

AGENDA

Denver Board of Water Commissioners

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

Wednesday, April 13, 2016 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

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 March 9, 2016 – Open and Executive
2. Minutes from March 23, 2016 – Open and Executive
3. Employees Eligible for Regular Status
4. Employees Hired Above Mid-Point
5. Depository Banking, Custody, and Lockbox Services
6. Tabulation of Bids for South Platte Collection System – North Metro Howe-Haller & Hazeltine Reservoirs Property Fencing
7. Update to Operating Rules Chapter 15
8. Natural Grass Mowing

9. 2016 Assessment to the South Platte Water Related Activities Program, Inc. in Support of the Platte River Recovery Implementation Program
10. Ratification of Construction Contracts Change Orders and Amendments to Contracts/Agreements
11. Agreement with Willows Water District for Collection of District Surcharge
12. Agreement with Berkeley Water and Sanitation District for Collection of District Surcharge
13. Denver Water Capital Project Construction Portal
14. Agreement for Legal Services with Carver Schwarz McNab Kamper & Forbes, LLC

B. Individual Approval Items

- | | | |
|--|--------------|------------|
| 1. First Amendment for Boring Services | Tom Roode | 2 minutes |
| 2. NetworkFleet, Inc. Contract Extension | Jack Tolmich | 5 minutes |
| 3. Series 2016A and 2016B Master Resolution Water Revenue Bonds | Usha Sharma | 10 minutes |

III. POLICY MATTERS

- | | | |
|-----------------------|-----------------|------------|
| A. ORCA Update | Jonathan Spitze | 10 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
- C.** Reporting Staff Administered Construction Contract Contingencies 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)

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 April 1, 2016, unless otherwise noted *:

<u>Employee Name, ID#</u>	<u>Employment Date</u>	<u>Division/Section</u>
KERNAN,NICHOLAS J R, #64957	2015-09-14	Customer Relations Division Customer Care, #460
NUSSBAUM,DALE J, #64726	2015-04-06	Customer Relations Division Customer Service - Field, #465
BASALDUA,LUCY S, #65151	2015-09-29	Human Resources Division Learning and OD, #424
GOODMAN,SHAWN M, #65128	2015-09-14	Information Technology Division Support Services, #174
PHILLIPS JR,MICHAEL J, #65124	2015-09-21	Operations and Maintenance Division T&D Construction & Maintenance, #710
WILHITE,ZACKARY M, #65126	2015-09-21	Operations and Maintenance Division Winter Park Area, #520

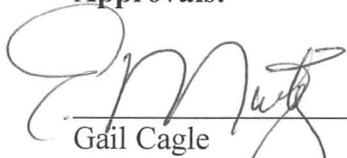
Monthly Employment Totals

	Reg& <u>Intro</u>	Reg <u>P.T.</u>	Reg <u>Total</u>	Temp <u>Temp</u>	Temp <u>P.T.</u>	Temp <u>Total</u>
March 2016-FTE End of Mo.	1069.0	10.0	1079.0	0.0	1.6	1.6
February 2016-FTE End of Mo.	1061.0	8.7	1069.7	0.0	2.1	2.1
March 2015-FTE End of Mo.	1042.0	8.1	1050.1	0.0	0.6	0.6

Recommendation:

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

Approvals:

 Acting For:
Gail Cagle
Director of Human Resources

Respectfully submitted,


James S. Lochhead
CEO/Manager

**Employees Hired Above Mid-Point
March 2016**

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
Christopher Zink	Metal Shop Foreman	2/16/16	\$ 34.62	\$ 33.30	3.8%

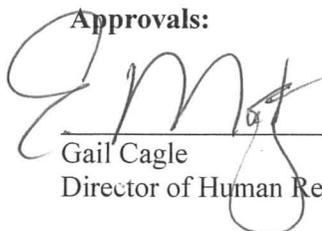
Denver Water Personnel Policies require that the Board approve placement of employees who successfully bid into a new position where the recommended pay rate is above the midpoint of their respective pay range. Such placement is recommended by Human Resources based on a candidate's education, experience, 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
Jason Warwick	Asst. Water Treatment Supvr.	3/12/16	\$ 7,350.50	\$ 6,693.27	8.9%
Gabriel Marquez	Cross Connection Control Tech.	3/14/16	\$ 21.00	\$ 19.99	4.8%

Recommendation:

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

Approvals:

 Acting for:
Gail Cagle
Director of Human Resources

Respectfully submitted,


James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2016

Board Item: II-A-5

**Depository Banking, Custody, and Lockbox Services
Contract # 16434A**

Action by Consent

Action

Information

Summary:

The Board’s current agreements for depository banking, custody and lockbox services have been in place since 2011, 2004, and 2012, respectively. Denver Water issued a Request for Proposals (RFP) which invited banks to submit a proposal, in whole or part, to provide these services. After a competitive selection process generating eight proposals, Denver Water recommends JPMorgan Chase to provide deposit banking services, the Bank of New York Mellon Trust to provide custody services, and UMB Bank to provide lockbox services for the period April 15, 2016 through March 31, 2021, for a total contract amount not to exceed \$1,500,000.

Budget Information:

Funds for these services were included in the 2016 Treasury budget and ten year operating plan.

2016 Budget	\$	1,099,450
Amount Requested This Item	\$	1,500,000
YTD Expenditures	\$	142,641
Dollars Budgeted for Future Years**	\$	
Revised Estimate	\$	1,500,000
Budget Adjustment	\$	0

**These services will be budgeted for future years

Selection of Business Partner:

Denver Water issued a RFP in October 2015 for its depository banking, lockbox, custody, and commercial card (p-card) service needs. Banks were invited to submit a proposal for any one or combination of these services. The RFP was issued via Rocky Mountain E-Purchasing System (BidNet), the Denver Water public website, direct e-mail to the SBE/M/WBE Chamber e-mail list and six banks. Denver Water received eight responses, none of which is SBE or M/WBE.

The selection committee evaluated each proposal based on the financial strength and long-term viability of the bank, price (fees, interest rates, and account structure), customer service structure and client coverage strategy, and the reporting software and online banking platform/technology, among other factors. Five banks were invited to interview with the selection team and provide a live demonstration of their online platform and reporting capabilities. The committee recommends JPMorgan Chase Bank, N.A. to provide depository banking services, The Bank of New York Mellon Trust Company, N.A. to provide custody services, and UMB Bank to provide lockbox services.

An award for the commercial card services portion of this RFP will be recommended to US Bank under a separate contract. Denver Water has a current contract in place with US Bank for commercial card services that does not expire until May 31, 2016, with an annual rebate due in June 2016. All eight RFP

respondents submitted a proposal for commercial card services. US Bank provided the best economic proposal, including the highest rebate rate, which is an increase over Denver Water's current rebate rate.

Recommendation:

It is recommended that the Board approve Contract No. 16434A for funding of Contract Nos. 16434B, 16434C, and 16434D with JPMorgan Chase Bank, N.A. for depository banking services, The Bank of New York Mellon Trust Company, N.A. for custody services, and UMB Bank for lockbox services, respectively, for the contract period April 15, 2016 through March 31, 2021 for a total contract amount not to exceed \$1,500,000.

Approvals:

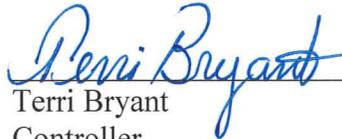
Respectfully submitted,



Angela C. Bricmont
Director of Finance



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2016

Board Item: II-A-6

Tabulation of Bids for South Platte Collection System - North Metro Howe-Haller & Hazeltine Reservoirs Property Fencing Contract # 15563A

Action by Consent

Action

Information

Summary:

On March 29, 2016, bids were received for the S Platte Collection System- North Metro Howe-Haller and Hazeltine Reservoirs Property Fencing Project. Denver Water initiated a safety and security protocol four years ago at the facility to fence the perimeter of our property. This protocol protects the public from injury while protecting valuable infrastructure at the site. Due to the large extent of fencing required, fencing projects have been built as infrastructure was installed and completed. This project completes the property fencing around Howe-Haller A, B, and Hazeltine Reservoirs. The fencing will connect to Adams County fencing on the western border at their open space trail.

Budget Information:

The 2016 Capital Improvement Plan (MPC 1AL0240) includes sufficient funds for this project.

2016 Budget	\$	1,163,000.00
Amount Requested This Item	\$	524,743.90
YTD Expenditures	\$	0.00
Dollars Budgeted for Future Years	\$	0.00
Revised Estimate	\$	1,163,000.00
Budget Adjustment	\$	0.00

Selection of Business Partner:

Denver Water notified all five Contractors on our Prequalified Contractors List under the Landscape, Irrigation and Fencing discipline. This Contract was a public open-competitive bid conducted by using Invitation for Bids on the QuestCDN platform. Five General Contractors were pre-qualified to bid on the work. Three firms bid on the project, and the lowest qualified bid was submitted by Environmental Logistics of Denver, Colorado in the amount of \$524,743.90. The 90% Opinion of Probable Cost for the work was \$974,600.00. Due to the disparity between all 3 bids, verification of scope and pricing was completed by Environmental Logistics.

The Minority and Women Business Enterprise (MWBE) goal established for this construction project is 20% participation. Environmental Logistics achieved 20.00% MWBE participation.

Recommendation:

It is recommended that the Board approve Contract 15563A with Environmental Logistics for construction of the S Platte Collection System - North Metro Howe-Haller and Hazeltine Reservoirs Property Fencing project for contract period of April 15, 2016 through July 29, 2016 for a total contract amount not to exceed \$524,743.90.

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: April 13, 2016

Board Item: II-A-7

Update to Operating Rules Chapter 15

Action by Consent

Action

Information

Summary:

The Board's Operating Rules are periodically refined and updated in response to changes in regulations, technology and business needs. Attached are proposed changes to the Operating Rules resulting from discussions on the Drought Response. The changes to Chapter 15 of the Operating Rules are designed to provide consistency with Denver Water's Drought Response Plan, drought response guidelines and drought response programming elements; and to provide clarity to Denver Water Customers. The Drought Response Plan was updated in 2014 to incorporate lessons learned from the 2013 drought.

Recommendation:

It is recommended that the Board approve the proposed changes to the Operating Rules.

Approvals:

Respectfully submitted,



Patricia Wells
General Counsel



James S. Lochhead
CEO/Manager



Julie Anderson
Director of Customer Relations

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2016

Board Item: II-A-8

Natural Grass Mowing Contract # 16564A

Action by Consent

Action

Information

Summary:

Denver Water contracts for natural grass mowing services at many of the Denver Water facilities throughout the metropolitan area. Natural grass mowing is required in areas maintained as rangeland or as natural (non-turf) grasslands. Outsourcing this activity allows Denver Water grounds crews to focus on performing customer-facing activities like sod replacement and landscape maintenance.

Budget Information:

Funds for these services are included in the 2016 Operations and Maintenance budget; additional funds will be budgeted in future years to cover the remainder of this contract.

2016 Budget	\$	170,000.00
Amount Requested This Item	\$	210,000.00
YTD Expenditures	\$	0.00
Dollars Budgeted for Future Years	\$	382,375.00
Revised Estimate	\$	0.00
Budget Adjustment	\$	0.00

Selection of Business Partner:

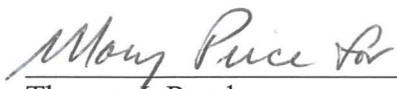
Denver Water issued an Invitation for Bids (IFB) for natural grass mowing services in February 2016 via Rocky Mountain E-Purchasing System (BidNet), the Denver Water public website, and direct e-mail to the SBE/M/WBE Chamber e-mail list. The work under this contract was divided into three schedules to maximize bid opportunities for smaller vendors. Denver Water received nine bids, five of which are SBE and one of which is both SBE and a certified M/WBE.

Landscaping services (which includes grass mowing) is a covered spend category under Denver Water's Covered Goods and Services MWBE program. The selected bidder is CoCal Landscape Services, Inc., an SBE organization.

Recommendation:

It is recommended that the Board approve Contract 16564A to CoCal Landscape Services, Inc. for natural grass mowing services for the contract period April 13, 2016 through March 31, 2019, for a total contract amount not to exceed \$210,000.

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: April 13, 2016

Board Item: II-A-9

2016 Assessment to the South Platte Water Related Activities Program, Inc. in Support of the Platte River Recovery Implementation Program

Contract # 14186A

Action by Consent

Action

Information

Summary:

On September 27, 2006, U.S. Secretary of the Interior Dirk Kempthorne signed the Record of Decision for the Final Environmental Impact Statement on the Platte River Recovery Implementation Program ("Program"). The governors of the states of Wyoming, Colorado, and Nebraska signed the document on January 1, 2007, initiating the official start of the Program. The Program is designed to allow existing and future water use to continue in a way that protects the endangered species. If the Program is not successful, existing water uses can be negatively impacted and the federal permitting of water supply projects in the Platte River basin will become much more difficult.

The South Platte Water Related Activities Program, Inc. ("SPWRAP") is a Colorado nonprofit corporation established by Colorado water users for the purpose of representing water users' interests in the Program. A Colorado water user must become a member in SPWRAP and pay the annual assessment to obtain the regulatory benefits provided by the Program. The funds generated by annual assessments are used to help the state meet its obligations under the Program. As long as the state meets its Program obligations, members of SPWRAP are protected.

Budget Information:

Assessment rates in SPWRAP have remained unchanged since 2010. Denver Water was assessed and paid \$397,523.16 to SPWRAP in 2015. Staff included \$420,000 in the 2016 budget (MPC 4AR0025) to pay Denver Water's 2016 annual assessment. It is anticipated that Denver's assessment will be similar for the remaining three years of the first increment of the Program and the 10-year Capital Plan reflects this anticipated ongoing expense.

2016 Budget	\$	643,500.00
Amount Requested This Item	\$	387,840.60
YTD Expenditures	\$	20,371.39
Dollars Budgeted for Future Years	\$	1,260,000.00
Revised Estimate	\$	387,840.60
Budget Adjustment	\$	0.00

Recommendation:

It is recommended that the Board approve the payment of \$387,840.60 for Denver Water's 2016 assessment to SPWRAP.

Approvals:

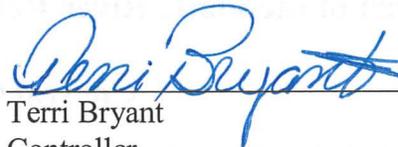
Respectfully submitted,



Mike King
Director of Planning



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2016

Board Item: II-A-10

**Ratification of Construction Contracts Change Orders
and Amendments to Contracts/Agreements**

Action by Consent

Action

Information

Summary:

The attached are Construction Contracts Change Orders and Amendments to Contracts/Agreements for Board ratification for February and March 2016.

Approvals:



Robert J. Mahoney
Director of Engineering

Respectfully submitted,



James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2016

Board Item: II-A-11

Agreement with Willows Water District for Collection of District Surcharge

Contract # 16694A

Action by Consent

Action

Information

Summary:

Willows Water District (RB 233, Contract # 14182A) has requested that Denver Water include a surcharge on bills sent to customers in their district. The surcharge proceeds would be used by Willows to fund long term replacement of infrastructure in their Read & Bill area. The district is generally located between S. University Blvd. and S. Colorado Blvd. between County Line Rd. and E. Dry Creek Rd. and serves approximately 1,130 customers.

Upon Board approval, Willows Water District will pay the standard \$10,170 for the initial development of the surcharge billing capability. Once the program begins, customers in Willows Water will be billed a monthly surcharge on their water bill. Denver Water will remit the funds to Willows net Denver Water's quarterly fee of \$1,600.08 or \$6,400.32 annually.

The contract may be terminated by either party with 60 days written notice. If terminated by Denver Water within 5 years, Willows is entitled to a refund of a portion of the initial development fee of \$8,500.

Recommendation:

It is recommended that the Board approve the Agreement with Willows Water District.

Approvals:

Respectfully submitted,



Patricia Wells
General Counsel



James S. Lochhead
CEO/Manager



Julie Anderson
Director of Customer Relations

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2016

Board Item: II-A-12

Agreement with Berkeley Water and Sanitation District for Collection of District Surcharge

Contract #16701A

Action by Consent

Action

Information

Summary:

Berkeley Water and Sanitation District (RB 176, Contract # 05931A) has requested that Denver Water include a surcharge on bills sent to customers in their district. The surcharge proceeds would be used by Berkeley to fund immediate replacement of infrastructure in their Read & Bill area. The district is generally located between Sheridan Blvd. and Pecos St. between W 52nd Ave. and W 64th Ave. and serves approximately 1,300 customers.

Upon Board approval, Berkeley Water and Sanitation District will pay the standard \$10,170 for the initial development of the surcharge billing capability. Once the program begins, customers in Berkeley will be billed a monthly surcharge on their water bill. Denver Water will remit the funds to Berkeley net Denver Water's quarterly fee of \$1,646.15 or \$6,584.60 annually.

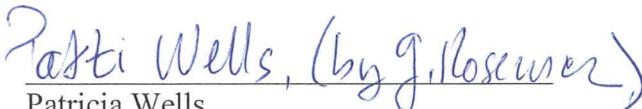
The contract may be terminated by either party with 60 days written notice. If terminated by Denver Water within 5 years, Berkeley is entitled to a refund of a portion of the initial development fee of \$8,500.

Recommendation:

It is recommended that the Board approve the Agreement with Berkeley Water and Sanitation District.

Approvals:

Respectfully submitted,


Patricia Wells
General Council


James S. Lochhead
CEO/Manager


Julie Anderson
Director of Customer Relations

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2016

Board Item: II-A-13

Denver Water Capital Project Construction Portal Contract # 16689A

Action by Consent

Action

Information

Summary:

Denver Water commissions the construction of approximately \$80,000,000 in capital infrastructure improvements each year, typically consisting of 30 to 60 active projects at any point in time. Denver Water's Engineering Construction Management Section currently uses the EADOC construction management software solution from Bentley Software to track and manage capital project documents and construction processes, but desires to replace that system with a less expensive solution, with better capabilities. A cost/benefit analysis completed in 2014 estimated net savings resulting from a contemporary construction management software solution to be in excess of \$100,000 annually.

Budget Information:

The total cost for the three year software subscription for the new construction management software system is \$147,500. Year-1, Year 2, Year-3 costs will be \$32,500, \$46,000, \$69,000 respectively. Costs for the first year subscription fee is included in the 2016 IT Operational Asset Management software budget (CCCN 170, MPC 4JN0002, TOE 5012). Costs beyond 2016 will be included in future year budgets, subject to Board approval.

2016 Budget	\$ 1,200,540.00
Amount Requested This Item	\$ 147,500.00
YTD Expenditures	\$ 73,395.00
Dollars Budgeted for Future Years 2017 and 2018	\$ 1,826,640.00
Revised Estimate	\$ 1,200,540.00
Budget Adjustment	\$ 0.00

Selection of Business Partner:

A Request for Proposal was developed by the Engineering Construction Management Section in January, 2016 and published on the Denver Water web site. Three proposals were received, evaluated and scored. None of the proposals submitted were SBE/MWBE companies. ProCore Technologies, Inc. was selected as the highest scoring response and was also the lowest in price. Procore Technologies' software capabilities were also validated by pilot testing in 2015 during Engineering's capital project – Conduit 62 Valve Install.

Recommendation:

It is recommended that the Board approve Contract Number 16689A with ProCore Technologies, Inc. for construction management software for the contract period April 9, 2016 to April 8, 2019 for a total contract amount not to exceed \$147,500.00.

Approvals:

Respectfully submitted,



Christopher R. Dermody
Director of Information Technology



James S. Lochhead
CEO/Manager



Robert J. Mahoney
Director of Engineering



Terri Bryant
Controller



Patricia L. Wells
General Counsel

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2016

Board Item: II-A-14

**Agreement for Legal Services
with Carver Schwarz McNab Kamper & Forbes, LLC
Contract # 16686A**

Action by Consent

Action

Information

Summary:

The proposed contract is with Carver Schwarz McNab Kamper & Forbes, LLC (the “Firm”). The Firm will provide oil and gas counsel services in connection with Denver Water’s Lupton Lakes Reservoir project, as well as additional oil and gas advice on an as-needed basis.

Budget Information:

The Legal Division budget contains adequate funds to cover the current year expenses. The budget of \$200,000 for this contract is intended to cover the entire three-year term of the agreement.

2016 Budget	\$ 600,000
Amount Requested This Item	\$ 200,000
YTD Expenditures	\$
Dollars Budgeted for Future Years	\$
Revised Estimate	\$
Budget Adjustment	\$

Selection of the Business Partner:

In March 2016, Denver Water issued a request for proposals (“RFP”) for legal counsel with expertise in oil and gas leases, surface owner rights, surface use agreements, COGCC regulations and hearings, and Colorado’s accommodation doctrine. The RFP was distributed to all oil and gas law firms listed in the Colorado Legal Directory and the Colorado minority bar associations; it was also posted on Denver Water’s bid board. Eight law firms responded to the RFP. None of the respondents had a MWBE or SBE certification. After interviewing four firms, the law firm of Carver Schwarz McNab Kamper & Forbes, LLC was selected to provide the required oil and gas counsel services based on the relevant experiences and qualifications of the lead attorneys, billing rates, interview, and absence of any apparent conflicts of interest. Denver Water has not previously used the Firm for similar services or in connection with any other contracts.

Recommendation: It is recommended that the Board approve Contract # 16686A with Carver Schwarz McNab Kamper & Forbes, LLC for oil and gas counsel services for the contract period of March 9, 2016 through March 9, 2019, for a total contract amount not to exceed \$200,000.

Approvals:

Respectfully submitted,


Patricia L. Wells
General Counsel


James S. Lochhead
CEO/Manager


Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: Wednesday, April 13th, 2016

Board Item: II-B-1

First Amendment for Boring Services Contract # 15886A

Action by Consent

Action

Information

Summary:

Denver Water's Transmission and Distribution section requires a contractor to perform boring services for both planned and emergency work. As part of service line replacement Denver Water digs trenches for water lines from the main line to a residence. This has the potential to impact large trees, porches and building structures. Utilizing boring services minimizes the damage to customer property and reduces the time required to complete the job, further reducing customer impact. Denver Water has significantly increased the use of this service to improve customer satisfaction related to service line replacements.

Budget Information:

Funds for these services were included in the 2016 Operations and Maintenance budget, as well as the capital budget for the Distribution System. Funds will be added to the Operations and Maintenance and Distribution System budgets for 2017 to cover the remainder of the contract.

2016 Budget	\$	186,345.59
Amount Requested This Item	\$	170,000.00
YTD Expenditures	\$	27,907.70
Dollars Budgeted for Future Years (2017)	\$	0.00
Revised Estimate	\$	0.00
Budget Adjustment	\$	0.00

Selection of Business Partner:

Denver Water issued an Invitation for Bids (IFB) in April 2015 for Directional Drilling Services. The IFB was posted on Rocky Mountain E-Purchasing System (BidNet), Denver Water's website and was sent via direct e-mail to the SBE Bid Hotline list. Denver Water received two bids, one of which was from an SBE. No MWBE bids were received. Drilltech Directional Services was the lowest bidder and is also an SBE.

Recommendation:

It is recommended that the Board approve the First Amendment to Contract 15886A with Drilltech Directional Services, Inc. for an additional \$170,000.00 through contract expiration date April 30, 2017, and a total amended contract amount not to exceed \$250,000.00.

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: April 13, 2016

Board Item: II-B-2

NetworkFleet, Inc. Contract Extension Contract # 14899A

Action by Consent

Action

Information

Summary:

Denver Water has effectively maintained its fleet, consisting of passenger vehicles and light duty trucks, using the fleet telematics solution provided by NetworkFleet, Inc., for the past 3 years. This telematics solution has improved the utilization of Denver Water's fleet with reduced fuel consumption and safer driving habits by employees. Integration between the NetworkFleet Telematics System and the Fleet Maintenance System (M5) enables Denver Water's Fleet Support Services to track vehicle idle times and speed, as well as the ability to manage vehicle maintenance activities. In addition, the vehicle mounted telematics units communicate real-time engine diagnostic and automatically create work orders in M5, avoiding potential vehicle breakdowns and towing costs. There have been approximately 130 of these vehicle work orders created since the M5 integration went live August, 2014. Denver Water has reduced greenhouse emissions as a result of the ability to monitor idle time on vehicles, using the information to educate the drivers of fleet vehicles to turn vehicles off when not in use. Denver Water was able to locate a stolen vehicle using the built-in GPS location system and subsequently recover the vehicle. In addition, Safety has been able to verify the location of vehicles and employees and their activities in determining the validity of complaints from the public.

Budget Information:

The total cost for this three year contract extension is approximately \$400,000 with annual yearly cost estimated at \$133,400 per year. Year-1 costs are included in the 2016 IT Operational Asset Management software budget (CCCN 170 / MPC 4JN0001 / TOE 5012). Costs beyond 2016 will be included in future year budgets, subject to Board approval.

2016 Budget	\$ 1,200,540.00
Amount Requested This Item	\$ 400,000.00
YTD Expenditures	\$ 73,395.00
Dollars Budgeted for Future Years 2017 and 2018	\$ 1,826,640.00
Revised Estimate	\$ 1,200,540.00
Budget Adjustment	\$ 0.00

Selection of Business Partner:

Denver Water is a member of the National Joint Powers Alliance (NJPA) and utilized this national purchasing co-op assessment when the original contract was awarded to NetworkFleet Inc. in March 2013. The telematics solution that is in place involves GPS/diagnostic units that are installed in each Denver Water vehicle. Changing vendors would result in considerable cost to Denver Water to reinstall new GPS devices and incorporate data from the telematics into the Fleet Maintenance System (M5).

Recommendation:

It is recommended that the Board approve this First Amendment to Contract Number 14899A with NetworkFleet Inc. for continued telematics system support and services, extending the contract period through March 14, 2019, for an additional amount of \$400,000.00, for a total amended contract amount not to exceed \$1,248,185.00.

Approvals:



Chris Dermody
Director of Information Technology

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2016

Board Item: II-B-3

Series 2016A and 2016B Master Resolution Water Revenue Bonds

Action by Consent

Action

Information

Summary:

The Board adopted a reimbursement resolution on February 24, 2016, authorizing the financing of certain capital projects and preserving the Board's ability to finance projects in 2016 and future years on a tax-exempt basis. In this Board item, we are requesting the Board adopt the Eighth Supplemental Bond Resolution authorizing the sale and refunding of up to \$185 million of Master Resolution Water Revenue Bonds and delegating authority to the Director of Finance and/or the Treasurer to complete the planned sale, currently planned for May 10, 2016.

Background:

George K. Baum & Company ("GKB"), the Board's financial advisor assisted staff in developing a financing plan to fund 2015 and 2016 priority capital projects and pay down \$30 million of the Board's outstanding Line of Credit. The maximum total issue amount is \$110 million.

GKB reviewed the Board's outstanding revenue bond debt for refunding opportunities determining refunding of a portion of the Series 2007A would result in NPV savings of approximately \$9 million. The maximum issue amount is \$75 million.

Becker Stowe Partners LLC and Sherman and Howard LLC provided legal and disclosure services in the preparation of the documents listed below.

Information items:

1. The Series 2016A and Series 2016B Notices of Sale advise potential bidders of competitive sales of the Series 2016A and B Bonds with a form of Purchaser's Certificate attached for both series.
2. The Preliminary Official Statement contains a description of the Series 2016A and 2016B Bonds and a description of Denver Water, its operations and its financial status.

Recommendation:

It is recommended that the Board adopt the attached Eighth Supplemental Bond Resolution so the Director of Finance and/or the Treasurer may continue and complete the planned sale and refunding of up to \$185 million of Master Resolution Water Revenue Bonds, Series 2016A and 2016B.

Approvals:



Angela C. Bricmont
Director of Finance



Patricia L. Wells
General Counsel

Respectfully submitted,



James S. Lochhead
CEO/Manager



Usha Sharma
Treasurer

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 13, 2016

Board Item: V-C

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, and Operations Complex Redevelopment.

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