

AGENDA

Denver Board of Water Commissioners

Denver Water Administration Building
1600 West 12th Avenue
Denver, CO
Board Room, Third Floor

Wednesday, December 9, 2015 9:00 a.m.

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
 - a. Board Approval for New Citizen's Advisory Committee Members

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 November 4, 2015 – Open and Executive
2. Minutes from November 18, 2015 – Open and Executive
3. Employees Eligible for Regular Status
4. Employees Hired Above Mid-Point
5. Protective Footwear Agreement
6. Financial Advisory Services

7. Operations Complex Redevelopment Construction Audit Services
8. Operations Complex Redevelopment Project General Contractor - Construction Manager at Risk
9. Third Amendment to Insurance Broker Contract
10. Board Approval for SBE/MWBE External Advisory Committee Members

B. Individual Approval Items

- | | | |
|--|-----------------|-----------|
| 1. Denver Parks and Recreation and Denver Water Intergovernmental Agreement | Melissa Elliott | 5 minutes |
|--|-----------------|-----------|

III. POLICY MATTERS

IV. MONTHLY AND QUARTERLY REPORTS

A. CEO Report

B. CFO Report

1. Monthly Financial Report

C. Operations Report

V. INFORMATION ITEMS

A. Scheduling of Future Board Meetings and Tentative Discussion Topics

B. Event Calendar

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)

Employees Eligible for Regular Status

Board Item: II-A-3

Action by Consent

Action

Information

The following employees have completed the introductory period and are recommended for regular status effective December 1, 2015, unless otherwise noted *:

<u>Employee Name, ID#</u>	<u>Employment Date</u>	<u>Division/Section</u>
MCCALL,STEVEN B, #65029	2015-05-18	Engineering Division Design Drafting, #216
BENEDICT,DIANA C, #62041	2015-05-11	Information Technology Division Geospatial Asset Management, #169
ALVAREZ,ROBERT J, #64803	2015-05-26	Information Technology Division Infrastructure & Technology, #173
HASCALL,JAMES W, #65037	2015-06-01	Operations and Maintenance Division Construction Shop, #920
FERREIRA,MARCELO M, #65001	2015-06-01	Operations and Maintenance Division Emergency Management, #435
LEE,TRACEY V, #65046	2015-05-26	Operations and Maintenance Division Security, #430
LAMBERT,MICHAEL H, #65032	2015-05-26	Operations and Maintenance Division Warehouse, #480
LEONE,MICHAEL C, #62753	2015-05-26	Operations and Maintenance Division Water Quality, #230
MAHAFFEY,JESSICA M, #64911	2015-05-14	Public Affairs Division Communications and Marketing, #021

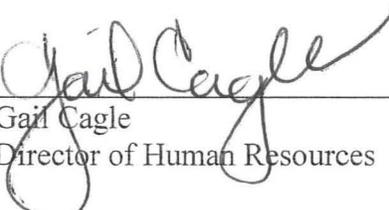
Monthly Employment Totals

	<u>Reg& Intro</u>	<u>Reg P.T.</u>	<u>Reg Total</u>	<u>Temp</u>	<u>Temp P.T.</u>	<u>Temp Total</u>
November 2015–FTE End of Mo.	1055.0	6.3	1061.3	4.0	2.8	6.8
October 2015–FTE End of Mo.	1049.0	7.1	1056.1	1.0	3.3	4.3
November 2014–FTE End of Mo.	1052.0	9.6	1061.6	5.0	.5	5.5

Recommendation:

It is recommended that the Board approve these employees for regular status.

Approvals:



Gail Cagle
Director of Human Resources

Respectfully submitted,


James S. Lochhead
CEO/Manager

**Employees Hired Above Mid-Point
December 1, 2015**

Board Item: II-A-4

Action by Consent

Action

Information

Denver Water Personnel Policies require that the Board approve placement of new hires whose recommended pay rate is above the midpoint of their respective pay range. Such placement is recommended by Human Resources based on a candidate's education, experience, certifications, and other qualifications. The following individual is recommended for placement at a rate of pay higher than the midpoint of the pay range:

Candidate Name	Job Title	Hire Date	Rate of Pay	Midpoint of Range	% Higher than Midpoint
Sakthisaravanan Ayyadurai	IT Sr Application Developer	11/2/2015	\$8,583.33	\$8,437.87	1.7%
Elizabeth Martinez	Manager of Total Rewards	11/16/2015	\$10,000.00	\$9,142.47	8.6%

Denver Water Personnel Policies require that the Board approve placement of employees who successfully bid into a new position where the recommended pay rate is above the midpoint of their respective pay range. Such placement is recommended by Human Resources based on a candidate's education, experience, certifications, and other qualifications. The following individual is recommended for placement at a rate of pay higher than the midpoint of the pay range:

Candidate Name	Job Title	Successful Bid Date	Rate of Pay	Midpoint of Range	% Higher than Midpoint
Daniel Fish	Fleet Supervisor	11/7/2015	\$33.65	\$30.25	10.1%

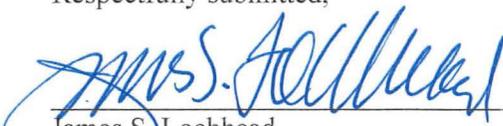
Recommendation:

It is recommended that the Board approve the employee to be hired above the midpoint of the pay range.

Approvals:



Gail Cagle
Director of Human Resources

Respectfully submitted,


James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 9, 2015

Board Item: II-A-5

Protective Footwear Agreement Contract # 16002A

Action by Consent

Action

Information

Summary:

Denver Water provides safety shoes for certain employees as part of the Personal Protective Equipment program. The footwear must be ASTM F2413-11 compliant and the selected vendor, MNT Group LLC dba Intermountain Safety Shoe Store, has the ability, resources, and experience to manage a protective footwear program. This program vendor will ensure that all footwear purchases meet minimum safety standards, offer the convenience of mobile onsite services and multiple store locations to employees, provide a large selection of footwear styles and options. This vendor will also administer, track and report annual allowances and spending.

Budget Information:

Funds are included in the 2015 and 2016 Operations and Maintenance budget; additional funds will be added to the 2017 and 2018 Operations and Maintenance budgets.

2015 Budget	\$130,000.00
Amount Requested This Item	\$275,000.00
YTD Expenditures	\$94,124.00
Dollars Budgeted for Future Years (2016)	\$135,000.00
Revised Estimate	\$
Budget Adjustment	\$

Selection of Business Partner:

Denver Water issued a Request for Proposal (RFP) for a protective footwear program. 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. Four vendors responded: none were MWBE, one was an SBE, which was the vendor selected. The vendor selection criteria included ability to meet work requirements, experience, staffing plan, equipment and facilities and price.

Recommendation:

It is recommended that the Board approve 16002A with MNT Group LLC dba Intermountain Safety Shoe Store for protective footwear for the contract period December 9, 2015 through December 31, 2018 for a total contract amount not to exceed \$275,000.00.

Approvals:



Thomas J Roode
Director of Operations and Maintenance

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 9, 2015

Board Item: II-A-6

Financial Advisory Services Contract # 16403A

Action by Consent

Action

Information

Summary:

Denver Water recently requested proposals to provide Financial Advisory Services to the Board. The services requested included assistance with evaluation of financing options available to Denver Water, participation in bond document preparation and review, coordination of relationships with credit rating agencies, coordination of debt sale transactions, monitoring refunding opportunities, assistance with debt market monitoring, financial modeling and policy development and serving as Denver Water's independent Registered Municipal Advisor.

Denver Water interviewed the top three proposers and after evaluation, selected George K. Baum as the firm proposing the best value for Denver Water.

George K. Baum is a national financial advisory firm whose Denver office serves as the Municipal Finance headquarters of the company. The Board previously retained George K. Baum to provide financial advisory services through 2005.

Budget Information:

2016 Budget	\$	770,000
Amount Requested This Item	\$	230,000
YTD Expenditures	\$	0
Dollars Budgeted for Future Years*	\$	0
Revised Estimate	\$	-
Budget Adjustment	\$	-

**Upon approval by the Board, additional funds will be added for years 2017 and 2018.*

Selection of Business Partner:

On September 16, 2015 Denver Water issued a Request for Proposal (RFP) for financial advisory services. This RFP was posted on the Denver Water website, the Rocky Mountain E-Purchasing System and a notification was sent to the Small Business Enterprise (SBE) / Minority Women Business Enterprise (MWBE) trade organizations. Seven vendors responded, none of which were MWBE. The vendor selection criteria included an evaluation of price, service level, staffing plan / organizational rating, understanding of work and experience.

Recommendation:

It is recommended that the Board approve 16403A with George K. Baum for financial advisory services for the contract period December 9, 2015 to December 31, 2018 for a total contract amount not to exceed \$230,000.

Approvals:

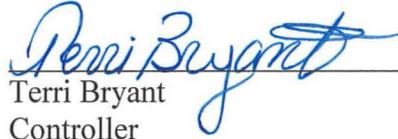


Angela Bricmont
Director of Finance

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 9, 2015

Board Item: II-A-7

**Operations Complex Redevelopment Construction Audit Services
Contract #16097A**

Action by Consent

Action

Information

Summary:

Denver Water is seeking construction auditing services for the Operations Complex Redevelopment (OCR) project. The selected firm will review contracts and work packages, provide guidance regarding construction audit issues on an as-needed basis, act as an outsourced “auditor-in-charge” to guide Denver Water’s internal audit staff over the life of the OCR project, and assist in two in-depth reviews. The contract is for an initial two-year period, with options for three additional one-year periods to match the OCR project timeline of four to five years. The first in-depth review will be targeted to occur after approximately three to six months of OCR construction. It will examine the controls that have been put in place, near their start, to oversee and manage the project. We expect this will include reviews of project accounting, status reporting processes, and change control processes. The second in-depth review will occur at approximately 60% construction completion, and is expected to include reviewing pay applications and payments, inspection reports, status reports, change orders, and uses of contingencies and allowances.

The contract is based on an overall hourly rate and yet-to-be scoped and priced not-to-exceed amounts for each in-depth review. If schedule permits, we intend to utilize the selected firm in December 2015 for an initial baseline review and initial reviews of OCR Work Package #1. The first in-depth review will likely take place in 2016. The second in-depth review can be scheduled as the project schedule becomes more firm, but will most likely occur in late 2017 or early 2018. Funds will be budgeted in each year based on expected utilization of the selected firm. Best estimates of the cost of these services over the life of the OCR project is approximately \$120,000.00.

Budget Information:

Internal Audit’s 2015 budget includes funds for outsourced audit services. Approximately \$15,000.00 has been designated from the total of \$62,050.00 for work in December 2015. For 2016, \$35,000.00 for this work has been designated out of a total proposed Professional Services Budget of \$236,800.00. The remaining 2016 budget is for the unrelated IT Strategy Review.

2015 Budget	\$	62,050.00
Amount Requested This Item	\$	120,000.00
YTD Expenditures	\$	13,150.00
Dollars Budgeted for Future Years	\$	105,000.00
Revised Estimate	\$	
Budget Adjustment	\$	0.00

Selection of Business Partner:

In July 2015, Denver Water issued a Request for Qualifications via the Rocky Mountain E-Purchasing System (BidNet), the Denver Water public website, and direct e-mail to the SBE/MWBE Bid List. Denver Water also directly e-mailed 26 known potential respondents. Denver Water received Statements of Qualification (SOQ) from 17 organizations. The selection committee evaluated each SOQ based on the organization's depth and breadth of construction audit project work, degree of focus on construction, key staff experience and qualifications, and proposed plan for handling the auditor-in-charge role.

In October, Denver Water issued a subsequent Request for Proposals (RFP) to the eight top-scoring respondents from the RFQ process. The RFP was issued using a standard Brooks Act Quality Based Selection (QBS) process. Denver Water received seven RFP responses, of which three are SBE and none are MWBE. The proposals were evaluated based on their proposed "plan of care" for the audit work, qualifications and experience of the firm and of key staff, and staffing plan for the life of the project. Respondents were ranked in order based on these criteria and pricing discussions took place with the top-ranked firm. Pricing being satisfactory, the committee selected Commercial Cost Control, Inc. as the construction audit services provider best meeting Denver Water's need. Commercial Cost Control, Inc. is a SBE.

Recommendation:

It is recommended that the Board approve Contract No. 16097A with Commercial Cost Control, Inc. for construction audit services for the contract period December 9, 2015 through December 31, 2017 for a total contract amount not to exceed \$120,000.00.

Respectfully submitted,


James S. Lochhead
CEO/Manager


Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 9, 2015

Board Item: II-A-8

Operations Complex Redevelopment Project General Contractor – Construction Manager at Risk Contract 15630A – Amendment No. 1

Action by Consent

Action

Information

Summary:

On August 26, 2015, a contract was awarded to Mortenson Construction for construction of the Operations Complex Redevelopment (OCR) project. This contract will be broken down into multiple Work Packages, each with its own Guaranteed Maximum Price.

Amendment No. 1 is for the renovation of Building D at the Wynetka Facility to accommodate moving the personnel and equipment for the Materials Lab offsite. This work was not included in Mortenson's original construction contract, but is included in the overall OCR project budget. This will allow the current Materials Lab building to be demolished in 2016 to accommodate future construction. The new facility at Wynetka will become the permanent location of the Denver Water Materials Lab.

Budget Information:

The 2015 and Proposed 2016 Capital Improvement Plans (MPC 1HA0006) includes sufficient funds for this amendment, and remaining funds will be budgeted in future years.

2015 Budget	\$ 7,000,000.00
Amount Requested This Item	\$ 350,692.00
YTD Expenditures	\$ 4,286,224.85
Dollars Budgeted for Future Years (2016 – 2020)	\$ 179,000,000.00
Revised Estimate (2015/2016)	\$ 36,000,000.00
Budget Adjustment	\$ 0.00

Selection of Business Partner:

Mortenson was selected through a quality based selection process in April 2014 as the Construction Manager at Risk (CMAR) for the OCR Project. As the CMAR, Mortenson has the knowledge of the site, control of the construction schedule, and the resources to complete this amendment on the required schedule.

The construction MWBE participation goal for the overall project is 18%.

Recommendation:

It is recommended that the Board approve Amendment No. 1 to Contract 15630A with Mortenson Construction for the renovation of Building D at the Wynetka Facility to accommodate the Materials Lab for an amount not to exceed \$350,692.00 for a total amended contract amount not to exceed \$154,850,773.00.

Approvals:



Robert J. Mahoney
Director of Engineering

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 9, 2015

Board Item: II-A-9

Third amendment to insurance broker contract

Contract # 13390A

Action by Consent

Action

Information

Summary:

On September 23, 2015, Arthur J. Gallagher (“Gallagher”) presented to the Board the benefits of self-insuring worker’s compensation coverage. Staff concurs with Gallagher’s recommendation that it is financially beneficial for the Board to be self-insured for worker’s compensation coverage. The Board asked Gallagher to get firm quotes for Third Party Administration (TPA) service and Excess Worker’s Compensation Insurance, which is required by State of Colorado Department of Labor and Employment (DOLE), in order to provide a more accurate cost comparison. Board also concurred with Gallagher to proceed with an application of self-insurance with DOLE due to the lead time required to get through the application, if the Board chooses to transition to a self-insured model. Since then, Gallagher has filed the application with DOLE and has completed the RFP process for TPA and Excess Worker’s Compensation Insurance. Gallagher will analyze the information and advise the Board on results on December 16. Staff is asking for a one-year extension of Gallagher’s contract to December 31, 2016 to allow sufficient time to fully transition to a self-insured model. The current worker’s compensation insurance coverage with Travelers’ ends on January 31, 2016.

Budget Information:

Staff budgeted \$78,350 for insurance broker services in 2016. Budgeted funds are expected to be sufficient for 2016.

2016 Budget	\$	78,350
Amount Requested This Item	\$	78,350
YTD Expenditures	\$	0
Dollars Budgeted for Future Years	\$	0
Revised Estimate	\$	78,350
Budget Adjustment	\$	0

Recommendation:

It is recommended that the Board approve the Third Amendment to contract 13390A with Arthur J. Gallagher Risk Management Services for insurance broker services for an extension of the contract period through December 31, 2016 and for the addition of \$78,350 for a total amended contract amount not to exceed \$421,950.

Approvals:

Respectfully submitted,



Patricia Wells
General Counsel



James S. Lochhead
CEO/Manager



Angela C. Bricmont
Director of Finance



Terri Bryant
Controller

Date: December 9, 2015
To: Denver Board of Water Commissioners
From: Sally Covington, Director of Public Affairs
Subject: SBE and MWBE External Advisory Committee Changes in Membership

The SBE and MWBE External Advisory Committee reviews and provides feedback for the goals, programs, outreach efforts and communication plans intended to ensure the sustainability, growth and success of Denver Water's Minority and Women-Owned Business Enterprise and Small Business Enterprise programs. The Committee assists in and provides guidance for making recommendations to the Board of Commissioners on annual program goals, targets and outreach efforts.

Members are appointed to staggered 2 year terms, except for 2015 when the committee was first established. In 2015, three committee members were asked to serve a 1 year term in order to set up the staggered replacement schedule. New members will serve 2 year terms through 2017. Please see the attached document for a list of the full proposed committee.

Departing Members:

Charles Roberts, Empire Construction
Les Townsend, Townsend Group
Jeannette Blanco-Weller, J. Blanco Enterprises

New Members:

Jarod Casey, Faison Office Products
Lloyd Herrera, HCL Engineering
Nancy D'Rosario, CE Group

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 9, 2015

Board Item: II-B-1

Denver Parks and Recreation and Denver Water Intergovernmental Agreement Contract # 16545A

Action by Consent

Action

Information

Summary:

The City and County of Denver's Parks and Recreation Department and the Denver Water Board of Commissioners have a history of cooperative efforts and wish to continue that cooperation to the mutual benefit of their customers and residents. Both parties recognize that they serve many of the same customers and residents and that there are several areas in which they can cooperate to attain their individual and joint goals.

This Intergovernmental Agreement covers six areas:

- Provides for a more reliable, efficient water source for Wellshire Golf Course, removing it from service on the High Line Canal
- Converts Harvard Gulch Park Complex, to City Ditch raw water reducing reliance on potable water
- Identifies sites at golf courses for Denver Water to pilot future water storage solutions
- Provides for the installation of Phase II of Denver Parks' Central Control Master Plan, improving irrigation efficiency
- Develops a Water Management Plan for Denver Parks to manage this resource more effectively
- Allows for Denver Parks' conversion to recycled water in a budget neutral way while ensuring potable water savings

Budget Information:

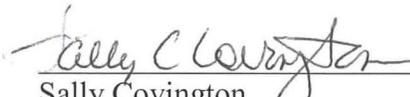
There are sufficient funds in the 2016 budget. Additional funds will be budgeted in the future.

2016 Budget	\$ 1,575,000.00
Amount Requested This Item	\$ 5,117,000.00
YTD Expenditures	\$ 0.00
Dollars Budgeted for Future Years	\$ 0.00
Revised Estimate	\$ 0.00
Budget Adjustment	\$ 0.00

Recommendation:

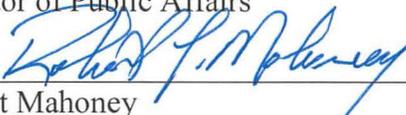
It is recommended that the Board approve 16545A with Denver Parks and Recreation.

Approvals:



Sally Covington

Director of Public Affairs



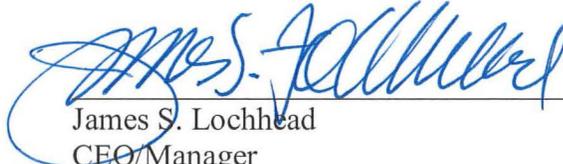
Robert Mahoney

Director of Engineering



Patti Wells
Legal Counsel

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller