

AGENDA

Denver Board of Water Commissioners

Video Conference: <http://zoom.us/join>, Meeting ID: 969 0779 6615 - Passcode: 126863 or

Dial in (669) 900-6833 - Meeting ID: 969 0779 6615 - Passcode: 126863

Wednesday, September 22, 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

1. Hero of the River Award

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. 2021/2022 Cathodic Protection Improvements – Contract 504768
2. South Boulder Canal Replacement at State Highway 72 with Jefferson Center Metropolitan District No. 1 – Intergovernmental Agreement 504979
3. First Amendment to Agreement with Geosyntec Consultants, Inc. for Monitoring and Evaluation of the Schwartzwalder Mine – Contract 503438
4. Adoption of Douglas County's Local All-Hazard Mitigation Plan
5. Twelfth Amendment with Iron Mountain for Offsite Records Storage – Contract 500393/11278
6. Emergency Water Damage Clean Up – Contract 504933

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B. Individual Approval Items

- | | | |
|---|--------------|------------|
| 1. First Amendment to Contract for Aquifer Storage and Recovery Feasibility Study Capitol Hill Exploratory Borehole and Monitoring Well – Contract 504897 | Rachel Pence | 15 minutes |
| 2. Master Agreement to Fund a Colorado River Basin Conservation Research Pilot Studies Program – Contract 504993 | Dan Arnold | 5 minutes |

III. POLICY MATTERS

- | | | |
|-------------------------------|-----------------|------------|
| A. Proposed 2022 Rates | Angela Bricmont | 30 minutes |
|-------------------------------|-----------------|------------|

IV. EXECUTIVE UPDATE

- A. CEO Update**
- B. CFO Update** - Monthly Financial Report - August
- 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: September 22, 2021

Board Item: II-A-1

2021/2022 Cathodic Protection Improvements Contract 504768

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to obtain contract approval to improve the cathodic protection systems on Conduit Nos. 40, 53, 89, 107, and 141, and the Broomfield and Hamlet J. 'Chips' Barry III Facilities. Cathodic protection is a technology utilized to mitigate corrosion and extend the serviceable life of metallic pipelines and assets, while also reducing leaks and maintenance costs. Projects are selected based on a prioritization system using metrics including soil corrosivity data, cathodic protection measurements, and test station monitoring capabilities. The scope of work for this project includes installation of test stations and anodes on steel and ductile iron pipelines for these facilities to improve monitoring and corrosion protection. Additionally, electrical isolation sets will be installed to ensure cathodic protection is functional and confined to designated locations.

Budget and Schedule:

The total amount of this contract is \$1,344,573 and the term of the contract is September 22, 2021 through June 2, 2022. Funds for this contract will come from the 2021 Conduit 13, 40, 53, 89, 107, and 141 Corrosion Protection and Broomfield and Montclair Pump Station Cathodic Protection Improvements business units, which have sufficient funds to pay the \$660,420 estimated to be needed in 2021. The remaining funds will be budgeted in year 2022.

Selection of Business Partner:

Denver Water solicited bids from five general contractors listed on the prequalified contractor list under the Civil Pipelines and Cathodic Protection disciplines. This contract was a restricted bid process using invitations to bid on the QuestCDN platform. On August 24, 2021, bids were received from four general contractors. Kantex Industries, Inc. 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%. Kantex Industries, Inc. has proposed 10.8% participation.

Recommendation:

Staff recommends that the Board approve Contract 504768 with Kantex Industries, Inc. for the 2021/2022 Cathodic Protection Improvements for the contract period September 22, 2021 through June 2, 2022, for a total contract amount not to exceed \$1,344,573.

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

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 22, 2021

Board Item: II-A-2

South Boulder Canal Replacement at State Highway 72 with Jefferson Center Metropolitan District No. 1 Intergovernmental Agreement 504979

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to obtain approval for the Intergovernmental Agreement (IGA) 504979 with Jefferson Center Metropolitan District No. 1 (District) to replace approximately 131 feet of the open-channel South Boulder Canal with underground precast concrete box culvert. The replacement of approximately 101 feet of this canal is required for the District to make road improvements at the crossing of Highway 72 over the canal within the Colorado Department of Transportation (CDOT) right-of-way. The District is responsible for the cost of this work.

The replacement of the remaining approximately 30 feet of the canal is desired by Denver Water to connect the new box culvert to an existing box culvert at the north end of the work area, and to extend the box culvert approximately five feet beyond the CDOT right-of-way at the south end to make future installation of precast box culvert easier to coordinate. For safety and operational reasons, Denver Water plans to have the District enclose the remaining length of the open channel South Boulder Canal at this location with chain link fence. Denver Water is responsible for the cost of this work, which is the contract amount of the IGA.

Budget and Schedule:

The total amount of this contract is \$232,744.77 and the term of the contract is September 22, 2021 through February 18, 2022. Funds for this contract will come from the 2021 budget for the Enclose South Boulder Canal at Highway 72 business unit, which has sufficient funds to pay the \$116,372.39 estimated to be needed in 2021. The remaining \$116,372.38 will be budgeted in year 2022.

S/MWBE Information:

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

Recommendation:

Staff recommends that the Board approve IGA 504979 with the Jefferson County Metropolitan District No. 1 for the replacement of 131 feet of the South Boulder Canal with precast box culvert and installation of protective chain link fence for the contract period September 22, 2021 through February 18, 2022 for a total contract amount not to exceed \$232,744.77.

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

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 22, 2021

Board Item: II-A-3

First Amendment to Agreement with Geosyntec Consultants Inc. for Monitoring and Evaluation of the Schwartzwalder Mine – Contract 503438

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to amend the Agreement with Geosyntec Consultants, Inc. (Geosyntec) for monitoring and technical support related to the Schwartzwalder Mine. The Schwartzwalder Mine is a former underground uranium mine located on Ralston Creek approximately one mile upstream of Ralston Reservoir, a terminal drinking water reservoir, and the site of the future Northwater Treatment Plant. Denver Water's drinking water treatment processes removes radionuclides such as uranium and radium from its water supplies. However, disposal of the concentrated radioactive materials in treatment residuals require special and more expensive handling. Radium concentrations in treatment plant residuals are currently below regulatory limits, but levels have fluctuated in response to treatment operations at the Schwartzwalder Mine.

In June 2002, the former owner of Schwartzwalder, Cotter Corporation, ceased pumping of the mine workings, and by the spring of 2010, the mine workings had flooded and were discharging water containing high uranium concentrations to Ralston Creek. The Mined Land Reclamation Board (MLRB) took enforcement action against Cotter, ordering it to dewater the mine workings to establish a hydraulic gradient away from Ralston Creek. In the spring of 2018, Cotter Corporation transferred its designated mining operations permit for Schwartzwalder to Colorado Legacy Land, LLC (CLL), subject to an increased financial warranty, a portion of which could only be released upon the fulfillment of several conditions, including the submission of a conceptual site model and stabilization of the mine pool chemistry. In June 2021, CLL submitted an application to amend the mining permit with a proposed reclamation plan and conceptual site model. Water quality data indicates that the mine pool is not chemically or physically stable, and it is likely that the mine will need to continue to be pumped and a reverse osmosis treatment plant will need to continue to operate in perpetuity.

Since being retained in 2018, Geosyntec has assisted Denver Water in protecting our water supply by tracking and monitoring water quality conditions at Schwartzwalder and providing technical input on proposed revisions to CLL's mining permit. Under the First Amendment, Geosyntec will continue to perform these services and assist Denver Water in evaluating CLL's proposed amendment to its mining permit and the unfolding reclamation review and approval process, which is likely to extend through 2023.

Budget and Schedule:

This amendment is for an additional \$183,000 for a total contract amount of \$483,000 and the term of the contract is extended to December 31, 2023. Funds for this contract will come from the 2021 budget for Watershed Planning, which has sufficient funds to pay the \$30,000 estimated to be needed in 2021. The remaining \$153,000 will be budgeted in years 2022 and 2023.

Selection of Business Partner:

On September 11, 2018, after a competitive selection process, Denver Water retained Geosyntec to review Schwartzwalder Mine monitoring data and reclamation activities and provide technical advice as requested.

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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 First Amendment to Contract 503438 with Geosyntec Consultants, Inc for technical support for the Schwartzwalder Mine for an extension of the contract period through December 31, 2023, and for an addition of \$183,000 for a total amended contract amount not to exceed \$483,000.

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 checked="" 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 |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 22, 2021

Board Item: II-A-4

Adoption of Douglas County's Local All-Hazard Mitigation Plan

Action by Consent

Individual Action

Purpose and Background:

The purpose of multi-hazard mitigation planning is to reduce or eliminate long-term risk to people and property. In order for state, local, and tribal jurisdictions to be eligible for Federal Emergency Management Agency (FEMA) assistance prior to, during and after a disaster strikes, they must develop all-hazard mitigation plans. Each jurisdiction, along with their supporting stakeholder agencies, must participate in the plan development, identify mitigation projects within their agency's jurisdiction/property, manage and maintain their daily operational commitments, formally adopt the plan and submit the completed plan to FEMA for approval. These all-hazard mitigation plans must be reviewed and updated in five-year cycles.

In 2012, several local county governments (participating counties below) asked that Denver Water participate in their local planning effort due to the extent of Denver Water's infrastructure located in their counties. Denver Water's Emergency Management Program continues to participate in these local planning efforts to ensure pre- and post-disaster funding opportunities are available should something occur which impacts the water system.

As a local government entity, Denver Water could prepare its own comprehensive all-hazard mitigation plan instead of being a stakeholder in other jurisdictions' plans. The benefits of being a stakeholder include: less expense; greater transparency and awareness of holistic community-based risks; and improved community relationships. Depending on the risks identified, there may also be an opportunity to work with local communities in obtaining grant funding to either further analyze or mitigate risks. As a stakeholder, Denver Water commits staff time to report the status of projects to local communities. There are no additional projects required by this plan, only projects that Denver Water has already committed to.

Denver Water is participating as a stakeholder in the following counties' All-Hazard Mitigation Plans:

- Adams County
- Arapahoe County
- Douglas County
- Denver City & County
- Douglas County
- Jefferson County
- Grand County
- Summit County

Each jurisdiction will require approval by a separate resolution. As the plans become ready, staff will seek a resolution for each plan.

Budget and Schedule:

There is no budgetary impact for this item.

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Recommendation:

Staff recommends that the Board adopt and approve the Douglas County mitigation plan, with the addendum, as it pertains to Denver Water.

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 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 |

TITLE: RESOLUTION ADOPTING THE DOUGLAS COUNTY MULTI-HAZARD MITIGATION PLAN 2021 AS IT PERTAINS TO DENVER WATER.

ADOPTED AND APPROVED ON SEPTEMBER 22, 2021 BY THE CITY AND COUNTY OF DENVER ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

Gary M. Reiff, Board President

James S. Lochhead, CEO/Manager

WHEREAS, Douglas County requested that the City and County of Denver, acting by and through its Board of Water Commissioners (“Denver Water”), as a property owner in Douglas County, participate in mitigation planning prescribed by the Disaster Mitigation Act of 2000 by assisting in the preparation of Douglas County’s Multi-Hazard Mitigation Plan; and

WHEREAS, Denver Water recognizes the threat that natural hazards pose to people and facilities within Douglas County; and

WHEREAS, undertaking hazard mitigation actions will reduce the potential for harm to people and property from future hazard occurrences; and

WHEREAS, the Colorado Department of Emergency Management and the Federal Emergency Management Agency (FEMA) Region VIII officials have reviewed the Douglas County Multi-Hazard Mitigation Plan and approved it contingent upon official adoption of the participating governing body; and

WHEREAS, Denver Water desires to comply with the requirements of the Disaster Mitigation Act where it specifically references Denver Water within the Douglas County Multi-Hazard Mitigation Plan; and

WHEREAS, Denver Water, in conjunction with Douglas County Government is recognizing the FEMA approval of the Douglas County Multi-Hazard Mitigation Plan, which inventories the threat that natural hazards pose to people and property within that community; and

WHEREAS, an adopted Multi-Hazard Mitigation Plan is required as a condition of future funding for mitigation projects under multiple FEMA pre- and post-disaster mitigation grant programs; and

Adopted by the Board on September 22, 2021

WHEREAS, Denver Water has facilities within the Planning Area, and participated in the mitigation planning process to prepare this Multi-Hazard Mitigation Plan; and

NOW, THEREFORE, BE IT RESOLVED: The City and County of Denver, acting by and Through its Board of Water Commissioners, hereby adopts the Douglas County Multi-Hazard Mitigation Plan as it pertains to Denver Water with the changes shown in the Addendum.

Adopted by the Board on September 22, 2021

Page 2 of 2

TITLE: ADDENDUM TO THE ADOPTION OF THE DOUGLAS COUNTY MULTI-HAZARD MITIGATION PLAN 2021 AS IT PERTAINS TO DENVER WATER.

Denver Water would like to add the following edits/corrections to our portions to the Douglas County All Hazard Mitigation Plan.

In Volume 2 of the Douglas County Plan:

Section 9.8.2 – 3rd paragraph – The Denver Water Board of Commissioners assumes responsibility “for the adoption of its portion of this plan”

Throughout Section 9.8, Denver Water is referred to as “the district.” Denver Water is not a Special District, and should be referred to instead as Denver Water.

Table 9.8 - 1 – Correct “Special Purpose” District Assets to “Denver Water” Assets.

Table 9.8 - 4 –Denver Water cannot levy taxes or issue general obligation bonds. Denver Water can issue revenue bonds.

Table 9.8-2: Post Fire Plan: Denver Water would like to increase preparedness for the post-fire recovery process in the watershed. This plan would include recommendations based on the watershed area for infrastructure and water supply protection in Denver Water’s watersheds.

9.8.7 Other Noted Vulnerabilities: “For example, the damage to Strontia Springs Reservoir caused by sediment and debris flows following from the 1996 Buffalo Creek Fire cost Denver Water over \$30 million and is still being addressed in 2021.”

Table 9.8-8: “This project entails forest hazardous fuels reduction on the Pike-San Isabel National Forest, private properties, and Denver Water property to advance wildfire risk reduction”

Appendix 1:

Section 4.3.10 (page 4.166): Denver Water reports spending \$27.7M in recovery from both the Buffalo Creek and Hayman wildfires. The following sentence could be updated to say: “Response and recovery costs to address erosion problems from the Buffalo Creek and Hayman fires in Douglas/Jefferson County cost Denver Water alone over \$27.7-million”.

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 22, 2021

Board Item: II-A-5

Twelfth Amendment with Iron Mountain for Offsite Records Storage - Contract 500393/11278A

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to amend Contract 500393 for budget and one additional year. Denver Water has used Iron Mountain as our vendor for offsite records storage since 2008 to store permanent records in analog format. We are currently storing 10,508 boxes offsite. In the past, materials were sent offsite that are either not records or not permanent, and the Records and Document Administration section is actively working to identify and destroy those boxes with the goal of reducing our storage footprint. We expect to competitively rebid this contract in 2022 but need to amend for one year with additional funds to get to the end of the contract term.

Budget and Schedule

The total amount of this contract is \$550,504.86 and the term of the contract is May 14, 2008 through December 31, 2022. With approval of this Board item, the full amendment amount of \$60,000 will be included in Record and Document Administration's final 2022 budget for Board approval.

Selection of Business Partner:

Denver Water expects to competitively rebid this contract in 2022. This contract has been amended eleven times in response to pricing changes by Iron Mountain, to better protect sensitive information, and to extend the time of the contract.

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 Twelfth Amendment to Contract 500393 with Iron Mountain for offsite records storage for an extension of the contract period through December 31, 2022, and for an addition of \$60,000, for a total amended contract amount not to exceed \$550,504.86.

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

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 22, 2021

Board Item: II-A-6

Emergency Water Damage Clean Up - Contract 504933

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to seek approval of Contract 504933 for emergency water damage clean up.

This contract serves two primary functions; the first is to support Denver Water's No-Fault Main Break Assistance Program. The Board has previously authorized staff to support customers through clean up, property restoration and replacement of some personal items when impacted by a water main break. This provides immediate relief and covers gaps in insurance policies that normally do not cover these expenses. The second way this contract is used is when Denver Water is likely at fault for water damage in a customer's home, this may occur as part of a service line replacement or other routine work. This contract will be used to help clean up water in these homes to prevent further damage.

Budget and Schedule:

This contract is based on a rates and fee schedule that locks Denver Water into consistent pricing for three-years. Because these services are used in emergencies and unplanned incidents, there is no no-to-exceed amount stated in the contract. However, the historical annual costs for these services average \$192,000. Based on that historical average, the estimated cost for the three-year period is approximately \$576,000. Funds for these services are budgeted annually in the Main Break Assistance Program, overseen by the System and Program Managers.

Selection of Business Partner:

In June 2021, Denver Water Procurement issued a Request for Proposal via Rocky Mountain E-Purchasing System (Bid-Net), Denver Water's public website, e-mail solicitation to the Small-, Minority- and Women-owned Business Entity (S/MWBE) chambers and direct to several vendors. Denver Water received four proposals, one from an SBE organization. The selection committee evaluated the proposals and is recommending award to Professional Restoration based on their experience, proposed pricing, ability to meet the work requests, amount and type of equipment available, and qualifications and certifications of personnel.

S/MWBE Information:

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item. Professional Restoration is not a Small/Minority or Women-owned Business.

Recommendation:

Denver Water Staff recommends that the Board approve Contract 504933 with Professional Restoration for Emergency Water Damage Clean Up for the contract period October 1, 2021, through September 30, 2024.

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: September 22, 2021

Board Item: II-B-1

First Amendment to Contract for Aquifer Storage and Recovery Feasibility Study Capitol Hill Exploratory Borehole and Monitoring Well – Contract 504897

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to amend Contract 504897 to authorize expenditures for Part 2 of the Capitol Hill Exploratory Borehole and Monitoring Well Project.

Denver Water's long-range planning identified Aquifer Storage and Recovery (ASR) as a potentially feasible supply option for the future. ASR involves utilizing wells to store potable water from the distribution system within the Denver Basin aquifers during years of adequate supply. During droughts, stored water is recovered, treated, and delivered to customers. Investigations began in 2014 with the goal of constructing an operational ASR facility. The investigations identified the Capitol Hill Pump Station and Reservoir facility as a good candidate for the first facility.

The next steps toward developing the Capitol Hill ASR Project require that Denver Water verify that the aquifer at this specific site is suitable for ASR by drilling an exploratory borehole to conduct geophysical logging, as well as collect water and rock samples to analyze water quality and aquifer properties. This information is also required to begin the permitting process with the Environmental Protection Agency (EPA) to obtain authorization for eventual injection of water into the aquifers. If aquifer conditions are favorable for ASR and a permit is acquired from the EPA, ASR wells will be constructed in the future under a separate effort that includes detailed operational testing of the wells.

At the June 9, 2021 meeting, the Board approved Contract 504897 for Part 1 of this project, authorizing LRE (Leonard Rice Engineers) Water to competitively procure field contractors for borehole drilling, noise abatement, geophysical logging, sample collection, and monitoring well installation. This First Amendment of Contract 504897 approves the field contractors selected by LRE Water and authorizes the expenditures for Part 2 of the project including the field work and LRE Water's services for managing the field contractors' work. The amendment also extends the contract expiration to June 30, 2022. The original estimated cost for Part 2 was \$600,000-\$800,000. Part 2 costs came in at \$1,102,246.20. A 10% Denver Water (owner-controlled) contingency of \$100,204.20 is included in this total. The increase in costs is mainly attributable to a change since the project was budgeted in the scope of the monitoring well system and increases in fuel and material costs. Due to supply chain delays, a portion of this project will be completed in early 2022.

Budget and Schedule:

The amount of this amendment is \$1,102,246.20 with a total contract amount of \$1,182,580.20. The term of the contract is September 22, 2021 through June 30, 2022. Funds for this contract will come from the 2021 budget for the Aquifer Storage and Recovery Feasibility Study, which does not have sufficient funds to pay the \$1,122,580.20 estimated to be needed in 2021, resulting in a variance to the 2021 budget of \$147,580.20. The remaining \$60,000 will be budgeted in 2022.

Selection of Business Partner:

LRE Water conducted a competitive selection by advertising on the Denver Water website and using the proposal platform on Quest CDN. Bid announcements also were sent to 7 contractors known to be qualified. Two bids were received. The contractor was selected based on the combination of price,

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qualifications, and experience. The winning bidder was Hydro Resources in the amount of \$897,788. LRE Water's fee for managing Part 2 of the project is \$104,254.

S/MWBE Information:

A 5% S/MWBE goal was established for the Part 2 field work. At this time, 4.5% of Hydro Resources' bid amount is allocated to MWBE contractors and additional contractors are being sought to fulfill the 5% goal.

Recommendation:

Staff recommends that the Board approve the First Amendment to Contract 504897 with LRE Water for Part 2 of the Capitol Hill Exploratory Borehole and Monitoring Well Project for an addition of \$1,102,246.20 for a total amended contract amount not to exceed \$1,182,580.20 and an extension of the contract period through June 30, 2022.

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 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 |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 22, 2021

Board Item: II-B-2

Master Agreement to Fund a Colorado River Basin Conservation Research Pilot Studies Program Contract 504993

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is for approval of the Master Agreement to Fund a Colorado River Basin Conservation Research Pilot Studies Program ("Master Agreement"), which establishes a programmatic funding framework between Denver Water, Central Arizona Water Conservation District; The Metropolitan Water District of Southern California; Southern Nevada Water Authority; and Central Utah Water Conservancy District to fund innovative technologies that may lead to significant reductions in the use of Colorado River water.

The Colorado River Basin is experiencing the driest 22-year period in the historical record. Under the Master Agreement, parties may bring project funding opportunities to the other parties, who upon mutual agreement, will enter into a separate project funding agreement.

Upon approval of the Master Agreement, Denver Water will enter into a project-specific funding agreement involving an alfalfa pilot study utilizing drip irrigation technology to be tested by water users in the Lower Colorado River Basin. Denver Water's funding contribution under the first project agreement will total \$60,000, which is 20% of the overall project cost. Denver Water will receive funding contributions from the City of Aurora, Colorado Springs Utilities, City of Pueblo and Twin Lakes Reservoir and Canal Company under a separate funding reimbursement agreement.

Budget and Schedule:

The funding amount under the Master Agreement is dependent upon the number of project agreements entered into by Denver Water and the amount of contributions received for each funding project. Staff recommends that the Board authorize the CEO/Manager to enter into funding agreements that do not exceed \$300,000 and that additional Board approval be obtained to exceed this amount.

The term of the contract will extend from the date it is fully executed by all parties to December 31, 2026. Funds for this service/contract will come from the 2021 budget for Water Resource Planning, which has sufficient funds to pay the \$30,000 estimated to be needed in 2021. The remaining \$30,000 will be budgeted in 2022, and as needed in future years.

Recommendation:

Staff recommends that the Board approve the Master Funding Agreement and also authorize the CEO/Manager to enter into individual project funding agreements up to a cumulative amount that does not exceed \$300,000.

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 checked="" 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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