

# AGENDA

## Denver Board of Water Commissioners

Denver Water Administration Building  
1600 West 12<sup>th</sup> Avenue  
Denver, CO 80204  
Board Room, Third Floor

**Wednesday, October 28, 2015 9:00 a.m.**

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### I. BOARD ADMINISTRATIVE 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. Tabulation of Bids for Rental of Mats, Towels, Mops, Shop Rags, Coveralls, Shirts and Pants
2. Hazardous Waste Disposal Contract

#### B. Individual Approval Items

- |  |            |        |
|--|------------|--------|
| 1. Designation of Surplus Property at Platte Cañon Reservoir   | Amy Turney | 5 min  |
| 2. Purchase of Sasaki Land and Fulton Ditch Shares at Lupton Lakes for Agricultural Studies and Potential Long Term Downstream Reservoir Expansion | Bill Bates | 10 min |

### III. POLICY MATTERS

<b>A. OCR Update</b>	Jeremy Ross	10 min
<b>B. Highline Canal Update</b>	Harriet Crittenden Lamair, Exec. Dir Highline Canal Conservancy	15 min
<b>C. Rate Structure Discussion</b>	Todd Cristiano	45 min
<b>D. 3<sup>rd</sup> Quarter Budget Performance and Forecast</b>	Todd Cristiano	30 min

### IV. MONTHLY AND QUARTERLY REPORTS

- A. CEO Report**
- B. CFO Report**
  - 1. Financial Report
- C. Operations Report**

### V. INFORMATION ITEMS

- A. Scheduling of Future Board Meetings and Tentative Discussion Topics**
- B. Event Calendar**
- C. New Contract Summary**
- D. Review of Property Burdens and Disposals – Third Quarter 2015**
- E. Reporting of Staff Administered Construction Contract Contingences and Allowances**

### VI. ADJOURNMENT

### VII. TRUSTEE MATTERS

### VIII. EXECUTIVE SESSION

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by C.R.S. Sec. 24-6-402 or D.R.M.C Sec. 2-34.

- A. Confidential Report § 24-6-402(4)**

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: October 28, 2015

Board Item: II-A-1

**Rental of Mats, Towels, Mops, Shop Rags, Coveralls, Shirts and Pants  
Contract # 16379A**

Action by Consent

Action

Information

Summary:

Denver Water requires rental and cleaning of floormats, towels, mops, shop rags, coveralls, shirts and pants, including Fire Resistant clothing, at various shops and building located in the metro Denver area.

Budget Information:

Sufficient funds for the rental and cleaning of floormats, towels, mops, shop rags, coveralls, shirts and pants are included in the 2015, 2016 and 2017 budgets for rents and leases under MPC 4HA0001.

2015 Budget	\$ 111,600.00
Amount Requested This Item	\$ 113,000.00
YTD Expenditures	\$ 2,843.70
Dollars Budgeted for Future Years	\$ 223,200.00
Revised Estimate	\$
Budget Adjustment	\$

Selection of Business Partner:

An Invitations for Bid was issued on Rocky Mountain E-Purchasing System (BidNet), the Denver Water public website, and distributed to the Small Business Enterprise (SBE)/Minority Women Business Enterprise (MWBE) trade organizations. Denver Water received a total of four responses, none of which were SBEs or MWBEs.

Recommendation:It is recommended that the Board approve Contract No. 16379A with Unifirst Corporation to provide rental and cleaning of floor mats, towels, mops, shop rags, coveralls, shirts and pants for the contract period December 1, 2015 through November 30, 2017 for a total contract amount not to exceed \$113,000.00.

**Approvals:**

  
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 Thomas J. Roode  
 Director of Operations and Maintenance

Respectfully submitted,

  
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 James S. Lochhead  
 CEO/Manager

  
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 Terri Bryant  
 Controller

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: October 28, 2015

Board Item: II-A-2

## Hazardous Waste Disposal Contract Contract # 15933A

Action by Consent

Action

Information

### Summary:

Denver Water's current contract for the disposal of hazardous waste is up for rebid. Denver Water requires the proper management, transportation and disposal of the hazardous waste generated by Denver Water operations.

### Budget Information:

Sufficient funds for the disposal of hazardous waste are included in the 2015 and 2016 budgets under MPC 4HF0006; additional funds will be added to the 2017 and 2018 budgets.

2015 Budget	\$ 35,000.00
Amount Requested This Item	\$ 200,000.00
YTD Expenditures	\$ 34,422.04
Dollars Budgeted for 2016	\$ 41,222.00
Revised Estimate	\$
Budget Adjustment	\$

### Selection of Business Partner:

On August 27, 2015 Denver Water issued a Request for Proposals (RFP) for the disposal of hazardous waste services. This RFP was posted on the Denver Water website, the Rocky Mountain E-Purchasing System and notified the Small Business Enterprise (SBE) / Minority Women Business Enterprise (MWBE) trade organizations. Three vendors responded none were MWBE, one was an SBE. The vendor selection criteria included price, service level, understanding of work, vendor's hazardous waste program and vendor's experience with hazardous waste.

### Recommendation:

It is recommended that the Board approve Agreement 15933A with Clean Harbors Environmental Services, Inc for hazardous waste disposal for the contract period October 28, 2015 through September 30, 2018 for a total contract amount not to exceed \$200,000.00.

**Approvals:**



\_\_\_\_\_  
Tom Roode  
Director of Operations and Maintenance

Respectfully submitted,



\_\_\_\_\_  
James S. Lochhead  
CEO/Manager



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Terri Bryant  
Controller

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: October 28, 2015

Board Item: II-B-1

## Designation of Surplus Property at Platte Cañon Reservoir

Action by Consent

Action

Information

### Summary:

Denver Water owns approximately 694 acres of land in Jefferson County surrounding the South Platte River that was acquired under the Platte Cañon Reservoir project. Much of this land is vacant and utilized for watershed management and potential construction staging areas when projects occur. A portion of this land has been licensed to Lockheed Martin for the installation of ground water monitoring wells for more than 20 years. Lockheed Martin approached Denver Water requesting to purchase 53 acres of land over and surrounding these wells so that they may continue to monitor and maintain them in perpetuity, and also to expand their adjacent Operations Complex. Denver Water Source of Supply Department indicates they can maintain this portion of our watershed and the adjacent Conduit No. 20 without owning this property.

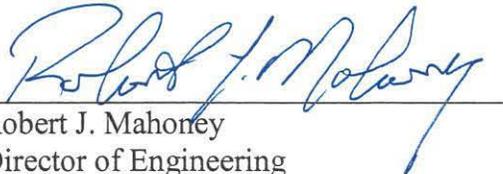
Denver Water believes there is a benefit in pursuing this conveyance as terms of the sale will be contingent on resolution of long-standing drainage and erosion on our adjacent property. Additionally, Lockheed Martin is seeking a long term solution to the issue of their employees utilizing Denver Water's recreation areas for their smoke breaks. Pursuant to this surplus property designation, Denver Water will negotiate a purchase and sale agreement for future Board approval with terms to include, among other items, the above issue resolutions and specific appraisal instructions to ensure the compensation is for this property's highest and best use and proposed zoning of Industrial.

### Recommendation:

It is recommended that the Board declare 53 acres of property at Platte Cañon Reservoir as surplus as it is no longer useful or required for present or future water works purposes.

### **Approvals:**

Respectfully submitted,

  
Robert J. Mahoney  
Director of Engineering

  
James S. Lochhead  
CEO/Manager

  
Patricia Wells  
General Counsel

  
Terri Bryant  
Controller

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: October 28, 2015

Board Item: II-B-2

## **Purchase of Sasaki Land and Fulton Ditch Shares at Lupton Lakes for Agricultural Studies and Potential Long Term Downstream Reservoir Expansion Contracts 16455A and 16455B**

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Action by Consent

Action

Information

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### Summary:

Denver Water's recent Integrated Resource Plan (IRP) investigations identified the need to preserve options to develop water resources that are useful in multiple future scenarios and can be incorporated into different strategies. The Sasaki Property (Attachment 1), which is located adjacent to the North Cell at Lupton Lakes in Ft. Lupton, meets these criteria. The purchase of the Sasaki Property includes 45 acres of land, sand and gravel mineral rights, and an irrigation well that is part of the Central Water Conservancy District's augmentation plan ("Land"). The purchase also includes a separate agreement for water from 8 Fulton Ditch shares, as the property has been used for agricultural purposes and irrigated with water from the Fulton Ditch. For ease of reference, the Sasaki Property refers to both the Land and Fulton Ditch shares collectively.

Denver Water's near-term plan for this property is to lease it for agricultural use while studying the effects of alternative transfer methods of agricultural water rights. Owning and managing this property will also create an opportunity for Denver Water to establish relationships in the agricultural community. In the future, Denver Water forecasts that additional downstream storage space will be required to capture reusable supplies over the 30,000 acre-feet currently planned. The additional storage may be used to augment depletions under various "One Water" scenarios, possible potable reuse, and agricultural sharing arrangements. If the property is developed into additional downstream storage, the proximity of the property to the Lupton Lakes Complex substantially minimizes the per acre foot cost of developing additional storage because of the ability to share infrastructure.

Denver Water has negotiated to purchase the Sasaki Property for \$2,862,000.00. The purchase includes \$2.7 million for the Land (Agreement 16455A) and \$162,000.00 for the 8 Fulton Ditch shares (Agreement 16455B). Earnest money (Land - \$100,000.00; Fulton Ditch shares - \$8,500.00) has been deposited with the title company subject to several contingencies – Board approval, marketable title, inspection, survey, and appraisal. The balance of \$2,753,500.00 plus closing costs will be due at closing.

### Budget Information:

The Sasaki Property does not have budgeted money in 2015. The CEO has agreed to fund the acquisition through his contingency fund. The funds will be placed into an escrow account with Land Title Guarantee Company. The scheduled closing date for the property is January 27, 2016. If possible, Denver Water will close prior to December 31, 2015. Once money is placed into escrow, it will be available to complete the acquisition and will show on Denver Water's books as having been spent in 2015. In the alternative, sufficient funds have been budgeted into the 2016 capital Budget.

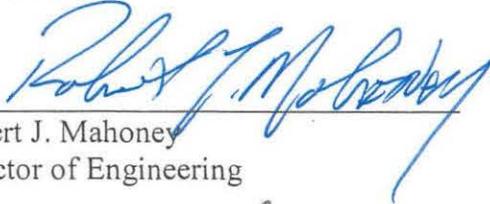
Recommendation:

It is recommended that the Board:

1. Approve Contract 16455A and Contract 16455B for a total contract amount not to exceed \$2,862,000.00 plus closing costs for the purchase of the Sasaki Property, subject to the completion of all matters involving due diligence; and
2. Authorize the Manager to enter into subsequent agreements necessary to acquire the Sasaki Property, subject to negotiation of an agreement acceptable to the Board's General Counsel.

**Approvals:**

Respectfully submitted,



Robert J. Mahoney  
Director of Engineering



James S. Lochhead  
CEO/Manager



William G. Bates  
Acting Director of Planning



Terri Bryant  
Controller

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: October 28, 2015

Board Item: V-D

## Review of Property Burdens and Disposals 3<sup>rd</sup> Quarter 2015

Action by Consent

Action

Information

### Summary:

Denver Water's Executive Guidelines B-1, Section 7 state, "All actions taken by the Manager or his designees under the authority granted to him by the Board, which either burden or dispose of Board property or involve an expenditure of \$10,000.00 or more, shall be reported in writing by the Manager to the Board, at least quarterly."

For reference, the attached report may include the following:

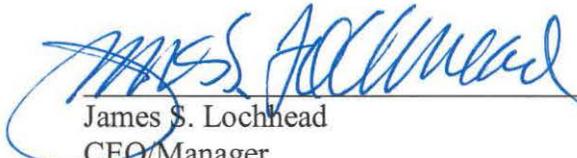
- **Disposals** – Fee property deeded away by Denver Water.
- **Leases** – Property rights of variable time periods granted by Denver Water generally on non-operating land or when leased use does not conflict with Denver Water operations. Compensation is appraised.
- **Letters of Authorization** – Short term property or access rights granted by Denver Water for uses of no more than one year with no compensation.
- **License Agreements** – Perpetual property rights that are granted by Denver Water to a specific party for a specific use that could be revoked at Denver Water's discretion within 30 days. Compensation is a set fee.
- **Easements** – Permanent property rights granted by Denver Water that run with the land. Compensation is appraised.
- **Temporary Easements** – Temporary property rights granted by Denver Water for a longer term use on our land. Compensation is appraised and assessed for the duration of the use, typically on a monthly basis.

This report will be updated and presented to the Board on a quarterly basis.

### Approvals:

  
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Robert J. Mahoney  
Director of Engineering

Respectfully submitted,

  
\_\_\_\_\_  
James S. Lochhead  
CEO/Manager

  
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Terri Bryant  
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: October 28, 2015

Board Item: V-E

Reporting of Staff Administered Construction Contract Contingencies and Allowances

□ Action by Consent

□ Action

■ Information

Summary:

Contracts with Board approved contingency and/or allowance amounts are to be administered through change orders, amendments or invoices as needed by staff. Funds used on the following projects are to be reported to the Board. The projects and their contingency/allowance amounts are:

Table with 5 columns: Contract No., Title, Contractor, Type, Amount. Rows include Ashland Reservoir Replacements, Design Services of The Ralston/Moffat Delivery System, etc.

The construction contingency is used for unforeseen materials or equipment, or work items or site conditions that are not included in the original contract work and which may require timely approval and processing. Allowances are for specific items whose existence is known, but whose actual cost is not known at time of bid.

Recommendation:

Staff will report to the Board quarterly through an Information Item the ongoing status of these funds. Please reference the attached spreadsheet for the detailed Project Contingency Report.

Approvals:

Respectfully submitted,

Signature of Robert J. Mahoney, Director of Engineering

Signature of James S. Lochhead, CEO/Manager

Signature of Terri Bryant, Controller