

AGENDA

Denver Board of Water Commissioners

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

Wednesday, December 6, 2017 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

D. Annual Meeting

II. ACTION ITEMS

A. Consent Items

Items listed below are considered routine and may be enacted by one motion and vote. If any Board member desires discussion beyond explanatory questions, or corrections to the Minutes, the President may order that item to be considered in a separate motion and vote.

1. Minutes from November 8, 2017 - Open and Executive
2. Minutes from November 15, 2017 - Open and Executive
3. Vault Modifications 2017/2018 – Contract 16965A
4. Ratification of Construction Contract Change Orders and Amendments and Professional Services Agreement Amendments
5. Recommended Revisions to the Personnel Policies Creating a New Classification of Limited Term Regular Employees
6. Second Amendment to Stop Loss Insurance Agreement Cigna Health and Life Insurance Company - Contract 501025 (formerly 15954B)

Denver Water aspires to be the best water utility in the nation.

Integrity :: Vision :: Passion :: Excellence :: Respect



7. First Amendment to October 19, 2005 Agreement with East Cherry Creek Valley Water & Sanitation District - Contract 08559A

B. Individual Approval Items

1. Master Service Agreement Renewal CenturyLink
Sales Solutions, Inc. Contract 503092 Chris Dermody 5 minutes

III. POLICY MATTERS

IV. EXECUTIVE UPDATE

A. CEO Update

B. CFO Update

C. Operations Update

V. BRIEFING PAPERS & REPORTS

A. Briefing Paper

1. Necessary Repairs to Conduit No. 29 at the Hillcrest Project Site

B. Report

1. Review of Burdens and Disposals - 3rd Quarter 2017

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

1. Meeting of Denver Board of Water Commissioners Acting as Trustee of the Employees' Retirement Plan Fund
2. Meeting of Denver Board of Water Commissioners Acting as Plan Sponsor of the Employees' Retirement Plan, 401(k) Plan and 457 Plan

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: December 6, 2017

Board Item: II-A-3

Vault Modifications 2017/2018 Contract 16965A

Action by Consent

Individual Action

Summary:

The Vault Modifications Program is an annual program to modify, repair, replace or construct new vaults in Denver Water's Water Distribution System. The vault locations are selected by Water Distribution based on need, importance and the ability to schedule an outage for the Work. The current project consists of providing the labor, materials and equipment for the following locations.

- West Conejos Place & Lowell Boulevard: New 12-inch pressure reducing valve vault;
- 7th Street and Water Street: New 12-inch ball valve vault;
- 17th Street and Platte Street (Conduit No. 31): New 8-inch ball valve vault;
- Highlands Reservoir and Pump Station:
 - Replacement and relocation of the Conduit No. 96 Filling Valve Vault, and associated yard piping and site modifications;
 - Replacement and relocation of the Conduit No. 27 Filling Valve Vault, and associated yard piping and site modifications;
 - Power and control upgrades to the Conduit No. 27 Control Valve vault;

Four sleeve valves and two ball valves for the project were pre-purchased by Denver Water under separate contracts. Seven butterfly valves were also pre-purchased by Denver Water under its yearly valve purchase.

Budget Information:

The work will be completed in 2018. The 2018 Capital Improvement Plan for 2017/2018 Vault Modifications Business Unit does not include sufficient funds for the project. A project budget adjustment in the amount of \$293,300 is recommended by the System and Program Managers.

Selection of Business Partner:

Denver Water solicited Letters of Intent from General Contractors listed on the Prequalified Contractor List, under the Civil-Vaults discipline. Five General Contractors indicated an intent to bid on the project. This Contract was a restricted bid process using Invitation to Bids on the QuestCDN platform. On November 21, 2017, bids were received from 5 General Contractors. Concrete Works of Colorado was selected based on the lowest cost bid.


S/MWBE Information:

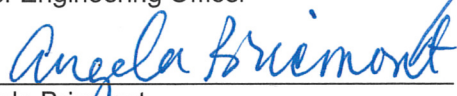
There was a 5% Minority and Women Business Enterprise (MWBE) participation goal required for this construction portion of the project. Concrete Works of Colorado achieved 5.43% participation.

Recommendation:

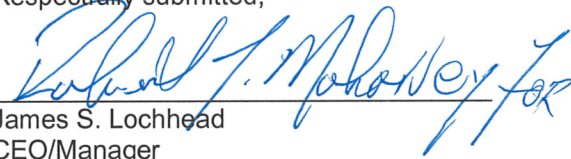
It is recommended that the Board approve Contract 16965A with Concrete Works of Colorado for the Vault Modifications 2017/2018 for the contract period December 6, 2017 through September 29, 2018 for a total contract amount not to exceed \$6,407,200.

Approvals:


Robert J. Mahoney
Chief Engineering Officer


Angela Bricmont
Chief Finance Officer

Respectfully submitted,


James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 6, 2017

Board Item: II-A-4

Ratification of Construction Contract Change Orders and Amendments and Professional Services Agreement Amendments

Action by Consent

Action


Summary:

The attached are Construction Contracts Change Orders and Amendments and Professional Services Agreement Amendments for Board ratification for October 2017 through November 2017.

Recommendation:

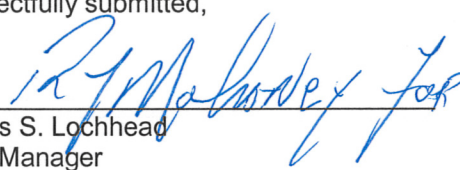
It is recommended that the Board ratify these Construction Contract Change Orders and Amendments and Professional Services Agreement Amendments.

Approvals:



Robert J. Mahoney
Chief Engineering Officer

Respectfully submitted,



James S. Lochhead
CEO/Manager

This list of Change Orders and Amendments is required per the September 13, 2017 resolution which raised the CEO's signing authority to \$750,000. These requirements may be modified by a future Board resolution.

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 6, 2017

Board Item: II-A-5

Recommended Revisions to the Personnel Policies Creating a New Classification of Limited Term Regular Employees

Action by Consent

Individual Action

Summary:

The recommended changes to the *Personnel Policies* would create a new classification of civil service employees who would be hired to work on specific time-limited projects. Limited Term Employees (LTE) is a standard industry practice among public sector peers which include the State of Colorado, City and County of Denver and the City of Fort Collins. The Board received a briefing paper discussing the issues involved with limited term employees at its October 11, 2017 meeting.

Budget Information:

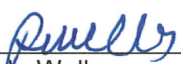
The hiring of any limited term employees will be managed through the normal personnel budgeting procedures.

Recommendation:


It is recommended that the Board approve the changes to the *Personnel Policies* in the attachment to become effective upon adoption by the Board.

Approvals:

Respectfully submitted,



Patricia L. Wells
General Counsel



James S. Lochhead
CEO/Manager



Gail Cagle
Chief Human Resource Officer

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 6, 2017

Board Item: II-A-6

Second Amendment to Stop Loss Insurance Agreement Cigna Health and Life Insurance Company Contract No. 501025 (formerly 15954B)

Action by Consent

Individual Action

Summary:

Denver Water maintains the Denver Water Group Health Plan (Plan), which is a self-funded health plan for employees and their dependents, as well as for retirees until they reach the age of 65. In 2015 Human Resources solicited competitive bids for all services and insurance related to Denver Water employee benefit plans. Cigna was selected to administer the employee health plan, and two contracts were executed to implement Cigna's services. The first, an Administrative Services Agreement, Contract 501024 (formerly 15954A) has a three-year term ending December 31, 2018. Human Resources will conduct an RFP in 2018 to either renew or replace this agreement effective January 1, 2019.

The second, a Stop Loss Insurance Agreement, Contract 501025 (formerly 15954B), limits Denver Water's financial exposure to a certain amount per claim. The Insurance Agreement is renegotiated annually based on recent claim experience, due to the risk associated with this type of coverage. This stop loss agreement expires December 31, 2017, bringing all Cigna contracts to the same expiration date. We are asking for an amendment to extend the coverage through 2018, as we go to the market and rebid. Gallagher Benefit Services analyzed Denver Water claims experience from 2014-2016 and YTD claims through September 2017 to determine coverage level for 2018 (\$285K per individual claim) and premium. The premium is built into the medical plan rates for 2018 and the cost shared by the Board and employees. Because the total cost exceeds \$750,000 the Board must approve this contract amendment separately.

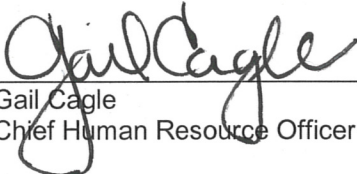
Budget Information:

The total amount of this Amendment is \$1,036,222 and is budgeted for 2018.

Recommendation:

It is recommended that the Board approve the Second Amendment to Contract 501025, for the contract period of January 1, 2018 through December 31, 2018, for a total contract amount not to exceed \$1,036,222.

Approvals:

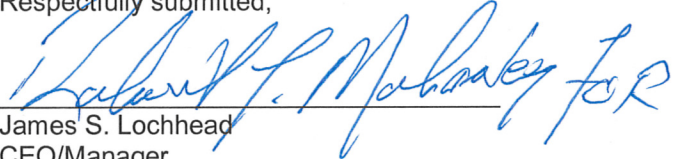


Gail Cagle
Chief Human Resource Officer



Angela Brimont
Chief Finance Officer

Respectfully submitted,



James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 6, 2017

Board Item: II-A-7

First Amendment to October 19, 2005 Agreement with East Cherry Creek Valley Water & Sanitation District Contract # 08559A

Action by Consent

Individual Action

Summary:

The First Amendment ("Amendment") to the October 19, 2005 Agreement ("Agreement") with East Cherry Creek Valley Water and Sanitation District ("ECCV") amends the Agreement by adding a second delivery point at the connection between the Board's Conduit 111 Connection to ECCV's Western Well Field Connection Project.

It is anticipated that Denver Water and ECCV will realize water quality benefits for the Water, Infrastructure and Supply Efficiency ("WISE") project if Denver Water makes its potable water deliveries to ECCV via a permanent connection at Conduit 111.

The Board's Conduit 111 Connection is an existing connection, and is currently used to make emergency water deliveries to ECCV. By amending the Agreement, ECCV will be able to take deliveries of up to 771 acre-feet of water at a flow rate not to exceed 3.4 million gallons per day. The Board may interrupt deliveries at this location at any time for its operations.

In addition to adding Conduit 111 as a delivery location, the amendment modifies paragraph 3.6 concerning ECCV's liability for water quality by clarifying that ECCV does not waive any of the provisions of the Colorado Governmental Immunity Act.

Budget Information:

This amendment will not require any monetary expenditure, including capital expenditures. Therefore, the budget is not affected by this amendment.

Recommendation:

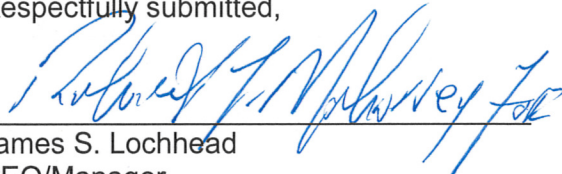
It is recommended that the Board approve the first amendment to the October 19, 2005 Agreement with ECCV.

Approvals:



Mike King
Chief External Affairs

Respectfully submitted,



James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 6, 2017

Board Item: II-B-1

Master Service Agreement Renewal CenturyLink Sales Solutions, Inc.

Contract No. 503092

Action by Consent

Individual Action

Summary:

Denver Water uses CenturyLink to provide a significant portion of our needed voice and data telecommunication services under a 2010 Master Service Agreement, which is expiring on December 8, 2017. This new contract is for a renewed 3-year Master Service Agreement with CenturyLink that will cover both negotiated costs of telecommunications services and other tariff based telecommunication services. The telecommunication services included under this renewed Master Services Agreement are used to connect Denver Water's facilities for Business networks, SCADA networks, and Internet services.

This renewed 3-year Master Service Agreement provides for the use of CenturyLink's latest telecommunications technologies, delivering higher bandwidth and performance, at approximately a 50% cost reduction (\$1,250,000.00 year) compared to the previous Master Service Agreement.

Budget Information:

The total amount of this contract is \$3,750,000 and the term of the contract is through December 8, 2020. Funds for this contract will be budgeted in years 2018, 2019 & 2020.

Selection of Business Partner:

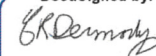
CenturyLink is the designated regional LEC (Local Exchange Carrier) by the federal government (FCC), and is responsible for maintaining telecommunication infrastructure throughout Colorado and providing tariffed rates for interstate local access services. As such, CenturyLink provides telecommunications infrastructure in the geographic areas needed to interconnect Denver Water's distributed metropolitan and mountain facilities. We will continue to diversify certain telecommunication services as other carriers offer competitively priced options.

Recommendation:

It is recommended that the Board approve Contract 503092 with CenturyLink Sales Solutions, Inc. for telecommunication services for a three-year period in the amount of \$3,750,000.

Approvals:

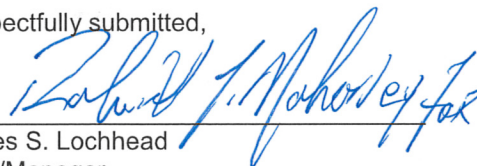
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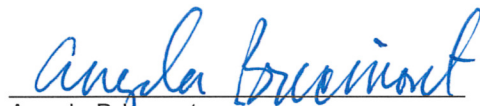
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Chris Dermody
Chief Information Officer

Respectfully submitted,



James S. Lochhead
CEO/Manager



Angela Brilmont
Chief Finance Officer

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 6, 2017

Board Item: V-A-1

Briefing Paper for Necessary Repairs to Conduit No. 29 at the Hillcrest Project Site

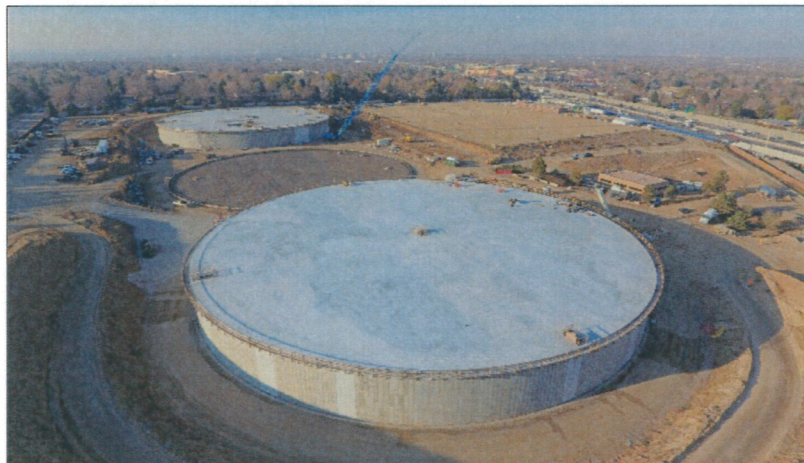
Background

Hillcrest – Tanks and Pump Station Replacement Project.

The \$100M project consists of replacing two existing tanks with three 15 million gallon pre-stressed concrete tanks measuring 310 ft. in diameter, and construction of a new 115 mgd pump station adjacent to the tanks. The project began in November 2015 and is expected to be completed in September 2020. Current project progress is going very well with the new Tanks 1 and 3 nearing completion, and Tank 2 under construction (below). Within the scope of this project are new tie-ins to the existing 90-inch RCP Conduit No. 29 (C29). This is a critical supply conduit in Denver Water's distribution system. C29 is being tied-in using new steel pipe at three locations to run water to and from the new tanks. During construction of these tie-ins, we have encountered two newly discovered issues that require a change to the original scope.

The following issues are denoted as Items A and B:

- A. Repair existing leak on C29.
- B. Replace existing C29 between new tie-ins.



Item A:

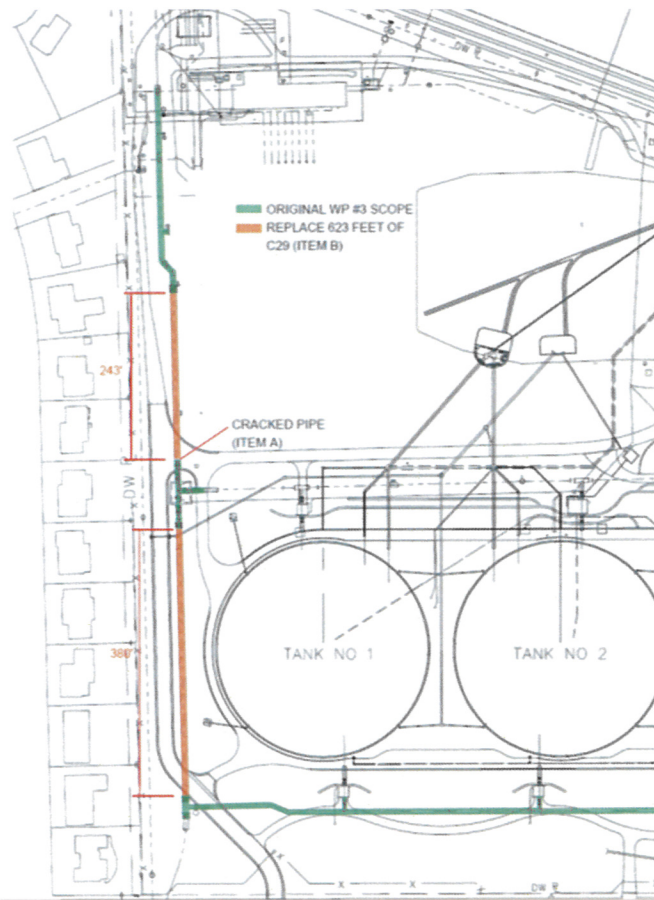
A crack was discovered on the existing concrete segment of C29 near the tie-in connection of newly installed steel pipe at vault 7 (see the following pictures). The leakage from the crack was monitored daily until Operations was able to provide an outage for interior inspections. Repairs to replace this segment are underway in order to get this critical piece of the distribution system back in service. A 72-inch valve is being added to isolate the cracked pipe from the new pipe, and will add operational flexibility to the facility once the project is complete. The cost of this work

is being performed on a time and materials basis, and is estimated to be \$300,000 including new materials, a 72-inch valve, excavation, installations, and backfill.



Item B:

The existing concrete pipe at the Hillcrest facility was installed in 1960. During the design phase, project engineers considered replacing all of the C29 concrete pipe with steel pipe but recommended limiting replacement to the pipe sections associated with the pump station and the tank construction. This decision was based on the good condition of the existing concrete pipe observed by engineering during an internal inspection, and to minimize costs. However, the new tie-in issue and crack described in Item A has created concerns for the existing joint integrity with all of the concrete pipe. To mitigate potential future emergency repairs to this critical infrastructure (similar to the current repairs necessary for item A), we



recommend replacing the existing concrete pipe now utilizing the current Contractors already mobilized. This would reduce cost, re-landscaping, and neighborhood disturbance compared to performing a separate contract in the future. The cost of this work is estimated at \$2.3M; competitive bids and pricing will be reviewed upon receipt from the CMAR.

Preliminary Amendment Estimates, Procurements, and Approvals

The preliminary estimated costs are recapped as follows. Amendment approvals will be forthcoming with actual pricing.

Item A: \$300,000
 Item B: \$2,300,000
 TOTAL: \$2,600,000

- Item A is being performed now on a time and materials basis, and will be reviewed by Denver Water staff.
- Item B, following competitive material bids and subcontractor pricing review, will be negotiated with final costs recommended for approval.

This work will be performed as an amendment to the CMAR's GMP.

Budget

Total project costs with these items is still estimated to be under the \$100M budget, so staff plans to absorb these changes within the existing contract. Table 1 details the different Work Package costs and estimates. Following final pricing and negotiations of these two items, staff plans to execute these amendments under the CMAR agreement. If the negotiated costs exceed the Board-approved budget, a variance will be presented for Board approval. The majority of the amended work will be performed in 2018, and the actual outages will be scheduled by Operations.

Table 1 – Work Package and Contract Amendment Summary

Table No. 1
 November 20, 2017

Hillcrest Reservoir
 Work Package and Contract Amendment Summary

Description	Anticipated Cost	Actual Costs	Δ Actual-Anticipated	Date of Award
Contract 15979A - CMAR Base Contract	\$0	\$0		11/4/2015
Work Package No. 1/Contract Amendment 15979B – Early Pipe and Valve Purchase	\$1,373,895	\$1,373,895	\$0	11/4/2015
- Amendments and Change Orders to date			(\$6,499)	
Work Package No. 2/Contract Amendment 15979C – Early Work	\$11,420,000	\$7,243,844	(\$4,176,156)	11/4/2015
- Amendments and Change Orders to date			(\$229,829)	
Work Package No. 3/Contract Amendment 15979D - Tank Construction	\$61,006,265	\$58,511,119	(\$2,495,146)	11/4/2015
- Amendments and Change Orders to date			-	
Planned Pump Station Connection			\$438,000 *	
Cracked Pipe Replacement			\$300,000 *	
Replace Additional Portion of Conduit No 29			\$2,300,000 *	
Work Package No. 4/Contract Amendment 15979E – Pump Station	\$23,800,000	\$28,500,000 **	\$4,700,000	11/4/2015
Work Package No. 5/Contract Amendment 15979F - Landscaping	\$2,399,840	\$1,500,000 **	(\$899,840)	
Subtotal	\$100,000,000	\$97,128,858	(\$69,470)	

* - Estimated, awaiting final pricing
 ** - Current Work Package Estimate

Owner Contingency Fund:	Board Approved	Used	Remaining	
	\$2,000,000	\$450,815	\$1,549,185	11/4/2015

Respectfully submitted,



Chief Engineering Officer

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 6, 2017

Board Item: V-B-1

Review of Burdens and Disposals 3rd Quarter 2017

Action by Consent

Individual Action

Summary:

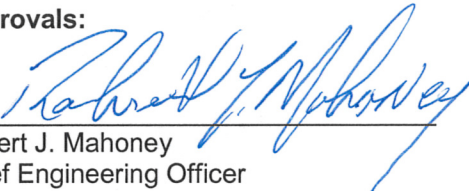
Denver Water's Executive Guideline B-1, Section 7 states, "All actions taken by the Manager or his designees under the authority granted to him by the Board, which either burden or dispose of Board property or involve an expenditure of \$10,000.00 or more, shall be reported in writing by the Manager to the Board, at least quarterly."

For reference, the attached report may include the following:

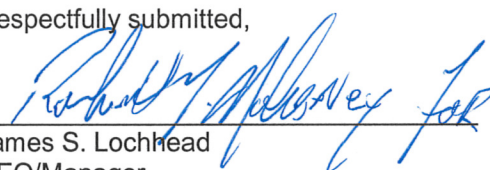
- **Disposals** – Fee property deeded away by Denver Water.
- **Leases** – Property rights of variable time periods granted by Denver Water generally on non-operating land or when leased use does not conflict with Denver Water operations. Compensation is appraised.
- **Letters of Authorization** – Short term property or access rights granted by Denver Water for uses of no more than one year with no compensation.
- **License Agreements** – Perpetual property rights that are granted by Denver Water to a specific party for a specific use that could be revoked at Denver Water's discretion within 30 days. Compensation is a set fee.
- **Easements** – Permanent property rights granted by Denver Water that run with the land. Compensation is appraised.
- **Temporary Easements** – Temporary property rights granted by Denver Water for a longer term use on our land. Compensation is appraised and assessed for the duration of the use, typically on a monthly basis.

This report will be updated and presented to the Board on a quarterly basis.

Approvals:


Robert J. Mahoney
Chief Engineering Officer

Respectfully submitted,


James S. Lochhead
CEO/Manager