

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 14, 2010

Board Item V-E-2

**INTERGOVERNMENTAL AGREEMENT WITH  
NORTHWEST LAKEWOOD SANITATION DISTRICT**

Action by Consent

Action

Information

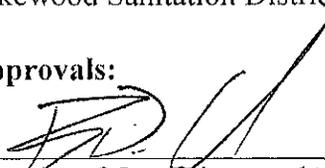
The attached Intergovernmental Agreement (“IGA”) with the Northwest Lakewood Sanitation District (the “Northwest Lakewood”) settles disputes between Denver Water and Northwest Lakewood. The Moffat Water Treatment Plant is located within the boundaries of Northwest Lakewood, which provides sewer service for the facility. In 1993, the treatment plant underwent renovation, and a ¾-inch water tap was replaced with two taps, a 1-inch and a 1-1/2 inch. Ordinarily, sewer tap fees are charged based on the size of water taps, and such a reconfiguration of water service would require payment of additional sewer tap fees. For whatever reason, this did not happen at Moffat. A few years ago, Northwest Lakewood investigated sewer backups along Newcombe Street and discovered higher than expected flows from Moffat into the sewer system. Northwest Lakewood later enlarged the main in Newcombe Street and attributed the need for the enlargement in part to the unanticipated flows from Moffat.

On September 19, 2008, Northwest Lakewood submitted a claim for damages, comprised of the unpaid sewer tap fees; sewer rates for excess flows for 15 years, as hypothesized by the district; and a portion of the cost of constructing the new main. We have reached a settlement of \$223,846. Under the settlement, the Board will pay Northwest Lakewood \$62,340.00 for the sewer connection fee for the 1 inch and 1-1/2 inch taps; \$43,085 for the estimated unanticipated sewer flows from the Moffat plan; and \$118,421 for the installation of the new Newcombe Street sewer main based on the estimated proportionate amount of flows contributed by the Moffat Plant. As part of the settlement agreement, the Board will be billed under a new billing methodology that takes into account the unique nature and character of the sewer flows emanating from Moffat. Northwest Lakewood’s board approved the IGA on March 24, 2010, subject to the Board’s final approval.

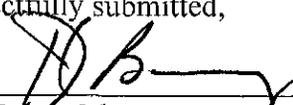
Recommendation:

It is recommended that the Board approve the Intergovernmental Agreement with the Northwest Lakewood Sanitation District.

**Approvals:**

  
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Director of Operations and Maintenance

Respectfully submitted,

  
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H. J. Barry, Manager

  
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General Counsel

  
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Director of Finance