

AGENDA

Denver Board of Water Commissioners

Video Conference: <http://zoom.us/join>, Meeting ID: 872 1865 8377 - Passcode: 635791 or

Dial in (669) 900-6833 - Meeting ID: 872 1865 8377 - Passcode: 635791

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

Wednesday, June 22, 2022 – 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. 2022 Conduit Valve Replacements – Contract 505108

B. Individual Approval Items

- | | | |
|--|----------------|------------|
| 1. 2022 Harriman Raw Water Ditch Rates | Fletcher Davis | 10 minutes |
| 2. Updated Resolution for No-Fault Main Break Assistance | Brian Good | 10 minutes |

Our vision is to sustain vibrant communities that value water for future generations.

Integrity :: Vision :: Passion :: Excellence :: Respect



III. POLICY MATTERS

- | | | |
|-----------------------------|-------------------------------------|------------|
| A. Wildfire Response | Madelene McDonald/
Jason Taussig | 15 minutes |
|-----------------------------|-------------------------------------|------------|

IV. EXECUTIVE UPDATE

- A. CEO Update**
- B. CFO Update**
 - 1. Monthly Financial Report – May 31, 2022
- C. Operations Update**

V. BRIEFING PAPERS & REPORTS

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

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

VIII. EXECUTIVE SESSION

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by D.R.M.C Sec. 2-34.

- A. Confidential Report**

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 22, 2022

Board Item: II-A-1

2022 Conduit Valve Replacements Contract 505108

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to approve Contract 505108 to replace three conduit valves and associated distribution piping. The three valves were originally installed between 1940 and 1956, are inoperable, and not able to be repaired due to the lack of available parts. Replacing them will provide Operations the flexibility to isolate the conduits while also minimizing service interruptions. Each of the three valves will be replaced with a butterfly valve and include the following locations:

- 36-inch gate valve on Conduit No. 59, in the intersection of E. Montview Boulevard and N. Kearney Street.
- 24-inch gate valve on Conduit No. 66, in the intersection of E. Buchtel Boulevard and S. Adams Street.
- 24-inch gate valve on Conduit No. 71, in the intersection of E. Montview Boulevard and N. Dahlia Street.

This contract also includes 8-inch and 12-inch distribution piping replacement in N. Dahlia Street at E. 26th Avenue and E. 29th Avenue. The outage necessary to replace the Conduit No. 71 valve created the opportunity to replace piping at these intersections. The total length of pipe replacement is approximately 120 feet.

Budget and Schedule:

The total amount of this contract is \$1,569,109 and the term of the contract is June 22, 2022 through May 15, 2023. Funds for this contract will come from the 2022 Conduit Valve Replacements business unit, which has sufficient funds to pay the \$1,100,000 estimated to be needed in 2022. The remaining \$469,109 will be budgeted in 2023.

Selection of Business Partner:

Denver Water solicited bids from four general contractors listed on the prequalified contractors list under the Civil-Pipelines discipline. This contract was a restricted bid process using invitations to bid on the QuestCDN platform. On June 7, 2022, bids were received from three general contractors. Iron Woman Construction and Environmental Services, LLC 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 project is 8% participation. Iron Woman Construction and Environmental Services, LLC has proposed 8% participation.

Our vision is to sustain vibrant communities that value water for future generations.

Integrity :: Vision :: Passion :: Excellence :: Respect



Recommendation:

Staff recommends that the Board approve Contract 505108 with Iron Woman Construction and Environmental Services, LLC for 2022 Conduit Valve Replacements construction for the contract period June 22, 2022 through May 15, 2023 for a total contract amount not to exceed \$1,569,109.

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: June 22, 2022

Board Item: II-B-1

2022 Harriman Raw Water Ditch Rates

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to meet the costs associated with delivering water through the Harriman Reservoir. We are recommending increasing the annual ditch rate, from \$114.33 to \$146.48 per inch right, or approximately \$0.59 per thousand gallons. This increase is driven by increasing Operations & Maintenance costs in 2021, which include sediment removal and vault cleanout.

Harriman Reservoir and dam is located on the southwest corner of South Kipling Parkway and West Quincy Avenue in Littleton in Harriman Lake Park. Denver Water owns and operates the reservoir, uses it to deliver irrigation water to six customers, and bills those customers annually.

Each of the owners has rights for a share of the annual yield of Harriman Reservoir water, with the yield varying by owner. Customer shares currently account for 75% of Harriman Reservoir's annual yield and Denver Water retains the remaining 25%.

The dam was rehabilitated in 2014 to meet the Colorado State Engineers Office's regulatory requirements and, in the process, it was restored to its full capacity for storage. Total project cost was approximately \$4.5 million. Approximately 75% of the dam construction costs were shared across all customers based on their proportionate share of rights to use the water. Denver Water paid the remaining costs.

Denver Water uses the utility method to calculate revenue requirements for Harriman Rates. The utility method calculates rate revenue requirements by adding annual operations and maintenance costs, annual depreciation of assets, as well as a rate of return on assets. There are two rates charged to the customers. The first is the annual rate, which covers annual O&M expenses and capital costs not associated with the dam rehabilitation. The second charge is the dam rehabilitation rate which covers the capital costs associated with the 2014 dam rehabilitation, which is recovered over the 75-year depreciable lifespan of the asset. This rate varies by customer based on the capital contributions they provided for the project. Changes to the dam project rehabilitation rate are based on the individual customers' shares, contributions and depreciation.

The increase to the annual rate will generate an additional \$14,307 over last year. The increase in the annual bill will be between 3.7% and 5.2%, with the exceptions of the Federal Corrections Center and Pinehurst Country Club due to the fact that they have paid off their portion of the dam rehabilitation early.

Budget and Schedule:

The increase to the annual rate will generate an additional \$14,307 in revenue over the next 12 months.

Our vision is to sustain vibrant communities that value water for future generations.

Integrity :: Vision :: Passion :: Excellence :: Respect



Recommendation:

Staff recommends increasing the annual rate from \$114.33 to \$146.48 per inch right, effective immediately.

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 |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 22, 2022

Board Item: II-B-2

Updated Resolution for No-Fault Main Break Assistance

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to update the Board's No-Fault Main Break Assistance Program. Since at least 1997, Denver Water has provided cleanup, mitigation, restoration and partial reimbursement for personal property loss to residents of single-family homes who experience damage from water main breaks. Main breaks and resulting water damage can be very disruptive to customers and cause significant damage to real and personal property.

This is a voluntary program adopted in the spirit of excellent customer service. Under the Colorado Governmental Immunity Act, governmental entities are generally not liable for damages caused by main breaks except in cases of negligence. Main breaks are rarely caused by negligence, as Denver Water has an asset management program that includes replacement and maintenance of water mains and related assets.

The Board's most recent Resolution for No-Fault Main Break Assistance, adopted in 2019, has a reimbursement cap of \$8,000 of per household for uninsured personal property loss. Staff recommends that amount be adjusted upward to account for inflation and actual experience:

Personal property loss up to \$15,000	Denver Water will reimburse at 100%
Personal property loss of \$15,000 up to \$25,000	Denver Water will reimburse at 50%
Personal property loss of \$25,000 up to \$30,000	Denver Water will reimburse at 25%
Personal property loss of \$30,000 and above	Denver Water will not reimburse

The revised resolution also includes stronger language requiring proof of insurance, or lack thereof, to qualify for reimbursement of personal property losses.

Budget and Schedule:

Personal property loss accounts for approximately 11% of the Board's No-Fault Main Break Assistance Program. While staff does not track the dollar value of personal property losses in excess of \$8,000, the number of properties that do incur losses above that amount averages 10% per year (historically, about 3-4 homes per year). Increasing the amount of personal property loss is not expected to appreciably impact the cost of this program. The 2022 budget for the No-Fault Main Break Assistance Program, which will be exceeded due to one highly unusual and damaging break, is \$250,000.

Recommendation:

Staff recommends that the Board approve the revised No-Fault Main Break Assistance Resolution, applicable retroactive to June 8, 2022.

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

Our vision is to sustain vibrant communities that value water for future generations.

Integrity :: Vision :: Passion :: Excellence :: Respect



TITLE: No-Fault Main Break Assistance Program

ADOPTED AND APPROVED ON JUNE 22, 2022 BY THE CITY AND COUNTY OF DENVER ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

Gary Reiff, Board President

James S. Lochhead, CEO/Manager

The Board of Water Commissioners finds that:

- A. ~~WHEREAS, m~~ Main breaks can cause significant damage to real and personal property and inconvenience to property owners and tenants; ~~and.~~
- B. ~~WHEREAS, t~~ The Board's legal liability for damages resulting from a water main break is limited by section 24-10-106(4) of the Colorado Governmental Immunity Act, which provides:

No rule of law imposing absolute or strict liability shall be applied in any action against a public entity or a public employee for an injury resulting from a dangerous condition of, or the operation and maintenance of, a public water facility or public sanitation facility. No liability shall be imposed in any such action unless negligence is proven.

~~and~~

- C. ~~WHEREAS, n~~ Negligence is seldom the cause of main breaks because the Board has an asset management program which includes a main replacement strategy that meets or exceeds accepted industry standards; ~~and.~~
- D. ~~WHEREAS, t~~ To ease the impact of main breaks on property owners and tenants, the Board has been providing property owners and tenants with the following types of assistance:
- Emergency response and water mitigation services;
 - Temporary lodging;
 - Property restoration;
 - ~~Paying~~ Defraying the cost to property owners and tenants ~~up to \$8,000~~ for damage to personal property resulting from a water main break; and
 - Paying vehicle owner insurance deductible.

~~and~~

- E. ~~WHEREAS, t~~The Board wants to ~~formalize a~~update its No-Fault Main Break Assistance Program ~~that to~~ better defines the scope of the assistance provided to owners and tenants of property damaged by main breaks.

~~NOW, THEREFORE, BE IT RESOLVED~~Based on the foregoing findings, the Board directs as follows:

1. No-Fault Main Break Assistance Program. Denver Water will administer a No-Fault Main Break Assistance Program to assist residential and commercial property owners and tenants whose property is damaged by a no-fault main break. The CEO/Manager will approve policies required to implement a program that provides the general categories of assistance described in paragraphs 2-4 below.

2. Emergency Response Services. Denver Water may provide residential and commercial owners and, if applicable, tenants of property impacted by water main breaks with emergency response services determined by Denver Water in its sole discretion to be necessary. If a property owner or tenant incurs expenses related to emergency response services, Denver Water may provide reimbursement upon proof of reasonable associated costs.

3. Mitigation. Denver Water may provide water mitigation services to residential owners and tenants of impacted property. Mitigation may include reimbursement of the cost of temporary lodging ~~for a maximum of fourteen consecutive days~~ at the US Government Services Administration (GSA) rate.

4. Restoration. Denver Water may provide residential property owners and tenants with a payment based on an estimate prepared by Denver Water's estimator, in accordance with professional liability adjustment standards, of the costs of restoring the damaged property to its pre-flood condition.

5. Personal Property Damages. Denver Water may provide ~~payment of up to \$8000 reimbursement~~ to residential property owners and tenants ~~to defray the cost of~~ damage to uninsured personal property resulting from a no-fault main break. Denver Water will require proof of insurance, or the lack thereof, for damage to personal property. For uninsured personal property, Denver Water will reimburse residential property owners and tenants in accordance with the following schedule:

<u>Loss up to \$15,000</u>	<u>Denver Water will reimburse at 100%</u>
<u>Loss of \$15,000 up to \$25,000</u>	<u>Denver Water will reimburse at 50%</u>
<u>Loss of \$25,000 up to \$30,000</u>	<u>Denver Water will reimburse at 25%</u>
<u>Loss of \$30,000 and above</u>	<u>Denver water will not reimburse</u>

For insured personal property, Denver Water will reimburse residential property owners and tenants up to the deductible limit of the insurance policy, or the amounts in the above schedule, whichever is less. The ~~\$8,000 maximum payout amounts~~ shall apply to each single-family home or residential unit in a multi-family residential structure impacted by a main break.

~~5.6.~~ Vehicle Insurance Deductible. Denver Water may reimburse up to \$1,000 to owners of a vehicle damaged in a main break for a paid insurance deductible.

~~6.7.~~ Insurers. Insurers are not eligible to receive payments or reimbursement of any kind under the No Fault Main Break Assistance Program.

~~7.8.~~ Legal Conditions.

- a. The provision of any services or payment of any amount under this program may be conditioned on a waiver by the property owner or tenant of claims related to the main break.
- b. The payment of any amount under this program may be conditioned upon the property owner or tenant demonstrating, to Denver Water's sole satisfaction, the lack of applicable insurance coverage or other reimbursement method that would allow a property owner or tenant to obtain double recovery under this program.
- c. The value of any services or payments provided shall count towards the maximum statutory recovery against a public entity under the Colorado Governmental Immunity Act. C.R.S. § 24-10-114, as amended.
- d. Denver Water reserves the right to refuse to provide services or payments to any property owner or tenant for health, safety or other reasons.

~~8.9.~~ The June 22, 2022 amendments to this resolution are effective retroactive to June 8, 2022.

Adopted by the Board on May 6, 1997

Amended February 6, 2001

Amended March 13, 2019

Amended May 8, 2019

Amended June 22, 2022

TITLE: No-Fault Main Break Assistance Program

ADOPTED AND APPROVED ON JUNE 22, 2022 BY THE CITY AND COUNTY OF DENVER ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

Gary Reiff, Board President

James S. Lochhead, CEO/Manager

The Board of Water Commissioners finds that:

- A. Main breaks can cause significant damage to real and personal property and inconvenience to property owners and tenants.
- B. The Board's legal liability for damages resulting from a water main break is limited by section 24-10-106(4) of the Colorado Governmental Immunity Act, which provides:

No rule of law imposing absolute or strict liability shall be applied in any action against a public entity or a public employee for an injury resulting from a dangerous condition of, or the operation and maintenance of, a public water facility or public sanitation facility. No liability shall be imposed in any such action unless negligence is proven.

- C. Negligence is seldom the cause of main breaks because the Board has an asset management program which includes a main replacement strategy that meets or exceeds accepted industry standards.
- D. To ease the impact of main breaks on property owners and tenants, the Board has been providing property owners and tenants with the following types of assistance:
 - Emergency response and water mitigation services;
 - Temporary lodging;
 - Property restoration;
 - Defraying the cost to property owners and tenants for damage to personal property resulting from a water main break; and
 - Paying vehicle owner insurance deductible.

- E. The Board wants to update its No-Fault Main Break Assistance Program to better define the scope of the assistance provided to owners and tenants of property damaged by main breaks.

Based on the foregoing findings, the Board directs as follows:

1. No-Fault Main Break Assistance Program. Denver Water will administer a No-Fault Main Break Assistance Program to assist residential and commercial property owners and tenants whose property is damaged by a no-fault main break. The CEO/Manager will approve policies required to implement a program that provides the general categories of assistance described in paragraphs 2-4 below.
2. Emergency Response Services. Denver Water may provide residential and commercial owners and, if applicable, tenants of property impacted by water main breaks with emergency response services determined by Denver Water in its sole discretion to be necessary. If a property owner or tenant incurs expenses related to emergency response services, Denver Water may provide reimbursement upon proof of reasonable associated costs.
3. Mitigation. Denver Water may provide water mitigation services to residential owners and tenants of impacted property. Mitigation may include reimbursement of the cost of temporary lodging at the US Government Services Administration (GSA) rate.
4. Restoration. Denver Water may provide residential property owners and tenants with a payment based on an estimate prepared by Denver Water's estimator, in accordance with professional liability adjustment standards, of the costs of restoring the damaged property to its pre-flood condition.
5. Personal Property Damages. Denver Water may provide reimbursement to residential property owners and tenants to defray the cost of damage to uninsured personal property resulting from a no-fault main break. Denver Water will require proof of insurance, or the lack thereof, for damage to personal property. For uninsured personal property, Denver Water will reimburse residential property owners and tenants in accordance with the following schedule:

Loss up to \$15,000	Denver Water will reimburse at 100%
Loss of \$15,000 up to \$25,000	Denver Water will reimburse at 50%
Loss of \$25,000 up to \$30,000	Denver Water will reimburse at 25%
Loss of \$30,000 and above	Denver water will not reimburse

For insured personal property, Denver Water will reimburse residential property owners and tenants up to the deductible limit of the insurance policy, or the amounts in the above schedule, whichever is less. The payout amounts shall apply to each single-

family home or residential unit in a multi-family residential structure impacted by a main break.

6. Vehicle Insurance Deductible. Denver Water may reimburse up to \$1,000 to owners of a vehicle damaged in a main break for a paid insurance deductible.

7. Insurers. Insurers are not eligible to receive payments or reimbursement of any kind under the No Fault Main Break Assistance Program.

8. Legal Conditions.

- a. The provision of any services or payment of any amount under this program may be conditioned on a waiver by the property owner or tenant of claims related to the main break.
- b. The payment of any amount under this program may be conditioned upon the property owner or tenant demonstrating, to Denver Water's sole satisfaction, the lack of applicable insurance coverage or other reimbursement method that would allow a property owner or tenant to obtain double recovery under this program.
- c. The value of any services or payments provided shall count towards the maximum statutory recovery against a public entity under the Colorado Governmental Immunity Act. C.R.S. § 24-10-114, as amended.
- d. Denver Water reserves the right to refuse to provide services or payments to any property owner or tenant for health, safety or other reasons.

9. The June 22, 2022 amendments to this resolution are effective retroactive to June 8, 2022.

Adopted by the Board on May 6, 1997
Amended February 6, 2001
Amended March 13, 2019
Amended May 8, 2019
Amended June 22, 2022