

AGENDA

Denver Board of Water Commissioners

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

Wednesday, June 24, 2015 9:00 a.m.

I. BOARD ADMINISTRATIVE BUSINESS

A. Call to Order and Determination of Quorum

B. Public Comment and Communications

Any person may address the Board at this time on any item of interest to the public that is within the subject matter and jurisdiction of the Board, and is not on the agenda. Speakers wishing to address a specific Action Item will be invited to address the Board at the time the item is being considered. Three minutes are allowed for each person unless the President determines otherwise. Written customer comments are regularly distributed to the Board.

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 Trench Rotomilling
2. Fourth Amendment for Hauling Services
3. First Amendment for Pressure Regulating Valves
4. Annual Contracts Scheduled to Renew and/or Require Additional Funding in the 3rd Quarter of 2015

B. Individual Approval Items

- | | | |
|---|---------------------------------------|-----------------------|
| 1. Agreement with John Deere Financial for Short-Term Lease of Backhoes | Tom Roode | 10 minutes |
| 2. Learning Management System Subscription and Implementation Services | Gail Cagle
James Davis | 10 minutes |
| 3. Amendment No. 1 with Mainlining America LLC for 2015 Pipe Rehabilitation | Laura Dennis
Mark Almond | 10 minutes |
| 4. Tabulation of Bids for Tree and Shrub Maintenance and Removal | Tom Roode | 5 minutes |

III. POLICY MATTERS

- | | | |
|--|----------------|------------|
| A. Rate Structure Study | Todd Cristiano | 30 minutes |
| B. Diversity/Military/Diversity College Outreach | Mary Faulkner | 15 minutes |

IV. MONTHLY AND QUARTERLY REPORTS

- A. CEO Report
- B. CFO 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)(c)p

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 24, 2015

Board Item: II-A-1

Tabulation of Bids for Trench Rotomilling Contract # 16036A

Action by Consent

Action

Information

Summary:

Trench rotomilling is a process by which asphalt or concrete is reduced to a pulverized state, with the resulting pulverized material being of a consistency that allows it to be used as backfill. This results in savings through reduced hauling of waste material.

Budget Information:

Funds for these services are included in the 2015 Operations and Maintenance budget.

2015 Budget	\$80,000
Amount Requested This Item	\$225,000
YTD Expenditures	\$25,550
Dollars Budgeted for Future Years	\$2,982,237
Revised Estimate	\$
Budget Adjustment	\$

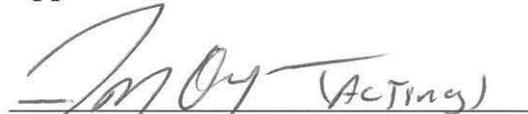
Selection of Business Partner:

In May 2015, Denver Water issued an Invitation for Bid on Rocky Mountain E-Purchasing System (BidNet), Denver Water's website, and notified the Small Business Enterprise (SBE)/Minority Women Business Enterprise (MWBE) trade organizations. Two vendors responded, neither are MWBE. The vendor selection criteria included an evaluation of vendor price, ability to do the work and past performance.

Recommendation:

It is recommended that the Board approve Contract 16036A with TMT Cutters Inc. for trench rotomilling services for the contract period July 1, 2015 through June 30, 2018 for a total contract amount not to exceed \$225,000.00.

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: June 24, 2015

Board Item: II-A-2

Fourth Amendment for Hauling Services Contract # 14027A

Action by Consent

Action

Information

Summary:

Denver Water uses a contractor to haul several different types of solid waste materials (spoils) to a disposal site, as well as to perform pickup and delivery of squeegee and aggregate materials. The spoils include materials such as soil, dirt, concrete, and asphalt that are generated when the Transmission and Distribution (T&D) Section performs street excavations to install new water lines and repair the water distribution system. Most of the aggregates and some spoils from these T&D projects are stored or staged at the Westside Yard before being transported to their final destination.

In the coming months, construction of the new operations complex will limit the staging/storage space, and the near-term plan is to remove all spoils and aggregates staging/storage from the Westside Yard. Because the aggregates contracts interrelate closely with the hauling and spoils disposal site contracts, Denver Water is exploring options for alternate suppliers, storage locations, and acquisition methods for aggregates and spoils disposal sites; specifically, a team is working to try to combine the aggregates, hauling, and spoils disposal requirements in a single upcoming Request for Proposals (RFP) process. This RFP process will include a short period of trial runs, so that T&D crews can evaluate the ability of potential contractors to perform the work.

Denver Water has extended contracts for the spoils disposal site and aggregate materials through August 31, 2015, to allow time to properly explore this option. It is unknown at this time what the results of the RFP and trial runs will be or what long-term impact they will have on Denver Water's hauling services requirements. The hauling services contract is also being extended to allow Denver Water to assess the impact of the pending RFP on hauling service requirements. The longer extension of the hauling services contract (through December 31, 2015 rather than August 31, 2015) will allow Denver Water to evaluate the specific impacts of the changes in suppliers and disposal and storage sites without the additional variable of a change in hauling services.

Budget Information:

Sufficient funds for hauling services are included in the 2015 budget under MPC 4DA0007.

2015 Budget	\$	1,200,000.00
Amount Requested This Item	\$	640,000.00
YTD Expenditures	\$	374,917.00
Dollars Budgeted for Future Years	\$	
Revised Estimate	\$	\$1,200,000.00
Budget Adjustment	\$	0.00

Selection of Business Partner:

Hauling services under Contract No. 14027A were competitively bid in March 2012 and the low bidder, Toby Cordova's Trucking LLC, was selected to provide the services for an initial contract term of May 1, 2012 through April 30, 2014, for a total contract amount not to exceed \$2,600,000.00.

The contract was previously amended to add funds of \$750,000.00, to extend the contract term for an additional year, and to clarify after-hours rates that were not included in the original contract. Hauling services are included as part of the RFP mentioned above, seeking a single supplier to provide aggregates storage, hauling, and a disposal site.

Recommendation:

It is recommended that the Board approve the Fourth Amendment to Contract No. 14027A with Toby Cordova's Trucking LLC for hauling services for an extension of the contract period through December 31, 2015 and for an addition of \$640,000.00, for a total amended contract amount not to exceed \$3,990,000.00.

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: June 24, 2015

Board Item: II-A-3

First Amendment for Pressure Regulating Valves Contract # 15520A

Action by Consent

Action

Information

Summary:

Denver Water uses Pressure Regulating Valves (PRVs) to reduce pressure between different zones within our service area. Significant pressure changes between zones are one of the factors that leads to increased water main breaks. One of Denver Water's first Rapid Improvement Events (RIE) identified preventative maintenance and replacement of PRVs as an opportunity for improving customer satisfaction through reductions in our water main breaks. This amendment covers PRVs from 4 inches to 16 inches in size; a single large PRV can cost close to \$20,000 for a single unit.

Budget Information:

The PRVs are budgeted as part of our Warehouse stock for 2015, and the budget is sufficient to cover the 25 PRVs being purchased.

2015 Budget	\$ 10,100,000.00
Amount Requested This Item	\$ 115,000.00
YTD Expenditures	\$ 4,208,333.35
Dollars Budgeted for Future Years	\$ 10,100,000.00
Revised Estimate	\$
Budget Adjustment	\$

Selection of Business Partner:

The existing contract with Border Marketing was competitively bid in June of 2014 and was structured to allow Denver Water to place an additional order for valves within one year at the same unit costs. The PRV contract will again be competitively bid after these 25 units are received. The original contract was for \$95,542.04, for the first set of PRVs; purchase of the second set of PRVs will not exceed \$115,000.00.

Recommendation:

It is recommended that the Board approve the First Amendment to Contract 15520A with Border Marketing, Inc. for pressure regulating valves for an extension of the contract period through February 29, 2016 and for an addition of \$115,000.00 for a total amended contract amount not to exceed \$210,542.04.

Approvals:



Tom Roode
Director of Operations and Maintenance

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 24, 2015

Board Item: II-A-4

Annual Contracts Scheduled to Renew and/or Require Additional Funding in the 3rd Quarter of 2015

Action by Consent

Action

Information

Denver Water has a number of contracts that renew on an annual basis, some of which require additional funding for the following contract year. Contract administrators have determined that the contracts described in the attachments continue to be of value and are necessary to the operation of Denver Water. The original terms and conditions of these contracts remain unchanged. However, for the coming year the contracts require additional funding of more than \$100,000 or additional funding that will cause the total contract expenditures to exceed \$100,000.

Recommendation:

It is recommended that the Board approve the additional funding indicated for each of the contracts described in the attached Authorizations for Additional Contract Funds.

Approvals:

Respectfully submitted,



Angela C. Bricmont
Director of Finance



James S. Lochhead
CEO/Manager



Terri Bryant, CPA
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 24, 2015

Board Item: II-B-1

**Agreement with John Deere Financial for Short-Term Lease of Backhoes
Contract # 15661F**

Action by Consent

Action

Information

Summary:

Denver Water’s Fleet is working to standardize Fleet assets (heavy equipment as well as transportation vehicles) to gain efficiencies in operation, repair, training, etc. Fleet staff are also exploring opportunities to reduce Denver Water expenses and improve operational efficiencies through rental / lease arrangements of assets, rather than purchase.

In 2014 Fleet was supporting 15 backhoes with an average age of 11 years and an average downtime of 8 days due to frequent maintenance issues. This downtime impacted business productivity in T&D and SOS, and cost an average of \$3,079 per backhoe. Around the same time Fleet received guidance from a Denver Water Internal Audit recommending a six-year life cycle on all assets. Fleet had not budgeted for asset replacements at this frequency and began researching lease and rental options to bridge the gap.

Honnen Equipment, one of Denver Water’s heavy equipment rental vendors, presented a proposal for a two-year lease of 16 John Deere backhoes (additional backhoe to provide rotating asset to reduce downtime on scheduled maintenance) for \$526,054. Denver Water has an option to purchase the backhoes at the end of the lease, or can pursue another lease / rental option. The price to purchase a new backhoe is approximately \$119,000; the purchase price of these leased backhoes will be determined based on fair market value at the end of the lease. Treasury staff reviewed the lease proposal and recommended sale of the existing backhoes at auction to maximize the value since the expected proceeds were more than the proposed trade-in value of \$165,000.

To date Roller and Associates has auctioned 12 backhoes and associated attachments for \$176,874. Three more backhoes are still in use pending auction, with estimated value of approximately \$55,000. This brings the total estimated auction proceeds to \$231,874.

Budget Information:

This contract is not budgeted for the current year, but will be included in the 2016 and 2017 Budgets as needed. The unbudgeted lease cost for 2015 is estimated at \$219,200. This is offset by both the proceeds of the auction (\$231,874), the reduced downtime impacts to business productivity in SOS and T&D, and the maintenance savings to Fleet.

2015 Budget	\$ 0
Amount Requested This Item	\$ 526,054.40
YTD Expenditures	\$ 101,662.67
Dollars Budgeted for Future Years	\$ 424,391.73
Revised Estimate	\$
Budget Adjustment	\$

Selection of Business Partner:

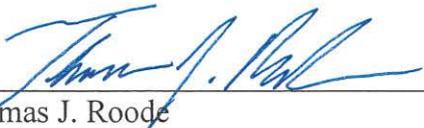
Denver Water competitively bid for Heavy Equipment Rental Services in 2014 and selected four vendors, one of whom was Honnen Equipment. Because Honnen was the broker but not the manufacturer of these backhoes, the lease contract is with John Deere Financial. A misunderstanding about this distinction led to Denver Water agreeing to this lease without realizing that a separate contract with John Deere Financial was required. This contract approval will formally ratify the two-year lease agreement, but will not obligate Denver Water to purchase the backhoes at the end of the lease.

Recommendation:

It is recommended that the Board approve Contract 15661F with John Deere Financial for a two-year lease agreement ending in March 2017 for a total contract amount not to exceed \$526,054.40

Approvals:

Respectfully submitted,



Thomas J. Roode
Director of Operations and Maintenance



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 24, 2015

Board Item: II-B-3

Amendment No. 1 with Mainlining America, LLC for the 2015 Pipe Rehabilitation Contract 15906A

Action by Consent

Action

Information

Summary:

On March 11, 2015, the Board approved Contract 15906A in the amount of \$3,532,159.55 with Mainlining America, LLC for the 2015 Pipe Rehabilitation.

After Notice to Proceed was issued for the 2015 Pipe Rehabilitation Project, the decision was made to identify and replace all non-copper service lines on the distribution mains being cleaned and lined. In order to complete this additional Work, 18,677 of the original 51,023 linear feet of cleaning and lining will not be completed due to schedule, sequence, and manpower constraints. The following changes were made in this Amendment to accommodate the non-copper service line replacement:

- Add 315 non-copper service line replacements (main to meter) at \$5,100/EA unit price for a total of \$1,606,500.00.
- Add an allowance of \$100,000.00 for potholing to identify the service line material.
- Add an allowance of \$400,000.00 for replacing non-copper service lines that have inside meter sets.
- Delete cleaning and lining of 18,677 linear feet of pipe from the original scope. Work Items total (\$1,154,427.45).

Budget Information:

The 2015 Capital Improvement Plan (MPC 2DF0005) includes sufficient funds for this project.

2015 Budget	\$	4,080,000.00
Amount Requested This Item	\$	957,222.55
YTD Expenditures	\$	560,443.56
Dollars Budgeted for Future Years	\$	0.00
Additional Expenditures Anticipated	\$	3,519,556.44
Revised Estimate	\$	5,037,222.55
Project Budget Adjustment	\$	957,222.55

Selection of Business Partner:

The 2014 Pipe Rehabilitation Project was bid competitively using Invitation for Bids on the QuestCDN platform. Five General Contractors were pre-qualified to bid on the work. Four bids were received and the lowest qualified bid was submitted by Mainlining America, LLC of Elma, New York. That contract

contained language enabling negotiation of a contract extension for up to four additional years based on satisfactory performance, at the discretion of Denver Water. As a continuation of that project, Denver Water solicited a cost proposal from Mainlining America, LLC for the 2015 Pipe Rehabilitation Project.

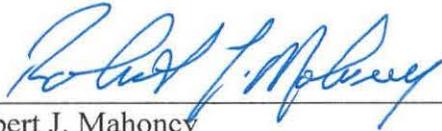
The cost proposal was reviewed and evaluated and supporting documentation for the cost increase was provided and deemed acceptable. Mainlining America, LLC has been the business partner for this annual on-going program since 2009. Denver Water realized savings by reusing construction information from the 2014 Pipe Rehabilitation Project, and by not having to issue a full bid package or advertising for the 2015 Pipe Rehabilitation Project. The bidders appreciate the opportunity for a multi-year contract. Due to time constraints and the active presence of the Contractor performing the cleaning and lining Work, it was determined to solicit unit prices for the additional Work from the existing Contractor rather than terminating the Contract and rebidding the new scope of Work.

Recommendation:

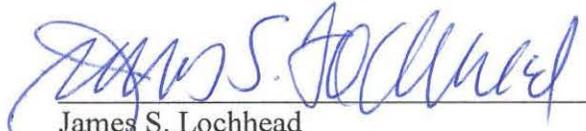
It is recommended that the Board approve Amendment No. 1 to Contract 15906A with Mainlining America, LLC for the 2015 Pipe Rehabilitation for an addition of \$957,222.55 for a total amended contract amount not to exceed \$4,489,382.10.

Approvals:

Respectfully submitted,



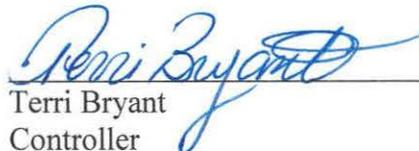
Robert J. Mahoncy
Director of Engineering



James S. Lochhead
CEO/Manager



Angela Briemont
Director of Finance



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 24, 2015

Board Item: II-B-4

Tabulation of Bids for Tree and Shrub Maintenance and Removal Contract # 16043A

Action by Consent

Action

Information

Summary:

Denver Water requires tree and shrub maintenance, including pesticide spraying, and tree removal services at many properties throughout the Denver Metropolitan Area. Trees that are dead or in serious decline present a hazard and require removal; these removal services are needed most extensively along the 71-mile length of the High Line Canal.

Removal of large trees often requires the use of a crane, significantly increasing the degree of difficulty, safety risk, and the cost. Many of the trees along the High Line Canal that require removal are large enough that a crane is required. Rather than purchasing this equipment and requiring Denver Water's Source of Supply staff to attain the level of skill required to perform tree removal in a safe and cost-effective manner, Denver Water hires contractors who are trained to perform this work.

Budget Information:

Sufficient funds for tree and shrub maintenance and removal are included in the 2015 and 2016 budgets under MPCs 4AO0005 and 4JD0006.

2015 Budget	\$	258,020.00
Amount Requested This Item	\$	250,000.00
YTD Expenditures	\$	28,328.50
Dollars Budgeted for Future Years (Current 10-yr Plan)	\$	328,916.00
Revised Estimate	\$	258,020.00
Budget Adjustment	\$	0.00

Selection of Business Partner:

Denver Water issued an Invitation for Bids via Rocky Mountain E-Purchasing System (BidNet) and the Denver Water public website. Denver Water received responses from four bidders. The low bidder, Gilbert's Tree Service, Inc., is not licensed through the Colorado Department of Agriculture for pesticide application; however, this SBE company is currently working to gain its pesticide applicator license. Any pesticide application work allocated to this contractor is contingent upon successful licensing through the Colorado Department of Agriculture.

Denver Water Source of Supply is recommending award to three contractors based on the service level requirements and the increased number of large trees requiring removal along the High Line Canal. The intent is to divide all tree removal work evenly between the three contractors, and to divide the pesticide application work between the two contractors who are licensed to perform this work.

Recommendation:

It is recommended that the Board approve a total contract amount not to exceed \$250,000.00 under Contract No. 16043A for funding of Contract No. 16043B with The Davey Tree Expert Company, Contract No. 16043C with Swingle Lawn, Tree & Landscape Care, and Contract No. 16043D with Gilbert's Tree Service, Inc., for tree and shrub maintenance and removal for the contract period July 1, 2015 through October 31, 2017.

Approvals:



Thomas J. Roode
Director of Operations and Maintenance

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller