

AGENDA

Denver Board of Water Commissioners

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

Wednesday, June 8, 2016 9:00 a.m.

I. INTRODUCTORY 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 of May 11, 2016 – Open and Executive Meetings
2. Minutes of May 25, 2016 – Open and Executive Meetings
3. Fourth Amendment to Hazen Research for Water Sample Analysis for the WQ Lab – Contract #12526A
4. Third Amendment for Trench Shoring Services – Contract #14793A
5. Foothills Treatment Plan Backwash Flow Control Valve Replacement - #16691A
6. Ratification of Construction Contracts Change Orders and Amendments to Contracts/Agreements
7. Employees Eligible for Regular Status

III. POLICY PRESENTATIONS

- | | | |
|-------------------------------------|-----------|------------|
| A. High Line Canal Visioning | Tom Roode | 20 minutes |
|-------------------------------------|-----------|------------|

IV. REPORTS

- A. CEO Report**
- B. CFO Report**
- C. Operations Report**
 - 1. Williams Fork Caretakers' Housing – Briefing Paper

V. INFORMATION ITEMS

- A. System Development Charge Water Efficiency Credit Pilot - Briefing Paper
- B. Customer Relations – Call Center Rates Overview

V. 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: June, 8 2016

Board Item: II-A-3

Fourth Amendment to Hazen Research, Inc. Contract # 12526A

Action by Consent

Action

Information

Summary:

Hazen Research, Inc. provides state certified lab analysis of drinking water samples on behalf of the Water Quality Lab and Environmental Compliance Sections.

In accordance with the Safe Drinking Water Act, Denver Water must test drinking water in compliance with the Radionuclides Rule. The tests performed are used to identify radionuclides (radium) contaminates in water. The laboratory we use for the testing of radionuclides has to be State Certified in performing the analysis.

The original amount of this contract was \$100,000.00. The service was recently bid. During the bid process two invoices were paid against the old contract resulting in an overage on the old contract of \$995.00. This amendment will cover that overage and allow Denver Water to close the old contract and transition to the new contract.

Budget Information:

Funds for these services were included in the 2016 Operations and Maintenance budget.

2016 Budget	\$	180,000.00
Amount Requested This Item	\$	955.00
YTD Expenditures	\$	20,379.00
Dollars Budgeted for Future Years	\$	0.00
Revised Estimate	\$	0.00
Budget Adjustment	\$	0.00

Selection of Business Partner:

This contractor was originally chosen based on a competitive selection waiver. There are only three independent laboratories in the State of Colorado certified for this analysis. Hazen Research is the only local lab, located in Golden, Colorado. The other two labs are located in Fort Collins and Steamboat Springs. While most testing is routine, a local lab expedites emergency testing when hand delivery of samples is required, and reduces shipping costs on routine sample testing.

Recommendation:

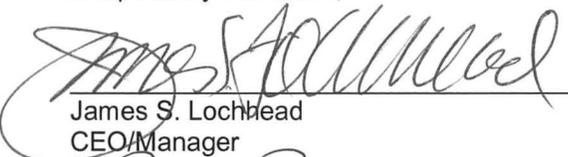
It is recommended that the Board approve the Fourth Amendment to Contract number 12526A with Hazen Research, Inc. for lab for analysis for an addition of \$955.00 for a total amended contract amount not to exceed \$100,955.00

Approvals:



Thomas J. Roode
Director of Operations and Maintenance

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: Wednesday, June 8, 2016

Board Item: II-A-4

Third Amendment for Trench Shoring Services Contract # 14793A

Action by Consent

Action

Information

Summary:

Denver Water has historically rented all trench shoring and related equipment for emergency field work. The size of trenches vary, so it was not cost effective to own components to accommodate all possible configurations. Since this contract was initiated in 2013, common shoring configurations have been identified. Denver Water has purchased shoring equipment based on these configurations and has nearly completed the process of implementing the use of the purchased equipment. This is expected to significantly reduce the need for rental shoring, though rental services continue to be needed for unusual shoring configurations.

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. Denver Water's ongoing safety initiative has increased shoring usage beyond that anticipated in the original and amended contract estimates. An offset will be identified in the operations budget. Sufficient funds will be added to both the operations and capital budgets for 2017 to cover the remainder of the contract.

2016 Budget	\$	93,990.00
Amount Requested This Item	\$	300,000.00
YTD Expenditures	\$	81,830.00
Dollars Budgeted for Future Years	\$	0.00
Revised Estimate	\$	0.00
Budget Adjustment	\$	0.00

Recommendation:

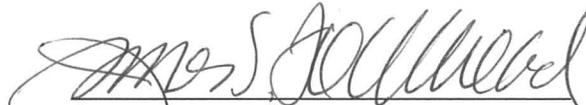
It is recommended that the Board approve the Third Amendment to Contract No. 14793A with United Rentals Northwest, Inc., Trench Shoring Services and Sunbelt Rentals, Inc. for trench shoring equipment rentals for an addition of \$300,000.00 for a total amended contract amount not to exceed \$770,000.00.

Approvals:

Respectfully submitted,



Thomas J. Roode
Director of Operations and Maintenance



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 8, 2016

Board Item: II-A-5

Foothills Treatment Plant Backwash Flow Control Valve Replacement Contract 16691A

Action by Consent

Action

Information

Summary:

The Foothills Treatment Plant backwash system is equipped with eight 24-inch flow control butterfly valves. These valves are failing and are in need of replacement. The procurement of these valves will enable replacement the existing valves and improve the reliability of the backwash system.

Budget Information:

The 2016 Capital Improvement Plan (MPC 2CE5083) includes sufficient funds for the purchase of the valves. Five percent of the contract amount will be paid out in 2017, and there will be adequate funds available in the 2017 budget to cover this payment. If this project is not done, the risk of a valve failure increases and thus the risk of unscheduled outages or downtime at Foothills Treatment Plant increases.

2016 Budget	\$	250,000
Amount Requested This Item	\$	131,720
YTD Expenditures	\$	0
Dollars Budgeted for Future Years	\$	150,000
Revised 2016 Estimate	\$	250,000
Budget Adjustment	\$	0

Selection of Business Partner:

Three manufacturers were approved and were issued an Invitation for Bids (IFB) on May 9, 2016. The IFB was listed on the Rocky Mountain E-Purchasing System (BidNet), the Denver Water public website, and directly emailed to the SBE/MWBE Chamber e-mail list.

On May 20, 2016 three bids were received for the procurement of the eight 24-inch butterfly valves. One bidder was a SBE and no SBE or MWBE goals were established for this procurement bid due to the specialized nature of the equipment fabrication and procurement. The low bid was selected based on price and completeness of their bid.

DeZURIK, Inc., who is not an SBE, was selected as the recommended bidder with the lowest price while adhering to all requirements outlined in the engineering specifications and drawings.

Recommendation:

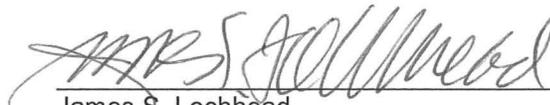
It is recommended that the Board approve Contract 16691A with DeZURIK, Inc. for furnishing eight 24-inch electrically actuated butterfly valves for the contract period June 10, 2016 through February 14, 2017 for a total contract amount not to exceed \$131,720.

Approvals:



Robert J. Mahoney
Director of Engineering

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 8, 2016

Board Item: II-A-6

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

Action by Consent

Action

Information

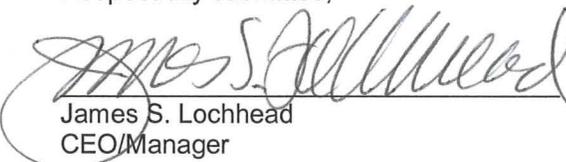
Summary:

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

Approvals:


Robert J. Mahoney
Director of Engineering

Respectfully submitted,


James S. Lochhead
CEO/Manager


Terri Bryant
Controller

RATIFICATION OF CONSTRUCTION CONTRACT

CHANGE ORDERS AND AMENDMENTS TO CONTRACTS/AGREEMENTS

Pursuant to procedure previously established, the following Construction Contract Change Orders and Amendments to Agreements are hereby submitted for Board ratification.

CHANGE ORDERS AND AMENDMENTS

CONSTRUCTION OF THE OPERATIONS COMPLEX REDEVELOPMENT PROJECT WORK PACKAGE NO. 2 – MATERIALS LAB

Contractor: Mortenson Construction
Change Order No. 1
Contract 15630C
Scope: Reconcile line item quantities to actual values.

DEDUCT	\$	(84,467.00)
Original Contract Amount:	\$	350,692.00
Authorized Contract Amendments:	\$	0.00
Authorized Change Orders:	\$	0.00
Current Contract Amount:	\$	350,692.00
Current Decrease in Contract:	\$	(84,467.00)
Revised Contract Amount:	\$	266,225.00
Percentage of Total Amendments to Date:		0.00%
Percentage of Total Change Orders to Date:		31.73%

2015 ROOF REPLACEMENTS

Contractor: Flynn Southwest LP
Change Order No. 1
Contract 16152A
Scope: Scope of work change.

INCREASE	\$	900.00
Original Contract Amount:	\$	524,908.00
Authorized Contract Amendments:	\$	42,181.00
Authorized Change Orders:	\$	0.00
Current Contract Amount:	\$	567,089.00
Current Increase in Contract:	\$	900.00
Revised Contract Amount:	\$	567,989.00
Percentage of Total Amendments to Date:		7.43%
Percentage of Total Change Orders to Date:		0.16%

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 8, 2016

Board Item: II-A-7

Employees Eligible for Regular Status

Action by Consent

Action

Information

The following employees have completed the introductory period and are recommended for regular status effective June 1, 2016, unless otherwise noted *:

<u>Employee Name, ID#</u>	<u>Employment Date</u>	<u>Division/Section</u>
BETANCOURT, MARLEN, #64971	2015-11-30	Customer Relations Division Customer Care, #460
VALERO JR, JOSE, #65070	2015-11-30	Customer Relations Division Customer Care, #460
WHEELER, HOLLY A, #65105	2015-11-30	Customer Relations Division Customer Care, #460
PETRAMALA, DANIEL M, #64421	2015-12-02	Engineering Division Construction Project Inspect, #272
MARTINEZ, ELIZABETH A, #65194	2015-11-16	Human Resources Division Compensation & Perf Management, #439
BANERJEE, SANDIP, #65163	2015-11-09	Information Technology Division Enterprise Integration, #172
FISH, DANIEL F, #65103	2015-07-29	Operations and Maintenance Division Fleet, #810
BERSELL, ERIC A, #65164	2015-11-09	Operations and Maintenance Division South Boulder Area, #510

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<u>Employee Name, ID#</u>	<u>Employment Date</u>	<u>Division/Section</u>
GOETZ,PIERRE-EDOUARD L.R., #65172	2015-11-16	Operations and Maintenance Division South Boulder Area, #510
DUNKIN,CORY J, #65175	2015-11-09	Operations and Maintenance Division South Platte Area, #530
ORTEGA,MICHAEL P, #65188	2015-11-09	Operations and Maintenance Division Water Treatment, #600

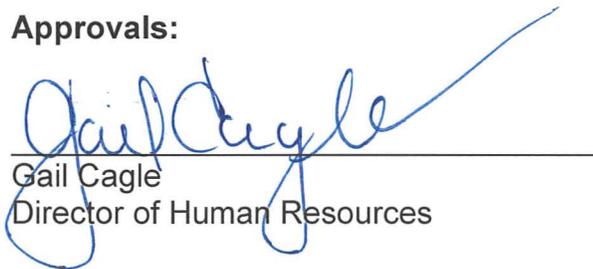
Monthly Employment Totals

	<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>
May 2016 – FTE End of Mo.	1078.0	9.4	1087.4	25.0	0.0	25.0
April 2016 – FTE End of Mo.	1072.0	9.4	1081.4	0.0	0.5	0.5
May 2015 – FTE End of Mo.	1054.0	8.1	1062.1	23.0	0.8	23.8

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

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 8, 2016

Board Item: IV-C-1

Briefing Paper Williams Fork Caretakers' Housing

Action by Consent

Action

Information

Summary:

At Williams Fork Reservoir, there are currently three caretaker houses for the three employees that operate the facility. These houses were built in 1960. Although these houses are not the oldest in the inventory of houses Denver Water owns, the maintenance required has been significantly higher than other caretaker houses in the system. The total cost of maintenance, repairs and upgrades on the three houses is \$858,000 over the life of the houses, or \$286,000 on average per house. Some reasons for these high costs include;

- In 1960 when the houses were constructed, construction plans from a house that was designed and built at Gross Reservoir were used to save cost. This design was not suited to the harsher weather conditions at this higher elevation in western Grand County.
- The original heating system (electric radiant heat in the ceilings) was not a common system and eventually was replaced with hot water heat causing significant costs to install boilers, plumbing and propane tanks at each house.
- Windows in all three houses have been replaced twice due to moisture damage, an effect of the inappropriate heating systems for the climate.
- Kitchens and baths have been remodeled in each of the houses over the past 50 years.

These houses are currently due for new roofs, siding, and are once again needing new windows. This work would cost about \$75,000 and not completely correct the deficiencies of these houses. Replacing the houses allows for the new houses to be built to current electrical, mechanical, plumbing and insulation standards per local building codes and the harsh climate and for Denver Water to capture efficiency savings in energy to heat the homes.

Background:

Caretaker Housing Policy - Through various audits involving Source of Supply and other payroll audits, we have evaluated our policies and practices for staffing, including on-site housing at each of our facilities. This has included investigation into the case law applicable to employer provided housing, the frequency of after-hours calls at each SOS facility, regulatory requirements that drive after-hours responses, required response time and compensation for on-call employees who reside in Denver Water-owned housing. The outcome of this work was the creation of an SOS Housing Strategy in 2014. The strategy as it applies to Williams Fork Reservoir is summarized as follows:

Williams Fork Reservoir, as a FERC regulated facility, is subject to regulatory requirements that, if not consistently met, create the risk of financial loss, loss of reputation and/or failure to meet legal obligations. At Williams Fork, the caretakers are called to duty after hours on a regular basis due to the hydropower operations at the site. In addition to the regulatory requirements, lack of timely response could impact our power generation agreements, lead to additional damage to the facility or equipment and potentially impact the environment by not adequately managing stream flows. Based on these impacts the required caretaker response time for Williams Fork Reservoir has been determined to be 15 minutes.

As an alternative to on-site housing, existing housing in the area has been considered. However, Williams Fork is located in a remote area that does not have potential offsite housing within the 15 minute response range. Another alternative to providing on-site housing is to staff the facility around the clock. This would require at a minimum two additional full time employees to fill a swing and graveyard shift. The midpoint salary of a Hydropower Operator is approximately \$57,000 and the fully loaded cost to Denver Water is estimated at \$100,000. This alternative would

avoid the replacement cost estimated at \$1.2M, but in a period of approximately 6 years, the annual operating cost will have offset the capital cost.

Project Delivery Issues - An internal audit in 2013 concluded that Denver Water's heavy industrial approach utilized to construct water system infrastructure may not be optimal for the design and construction of caretaker houses. The audit also determined that use of Denver Water resources to build the houses was not cost effective. Based on these findings Engineering, Operations and Maintenance and Purchasing have collaborated to identify potential approaches to designing and constructing caretaker houses in a more cost effective manner.

The collaboration resulted in a desire to specify important criteria, but to also allow maximum flexibility by the builder to provide an industry standard product. This criteria can be communicated to prospective builders through a Request for Proposals (RFP), allowing us to select based on the best value offered by the proposers. Since we will only specify items that are critical to Denver Water, everything else will be left up to the builder with the requirement to meet all applicable building codes. The criteria identified includes specific sizing requirements, mandatory performance criteria and preferences that can be evaluated through the proposal selection process. For example one size requirement is a specified a range of building footprint between 2,000 and 2,500 square feet. Examples of performance criteria include a 5 Star Energy rating and a Home Energy Rating System (HERS) maximum score of 100. The preference items are things such as rib steel metal roofing and cement siding. The full criteria is listed in the attached proposed RFP.

Budget Information:

Funds have been budgeted in MPC 1AB0027 in compliance with the Standard Work of the Systems and Programs budget and have been prioritized to start in the 2016 budget cycle. The total budget for the houses is \$1.2M.

Proposed Approach:

It is recommended that staff move forward with replacement of the three Williams Fork caretaker houses utilizing the approach described in this briefing. If this recommendation is acceptable to the Board, staff will issue the attached RFP. Upon receipt of proposals, staff will evaluate the proposals and make a recommendation at a future Board meeting to approve a contract for construction of the houses. We believe this approach will provide the most cost effective means to provide caretaker housing on the Williams Fork Reservoir site.

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 8, 2016

Board Item: V-A

Briefing Paper System Development Charge Water Efficiency Credit Pilot

Action by Consent

Action

Information

Summary:

The Efficiency Credit Pilot encourages new development projects to install the most efficient fixtures, irrigation products and landscape designs by providing a monetary credit to the system development charge. Denver Water's conservation programs have historically been focused on improving the water efficiency of existing customers, while at the same time new sites are being built without installing the most efficient products and designs.

This pilot represents a long-term approach to assist with reducing the amount of water supplies and treatment capacity Denver Water will need to build out in the future. The methodology of the pilot has the potential to be transferred into encouraging One Water approaches.

Background:

Denver Water's current system development charge schedule is based on the maximum estimated gallons per minute (gpm) for non-residential commercial taps and the total lot area for potable irrigation taps. Both of these calculations accurately predict the maximum flows from these taps, but do not provide sufficient weight to a customer's overall annual demand. As a result, there is little incentive for developers to install high-efficiency fixtures, irrigation products and landscape designs to reduce overall annual demand.

Beginning in the fall of 2014, Denver Water customers began approaching staff requesting a reduction in System Development Charges (SDC) with a commitment to install high-efficiency fixtures. Denver Water staff began developing a process to allow customers to effectively lower the cost of SDCs for new construction projects through an Efficiency Credit provided upon verification of the installation of high-efficiency fixtures, high-efficiency irrigation products and water-wise landscapes.

Budget Information:

The cost implications and water savings are based on calculations using the commercial and irrigation taps activated in 2014 and the billed consumption for those taps in 2015. It was further estimated that there would be a 10% participation rate (10% of the 1,000 commercial and irrigation taps activated in 2014).

Cost Implication: \$1.1 million
Water Savings: 189 acre-feet (~\$5,800 per acre-ft)

Approach:

Qualifying Customers: Non-residential (commercial) and irrigation customers developing new sites or redeveloping sites where the taps must be resized or additional taps must be purchased. Customers can be Inside City, Read and Bill, Total Service or Master Meter (with approval from the Master Meter District).

Program Requirements: The program requires the customer to go beyond the requirements for regulations (state, federal, etc.) and the current practices for new development with regard to water efficiency. The developer will pay the full system development charge upfront and receive the credit after verification of the program requirements.

Efficiency Credit Calculations: Non-residential commercial customers will receive a 20% Efficiency Credit and must meet all of the requirements outlined in the program. If a commercial site has landscaped areas they must meet all of the requirements as well.

Irrigation customers will receive a prorated Efficiency Credit based on the design of the landscape. The Efficiency Credit is calculated to incentivize landscape designs requiring less than 10 gallons per square foot annually. The customer must also install the required irrigation products and follow other program requirements.

Program Evaluation: Sales Administration and Conservation staff will work together to administer this program and will evaluate the results of the pilot over a 2-year period.

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