Provide program management for Denver Water's filter distribution program, including tracking of filters, review of invoices, budget tracking, schedule management, and tracking of metrics.
- Provide regulatory and water quality management support, including the tracking and reporting of program metrics, running of exposure model for variance compliance determination, management of water quality sampling requirements, management of compliance with flushing requirements, and testing of filters.
- Track LSL inventory further refine inventory using predictive model developed under Phase I and assist with prioritization of LSL replacements.
- Enhance Denver Water's communication, outreach, and engagement efforts.
- Other support services as described in the fifth amendment statement of work.

In addition, under the fifth amendment, the contract term will be extended to January 31, 2023, and the contract terms will be modified based upon the nature of the additional work being performed under Phase II.

### **Budget and Schedule:**

The total amount of services under this contract in 2022 is \$11,193,990.00 and the term of the contract is recommended to be extended to January 31, 2023. Funds for this contract in the amount of \$11,193,990.00 will be included in the proposed 2022 lead program budget. The contract includes funds that will be unused in 2021 so the total amount of the amendment will be \$10,186,881.00.

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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 was selected as the program manager for Phase I and Phase II of the LRPP and has subcontracted with AECOM Technical Services, Inc., GBSM (public relations), Corona Environmental Consulting, and additional sub-contractors necessary to manage the program. Both Mott and AECOM Technical Services, Inc. have experience with lead response efforts conducted or currently being conducted in several major U.S. cities.

Since the program is only in the third year of the three-year variance demonstration period, a new competitive selection process was not undertaken for these services. Staff will be evaluating different approaches to the program management services in 2022, which may include a competitive selection for the 2023 services.

**S/MWBE Information:**

Due to the specialized nature of the work requiring experience with lead programs in other large cities around the U.S. and the expedited schedule, significant opportunities for MWBE participation were not present and participation was not achieved with this contract.

**Recommendation:**

Staff recommends that the Board approve the fifth amendment to Contract 504012 with Mott MacDonald, LLC for the Lead Reduction Program Plan and for an addition of \$10,186,881.00 for a total amended contract amount not to exceed \$36,503,863.00 and extend the term of the contract through January 31, 2023.

**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 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       |

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 17, 2021

Board Item: II-B-2-b

## Accelerated Lead Service Line Replacement for Lead Reduction Program (2022) - Contracts 505056, 505057, and 505058

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to approve the Accelerated Lead Service Line Replacement (ALSLR) program for 2022.

In December 2019, Denver Water received approval from the U.S. Environmental Protection Agency (EPA) of a variance from the Safe Drinking Water Act's corrosion control treatment requirements. Under the variance, Denver Water in 2020 successfully implemented a comprehensive Lead Reduction Program (LRP) in place of orthophosphate treatment.

A critical element of the LRP is to replace 7% of lead service lines (LSLs) per year. A predictive model has been utilized to prioritize LSLs for replacement during the third year of the LRP. Denver Water Distribution crews anticipate replacing approximately 1,400 LSLs through main replacement projects and emergency leaks in 2022. Water Distribution crews experience economies of scale of approximately 15% from the average contracted price by replacing LSLs during main replacement. Since the planned main replacement work aligns with the prioritization of the lead program, these replacements will be utilized to support reaching the replacement target.

The contracts presented today are configured to accomplish the replacement of 3,488 LSLs providing some contingency to reach the regulatory target of 4,477 LSLs through the ALSLR program in 2022. The prioritized LSLs will be packaged into task order work packages for assignment to the contractors for replacement.

### **Budget and Schedule:**

The total amount of these contracts is \$33,047,579 with an additional \$1,000,000 budgeted for potholing investigations, and the term of the contracts is January 1, 2022, to December 31, 2022. Funds for this service/contract of \$34,047,579 will be included in the proposed 2022 budget for ALSLR.

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

During 2020, the Lead Reduction Program (LRP) utilized five pre-qualified ALSLR contractors to meet the variance requirement of 4,477 LSLRs, combined with work completed by Denver Water lead service line replacement crews (LSLR) crews. In 2022, the ALSLR pre-qualified contractors will be in the third year of 3-year on-call contracts. In September 2021, the revised 2022 pricing was requested from the pre-qualified ALSLR contractors, including the three contractors working in 2021 and the four contractors that were designated as standby contractors for 2020. The lowest pricing came from AGL Construction (505056), KR Swerdfeger Construction (505057), and Mid City Corp. (505058). The remaining ALSLR contractors, Apex Plumbing, Reynolds Construction and Global Underground are available and could be put under contract for unforeseen situations occurring in 2022 if needed.

The 2022 pricing for a typical task order, averaged among the three lowest contractors, is approximately 12% lower than the average of the three lowest contractors in 2021. Total savings from the 2022 pricing are projected to save approximately \$1,800,000 as compared to 2021.

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**S/MWBE Information:**

A target goal of 10% minimum MWBE participation was requested in the request for proposals. Each of the three contractors committed to achieving this goal.

**Recommendation:**

Staff recommends that the Board approve Contracts 505056 with AGL Construction, 505057 with KR Swerdfeger Construction, and 505058 with Mid City Corp. for ALSLR for the contract period January 1, 2022, through December 31, 2022, plus \$1,000,000 potholing to be administered for a total contract amount not to exceed \$34,047,579.

Staff recommends that the Board approve contracts with the three lowest price contractors in order to achieve the LRP replacement goal and additionally approve on-call contracts with revised 2022 pricing with the remaining four contractors in order to provide flexibility for unforeseen challenges in meeting the LRP replacement goal. It is also recommended that the Board delegate authority to the CEO to award subsequent task orders to the contractors throughout 2022 based on costs and contractors' capacity to perform replacements, up to the number of task orders needed to meet the replacement target and within the \$34,047,579 budget. The table below shows a forecasted allocation of the work to each contractor. It is recommended that the Board delegate to the CEO the authority to exceed these allocations as long the issuance of task orders does not exceed the total budget of \$34,047,579. Status of contract performance and task order authorization will be reported to the Board monthly throughout 2022.

Contractor	Contract #	Quantity (LSLR)	Amount (\$) (with 5% contingency*
AGL Construction	505056	1,837	<b>\$16,804,095</b>
Mid City Corp.	505058	910	<b>\$8,951,696</b>
KR Swerdfeger Construction	505057	741	<b>\$7,291,788</b>
Potholing investigations			<b>\$1,000,000</b>
<b>TOTALS</b>		<b>3,488</b>	<b>\$34,047,579</b>

*\*Costs are estimates and may move between contracts as needed.*

**Approvals:**

- James S. Lochhead, CEO/Manager
- Julie Anderson, Chief of Staff
- Jessica R. Brody, General Counsel
- Angela C. Bricmont, Chief Financial 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: November 17, 2021

Board Item: II-B-2-c

## **Accelerated Lead Service Line Replacement for Lead Reduction Program – Approval of 2021 Total Contract Amount Exceedance for Contracts 504686 and 504687**

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board Item is to seek approval to increase expenditures by up to \$1,607,000 in excess of the previously authorized total contract amounts of \$34,483,050 for the three accelerated lead service line replacement contractors in order to complete the targeted number of lead service line replacements (LSL) in 2021. On November 18, 2020, the Board approved Contracts 504686, 504687, and 504688 to replace LSLs as part of Denver Water's Lead Reduction Program. The Board delegated authority to the CEO to issue task orders to the contractors, but not to exceed \$34,483,050 in 2021. As part of the process for replacing lead service lines, the contractors performed extensive investigative potholing in order to verify service line material prior to replacement. The remaining task orders for 2021 are also seeing increased consent and participation from homeowners than previously forecasted. The overall lead program budget included an amount of \$1,000,000 for potholing, however this budget was not allocated into the total contract amount in the Lead Service Line Contracts Board Item. Additionally, the City and County of Denver required additional paving and street restoration throughout 2021 that was not anticipated but should be completed through these contracts. This change is due primarily to a shift in how certain work is completed and will not cause an overage of the Lead Reduction Program budget.

### **Budget and Schedule:**

The Board previously authorized the CEO to issue task orders to these contractors up to \$34,483,050, the anticipated budget to replace 3,230 LSLs from January 1, 2021, to December 31, 2021. In total, the costs across these contracts for LSL replacement are forecasted to be \$36,090,050, which has \$1,607,000 further expenditure including the additional work described above. The Board approved the overall LRP budget of \$57,967,960, which included \$1,000,000 set aside for potholing investigations and includes sufficient budget to cover the additional paving requirements that have been encountered. Even with approval of this Board item, the overall lead program costs are forecasted to be within the overall lead program budget.

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

Staff conducted an advertised, open prequalification process in 2019, yielding 10 proposals. Based on a review of qualifications and costs, Staff recommended award of contracts to five of the proposers. The Board approved the contracts on November 18, 2020.

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

A target goal of 5% minimum MWBE participation was established for these contracts.

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**Recommendation:**

Staff recommends that the Board approve \$1,607,000 of additional expenditures under these three contracts for a total amount of \$36,090,050.

**Approvals:**

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

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