

# AGENDA

## Denver Board of Water Commissioners

Denver Water Administration Building  
1600 West 12<sup>th</sup> Avenue  
Denver, CO  
Board Room, Third Floor

**Wednesday, April 26, 2017 9:00 a.m.**

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### 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. City & County of Denver's All Hazard Mitigation Plan
2. New Contract Summary
3. Contract 16933A Purchase of Sodium Bisulfite
4. Contract 13813A Second Amendment for Purchase of PolyDADMAC Polymer
5. Purchase of Additional Data Storage Equipment – Summit Partners
6. Contract 16855A-Purchase of Additional Licenses and Maintenance & Support-Global Software Fifth Amendment



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 26, 2017

Board Item: II-A-1

## City & County of Denver Multi-Hazard Mitigation Plan Resolution to Adopt Annex A

Action by Consent

Individual Action

### Summary:

The purpose of multi-hazard mitigation is to reduce or eliminate long-term risk to people and property. In order for state, local or tribal jurisdictions to be eligible for Federal Emergency Management Agency (FEMA) assistance, they must develop a hazard mitigation plan, submit it to FEMA for approval and then each jurisdiction and supporting agency must adopt and implement the plan.

In 2012, several local county governments (i.e., Summit, Grand, Douglas, Boulder, Jefferson and Denver counties) approached Denver Water's Emergency Management Section and asked that we participate in their local planning effort due to the extent of Denver Water infrastructure located in their counties. The planning sessions started in January of 2013 and have continued to the present.

Denver Water was asked to provide action items that will assist in the mitigation efforts. These action items are functions that Denver Water staff currently perform as part of their normal operations and emergency preparedness efforts. Examples include: Maintaining/updating a drought plan; updating flood inundation mapping on dams; public outreach, education and conservation efforts; and wildland fire mitigation/prevention.

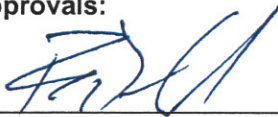
### Budget Information:

This resolution does not have additional budget impacts beyond existing operating and capital budgets.

### Recommendation:

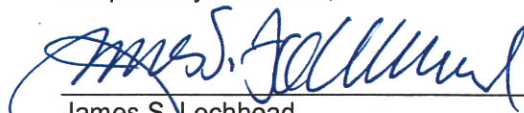
It is recommended that the Board adopt this resolution to adopt Annex A of the City & County of Denver Multi-Hazard Mitigation Plan, increasing emergency management planning and cooperative hazard mitigation processes for Denver Water facilities in Denver County, Colorado.

### Approvals:



\_\_\_\_\_  
Brian Good  
Chief Administrative Officer

Respectfully submitted,



\_\_\_\_\_  
James S. Lochhead  
CEO/Manager



\_\_\_\_\_  
Patricia Wells  
General Counsel

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 26, 2017

Board Item: II-A-2

## New Contract Summary

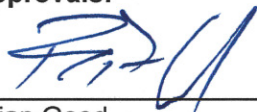
Action by Consent

Action

Information

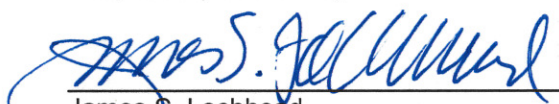
The attached pages list new Denver Water contracts that are between \$20,000 and \$100,000 for the 1st Quarter of 2017. This summary report is provided to the Board quarterly as outlined in the Board's June 2012 Resolution delegating spending authority to the CEO/Manager. The total number of contracts for the 1st Quarter 2017 between \$20,000 and \$100,000 are 29, totaling \$1,340,735.82 and range in length from 2 months to 10 years.

### Approvals:



Brian Good  
Chief Administrative Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



Angela Brimont  
Chief Finance Officer



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 26, 2017

Board Item: II-A-3

## Purchase of Sodium Bisulfite Contract # 16933A

Action by Consent

Individual Action

### **Summary:**

Sodium Bisulfite is a chemical used in the water treatment process to aid in the removal of chlorine from the treatment residual discharge.

### **Budget Information:**

The total amount of this contract is \$185,000.00, and the term of the contract is June 1, 2017 to May 31, 2020. Funds for this service/contract will come from the 2017 budget for treatment chemicals, which has sufficient funds to pay the \$36,000.00 estimated to be needed in 2017. The remaining \$149,000.00 will be budgeted in years 2018, 2019 and 2020.

### **Selection of Business Partner:**

Denver Water issued an Invitation for Bid (IFB) to the public on the Rocky Mountain E-Purchasing System (BidNet, on Denver Water's website, directly to suppliers found on the National Science Foundation website, and through notifications to the SBE and MWBE communities. Denver Water received three bids. Two bids were from SBEs, none of the bids were from MWBEs. Industrial Chemicals Corporation (the incumbent) was selected based on their low, two-year fixed price, short lead time, and free delivery.

### **S/MWBE Information:**

Industrial Chemicals Corporation is an SBE. This contract does not meet the criteria of either the O&M Construction Related or the Covered Goods & Services MWBE programs where overall annual participation targets are set.

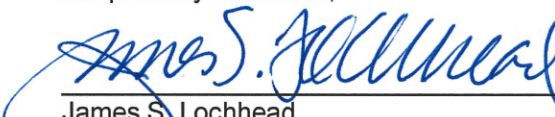
### **Recommendation:**

It is recommended that the Board approve Agreement 16933A with Industrial Chemicals Corporation for the purchase of Sodium Bisulfite for the contract period June 1, 2017 through May 31, 2020 for a total contract amount not to exceed \$185,000.00.

### **Approvals:**

  
\_\_\_\_\_  
Thomas J. Roode  
Chief Operations Maintenance Officer

Respectfully submitted,

  
\_\_\_\_\_  
James S. Lochhead  
CEO/Manager

  
\_\_\_\_\_  
Angela Bricmont  
Chief Finance Officer

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 26, 2017

Board Item: II-A-4

## Second Amendment for Purchase of PolyDADMAC Polymer Contract # 13813A

Action by Consent

Individual Action

### **Summary:**

The Board uses diallyldimethylammonium chloride polymer (PolyDADMAC) at the three potable water treatment plants to supplement liquid aluminum sulfate (alum) in the coagulation process. The addition of PolyDADMAC in water treatment results in lower use of alum and caustic soda, and reduces the amount of sludge production.

PolyDADMACs are synthetic polymers, and each type is a proprietary formulation. Previously, Denver Water had prequalified three products from two manufacturers. Prior to rebidding the contract, Denver Water went through an extensive testing process to prequalify additional products/vendors. A contract with a new vendor for a newly prequalified product will be going to the Board in June. This amendment is to add additional time and funding to fulfil the needs of the treatment plants until the new contract is in place.

### **Budget Information:**

If this amendment is approved it will increase the total amount of this contract to \$3,290,000.00 and extend the term of the contract to June 17, 2017. Funds for this service/contract will come from the 2017 budget for treatment chemicals, which has sufficient funds to pay the \$140,000.00 estimated to be needed to cover the remainder of the contract in 2017.

### **Selection of Business Partner:**

Denver Water has had a contract with BASF Corporation since January 1, 2012 for the purchase of their proprietary PolyDADMAC polymer, Magnafloc LT7985.

### **S/MWBE Information:**

BASF Corporation is neither an SBE nor a certified MWBE. This contract does not meet the criteria of either the O&M Construction Related or the Covered Goods & Services MWBE programs where overall annual participation targets are set.

### **Recommendation:**

It is recommended that the Board approve the Second Amendment to Contract No. 13813A with BASF Corporation for the purchase of PolyDADMAC polymer for an extension of the contract period through June 17, 2017 and for an addition of \$140,000.00, for a total amended contract amount not to exceed \$3,290,000.00.

### **Approvals:**

  
\_\_\_\_\_  
Thomas J. Roode  
Chief Operations Maintenance Officer

Respectfully submitted,

  
\_\_\_\_\_  
James S. Lochhead  
CEO/Manager

  
\_\_\_\_\_  
Angela Brichmont  
Chief Finance Officer

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 26<sup>th</sup>, 2017

Board Item: II-A-5

## Purchase of Additional Data Storage Equipment

Action by Consent

Individual Action

### Summary:

Denver Water has a need to purchase additional data storage equipment to replace aging data storage systems and accommodate growing data storage demands. The installation timing of this additional data storage capacity is also key to facilitating a smooth transition from the existing primary datacenter to the new modular datacenter being implemented with the OCR project. This equipment acquisition is consistent with the strategic direction coming out of the IT Strategy Review and recommendations from Grant Thornton.

### Budget Information:

The cost of this equipment is fully budgeted in the 2017 IT Capital Project Budget under business unit 2009612178.

### Selection of Business Partner:

Denver Water's Purchasing Section worked with the IT Infrastructure Section to prepare an RFQ (Request for Quotation) which was provided to several authorized HPE resellers and posted to denverwater.org and BidNet, which solicited two additional bidders for a total of five bidders. Bids ranged from a low of \$649,999.99 to a high of \$1,176,359.18. Vendor bid tabulation – RFQ 03312017 For HPE Data Storage System Hardware:

Bidder	Protech	CB Tech	Zunesis	2nd Gear	Summit Partners	Vectronics
Total Price	\$1,031,372.00	\$1,064,825.65	\$1,176,359.18	\$1,008,518.56	<b>\$649,999.99</b>	NO BID

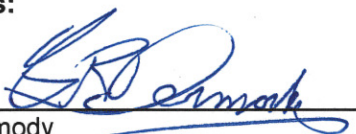
### S/MWBE Information:

N/A.

### Recommendation:

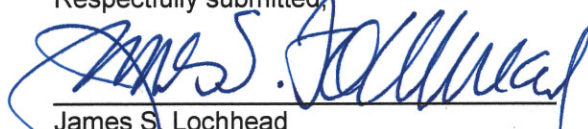
It is recommended the Board approve the purchase of an HPE 3PAR Storage System from Summit Partners, for a total amount not to exceed \$649,999.99.

### Approvals:

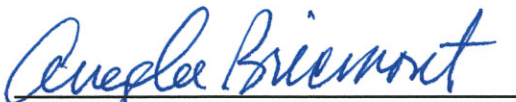


Chris Dermody  
Chief Information Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



Angela Bricmont  
Chief Finance Officer

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## DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 26, 2017

Board Item: II-A-6

### Fifth Amendment with Global Software LLC - Purchase of Additional Licenses and Maintenance & Support Contract # 16855A

Action by Consent

Individual Action

**Summary:**

In conjunction with the ORCA Project, the Finance Division has been utilizing a specialized reporting tool called Spreadsheet Server, designed specifically for financial analysis and reporting with the JD Edwards financial system. The Finance division has a need for fourteen (14) additional user licenses to enable key financial functions, including; daily and monthly balance-sheet reconciliations, budget analysis and forecasting, rate revenue analysis and development, fixed asset reporting and production of the CAFR.

**Budget Information:**

The total amount of this contract amendment is \$47,402.00. Maintenance & Support fees will be co-termed to November 10, 2017 when the existing annual maintenance and support will be renewed. Funds for this contract amendment will come from the 2017 IT Business Intelligence Budget (BU: 1004050200). This purchase of additional licenses and maintenance was not included in the 2017 IT budget. Finance and IT will reflect a forecast underspend/overspend in their respective 2017 operational budgets. IT will budget for annual software maintenance and support costs for Spreadsheet Server in 2018 and beyond.

**Selection of Business Partner:**

Global Software LLC's Spreadsheet Server product was selected after in informal review of other potential options. The Spreadsheet Server product is recognized as the most effective financial reporting tool expressly designed to work with the JD Edwards financial system.

**S/MWBE Information:**

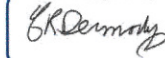
Global Software LLC is not an S/MWBE.

**Recommendation:**

It is recommended that the Board approve this Fifth Amendment to Contract 16855A with Global Software LLC for the purchase of additional licenses, for an addition amount of \$47,402.00, for a total amended contract amount not to exceed \$135,014.09

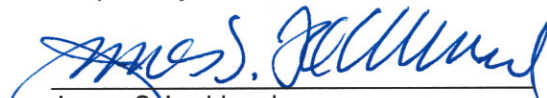
**Approvals:**

DocuSigned by:



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Chris Dermody  
Chief Information Officer

Respectfully submitted,



James S. Lochhead  
CEO/Manager



Angela Bromont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 26, 2017

Board Item: V-A-1

## Briefing Paper for Legislative Update

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### **Strategic Plan Alignment:**

Lenses:

- Customer Centric
- Industry Leader
- Long-Term View

GOAL: Play a key role in issues important to our success by advocating the interests of Denver Water in legislative and regulatory matters, specifically by proactively lobbying the Colorado General Assembly.

### **Summary:**

We are tracking 30 bills as of this meeting, supporting 11 and opposing one. A summary table of these bills, their status and our position is attached. Following the summary table is the full bill report which includes summaries, analysis and strategy on the bill. All major updates are highlighted in the following outline:

1. ***HB17-1321 Parks And Wildlife Financial Sustainability*** – this bill will raise fees on several different services including creating a new Aquatic Nuisance Species boat sticker to help pay for Colorado Parks and Wildlife’s boat inspection program. Some Tier II Severance Tax funding will be needed. Brandon Ransom, Manager of Recreation testified in support of the bill for Denver Water. The bill passed the House Ag committee 8 to 5 and then the House Finance Committee 11 to 1. Next stop is the House Appropriations committee. More details on the bill are found in the full report attached. ***Position: Support.***
2. ***HB17-1306 Test Lead In Public Schools' Drinking Water*** – this bill creates a voluntary program with limited funding to pay for lead tests in public schools. Schools apply for the funding and priority is given to rural schools and K through elementary first. Schools that have already tested recently are not eligible. Steve Price, Water Treatment Engineer, testified in support of the bill for Denver Water. The bill passed the House Education committee 12 to 1. ***Position: Support.***

### **Background:**

N/A

### **Budget Information:**

N/A

### **Alternatives:**

N/A

### **Approach:**

N/A

### **Owner(s):**

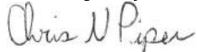
Chris Piper, Government Relations, Public Affairs

### **Attachments:**

Report on 2017 Legislation

Respectfully submitted,

DocuSigned by:



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Division – Public Affairs



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 26, 2017

Board Item: V-A-2

## Briefing Paper for Update on 2017 Lead Reduction Program

### Strategic Plan Alignment:

This program directly aligns with the strategic plan by focusing our efforts on reducing lead in our customers' tap water, even though Denver Water does not own the plumbing that is the only source of lead. By initiating this program, Denver Water has already been acknowledged as one of the leading water agencies in the nation. We continue to build on our reputation with adjustments to the program as more information becomes available. Our long-term view is to reach a point when all lead service lines have been removed and we have optimized our corrosion control strategy.

Lenses: Check all that this initiative addresses:  Customer Centric  Industry Leader  Long-Term View

The program uses the "learning by doing" philosophy to identify and implement improvements to our operations on a frequent basis. It also has adopted a process that uses available administration services from the Denver Urban Renewal Authority (DURA) to manage costs to our customers. The program team relies on several other motivated and inspired people within the organization to carry out the specific tasks to make the program successful.

### Summary:

Although the water Denver Water delivers is lead-free, lead can get into water as it moves through lead-containing household plumbing and service lines. The Lead Reduction Program is designed to address issues of lead in drinking water, while partnering with other entities and property owners to share the cost and enhance awareness of lead as a community issue.

### Background:

In 2016 we examined our current processes to ensure Denver Water is consistent with best practices and developed a long-term lead reduction program. The Board approved the 2017 program and provides a comprehensive approach to reduce exposure to lead, by doing the following:

- Researching optimal corrosion control techniques
- Encouraging the removal of lead service lines
- Implementing a full customer outreach and education plan

### Budget Information:

Program Component	2017 Budget	To Date Actuals Q1
Community Outreach (materials, videos, etc.)	\$30,000	\$0
Water Quality Testing	\$150,000	\$25,000
Corrosion Control Testing and Research	\$150,000	\$14,000
DURA Administration Costs (estimate)	\$200,000	\$8,000
DURA Revolving Loan Fund	\$1,000,000	\$40,000
Lead Service Line Replacement		
Denver Water Construction Projects	\$2,160,000	\$702,000
Service Line Leaks	\$1,320,000	\$340,000
CCD Brighton Boulevard and Federal Projects	\$140,000	\$0
<b>TOTAL</b>	<b>\$5,150,000</b>	<b>\$1,129,000</b>

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**Approach:**

**Corrosion Control Study:**

Denver Water began testing three corrosion control techniques in early 2016. Early results show improved reduction in lead corrosion by using either an elevated pH in our water or with the addition of a corrosion inhibitor. We have begun to review secondary impacts and testing should be completed in late summer 2017.

**Lead Service Line Removal:**

Denver Water has partnered with DURA in a pilot program designed to offer affordable financing options to our customers to encourage the removal of lead service lines. The program launched in February 2017, and at the end of March we have had two participants in the program, with another three customers scheduled to get their service lines removed through DURA. We are continuing to remove lead service lines when we encounter them during construction. As of March 31 Denver Water has performed 165 full replacements and 36 partial replacements during pipe replacement projects and service line leaks respectively. We are also continuing to develop an inventory of known lead lines in our Service Area, and expect to have over 10,000 of the estimated 60,000 identified by the end of the year.

**Customer Outreach**

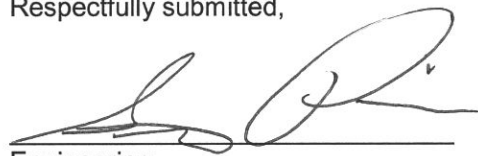
A core component to the Lead Reduction Program is developing partnerships within the community to help with customer outreach and education. Denver Water has been working closely with the City of Denver and other public health agencies to help raise awareness about the serious health impacts of lead exposure in all of its forms. We are supporting a federal grant opportunity sought by Denver Environmental Health through Housing and Urban Development. We have been working with Denver Public Schools and Littleton Public Schools to sample water from fixtures in their facilities as well as educate parents and teachers. Since May of 2016 we have offered lead testing to customers and have received over 1,200 requests to date. Customers who have higher lead test results will be incorporated into our DURA program outreach. We are developing additional marketing materials to promote the DURA program and have revamped our website and educational materials about lead. Some of the website materials have focused on contractors and plumbers who perform service line replacements and other plumbing work in customer homes. We will continue to reach out to these companies and encourage them to replace service lines in full. Lastly, we are participating in two studies with the Water Research Foundation and continue to have our program recognized and referred to by both Colorado Department of Public Health and Environment and the Environmental Protection Agency as well as industry associations as a good example of leadership on this issue.

**Owner(s):**

Steve Price, P.E.  
Engineering

**Attachments:**

Respectfully submitted,



Engineering

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 26, 2017

Board Item: V-B-1

## Supplier Diversity Program Data through First Quarter 2017

Denver Water is committed to doing business with small, minority-owned and women-owned companies. Denver Water does this through a Supplier Diversity Program which includes an outreach program as well as goals and targets for certain types of work and specific projects. For example, the program covers any contract that can be put out for bid such as construction or construction-related, professional services and materials. The program does not include intergovernmental agreements, utilities, legal settlements, real estate/land transactions, conservation incentives or raw water agreements. Reports, like this one, are provided to the Board quarterly to summarize total dollars paid to small, minority-owned and women-owned businesses within the year, as well as progress toward supplier diversity goals and targets.

Construction & construction-related contracts and good & services contracts fall under the City and County of Denver's Disparity Study parameters. All other contracts that include payments to minority and women-owned businesses are reported as non-disparity dollars. Small businesses are not covered in the disparity study, but have participation targets which are tracked separately.

Figure 1 provides a summary of the Small Business Enterprise (SBE) spending by division. Figure 2 provides a summary of payments to certified Minority and Woman-owned Businesses (MWBE) and now includes non-disparity dollars. Figure 3 shows a quarterly, graphical snapshot in each of the categories. Figure 4 provides a visual summary of all MWBE spend year-to-date.

Figure 1

SBE Contract Reporting Summary				
Contracts Contained in the Period from January 1, 2017 to March 31, 2017				
Results by Division	SBE Paid in Period	% of Divisional Spend	Total Contract Dollars Paid in Period	% of DW SBE Period Spend for Division
Administrative Services	\$172,478	31.85%	\$541,591	7.84%
Engineering	\$553,228	1.35%	\$40,854,559	25.15%
Finance	\$13,124	0.20%	\$6,604,064	0.60%
Human Resources *	\$89,511	16.96%	\$527,624	4.07%
Information Technology	\$67,389	6.63%	\$1,015,733	3.06%
Manager and Staff	\$49,851	30.42%	\$163,867	2.27%
Operations and Maintenance *	\$1,178,105	25.76%	\$4,573,495	53.55%
Planning *	\$50,090	3.84%	\$1,304,368	2.28%
Public Affairs	\$26,171	18.05%	\$144,962	1.19%
<b>OVERALL</b>	<b>\$2,199,946</b>		<b>\$55,730,261</b>	<b>3.95%</b>

\*Includes Tier 2: sub-contractor payments



Figure 2

MWBE Contract Reporting Summary				
Contracts Contained in the Period from January 1, 2017 to March 31, 2017				
	MWBE Paid in Period	Total Contract Dollars Paid in Period	% DW MWBE Spend	GOAL/TARGET
<b>Construction or Construction Related Contracts</b>				
O&M	\$806,423	\$2,984,003	27.02%	30%
Engineering	\$5,917,333	\$40,854,559	14.48%	12%
<b>Total Construction/Construction Related</b>	<b>\$6,723,756</b>	<b>\$43,838,562</b>	<b>15.34%</b>	
<b>Goods and Services Contracts</b>				
<b>Goods &amp; Services</b>	<b>\$29,086</b>	<b>\$890,304</b>	<b>3.27%</b>	<b>10%</b>
<b>Non-Disparity Study Contracts</b>				
<b>Non-Disparity Contracts</b>	<b>\$238,692</b>	<b>\$11,001,395</b>	<b>2.17%</b>	
<b>Total MWBE Payments</b>	<b>\$6,991,535</b>	<b>\$55,730,261</b>	<b>12.55%</b>	

Figure 3

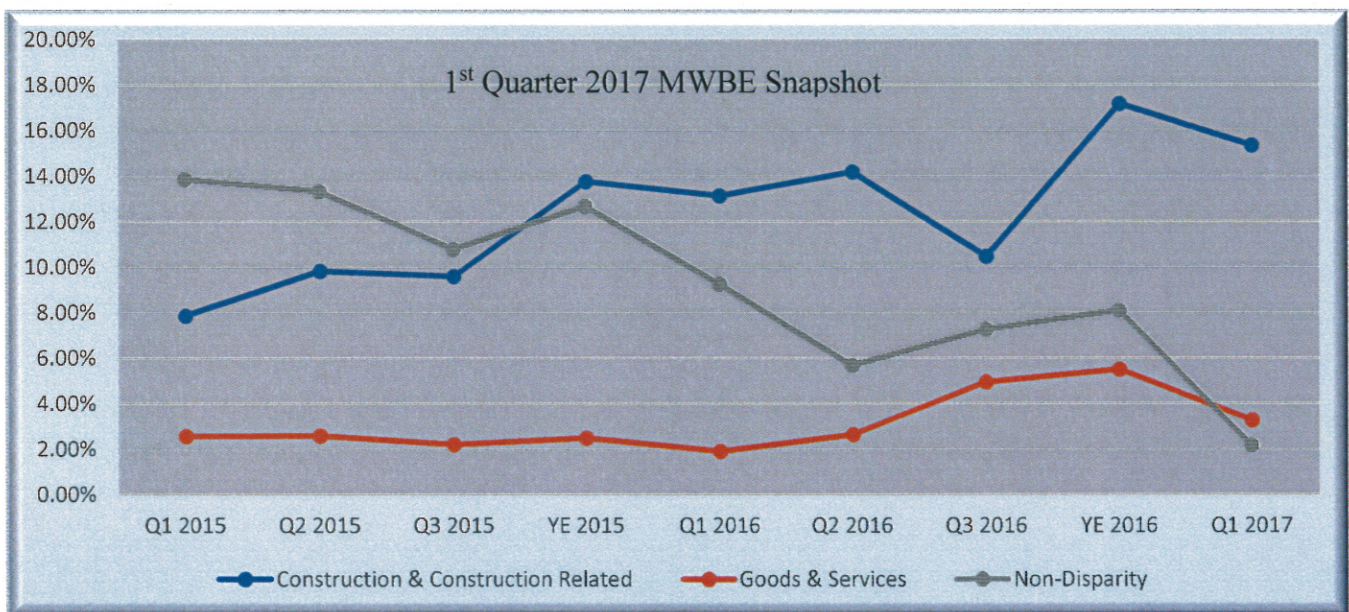
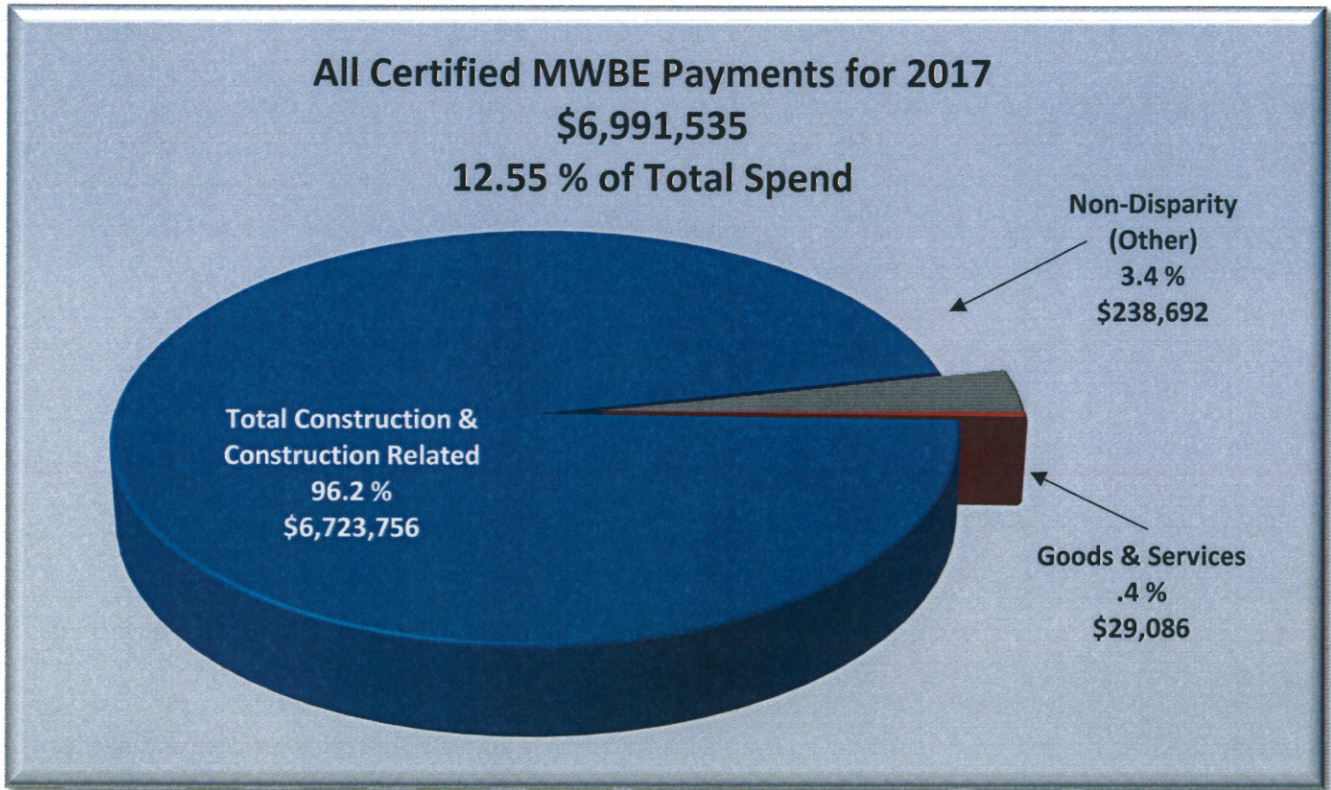




Figure 4



In summary, payments to small companies are relatively flat at 3.95% of total expenses – the annual target is 15%. Staff still believes that we are under reporting SBE participation since identification and reporting is voluntary versus a basis of award like MWBE.

Construction and construction-related participation is off to a good start and on track to hit the annual goals. Staff will encourage greater participation and reporting on small businesses by prime contractors and from minority and women-owned businesses for goods and services.

Additional work needs to be done to identify participation opportunities for Goods and Services. Staff believes we are under-reporting participation in several categories and is discussing ways to improve that reporting.

**Approvals:**

Brian Good  
Chief Administrative Officer

Respectfully submitted,

James S. Lochhead  
CEO/Manager

Robert Mahoney  
Chief Engineering Officer