

AGENDA

Denver Board of Water Commissioners

Video Conference: <http://zoom.us/join>, Meeting ID: 288 166 065, Password: 033405
or Dial-in: (669) 900-6833, Meeting ID: 288 166 065

Wednesday, March 25, 2020 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. Synertech – Contract 504249
2. Ranch Creek and Meadow Creek Pipeline – Contract 504071
3. Unemployment Insurance Claims Administration Power of Attorney Execution

B. Individual Approval Items

- | | | |
|--|------------------|------------|
| 1. 14 th Amendment to Insight Public Sector – Contract 500079 | Virginia Roberts | 5 minutes |
| 2. Northwater Treatment Plant Project Update | Peter McCormick | 15 minutes |

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- a. Northwater Treatment Plant
GMP07 – Contract 504226
- 3. Amended 2020 Budget and Debt Financing Strategy Stephanie Abram 30 minutes
- 4. Emergency-Related Delegation of Authority to CEO/Manager to Make Exceptions to Personnel Policies Julie Anderson 5 minutes

III. POLICY MATTERS

- A. 2019 Year End Performance and Financial Report Angela Bricmont 10 minutes
- B. OCR Update Jeremy Ross 10 minutes
- C. Lead Program Update Alexis Woodrow 10 minutes

IV. EXECUTIVE UPDATE

- A. CEO Update
- B. CFO Update
 - February Financial Report
- C. Operations Update

V. BRIEFING PAPERS & REPORTS

- A. Briefing Papers
 - 1. Legislative Update
 - 2. Water Supply Conditions Briefing
- B. Reports

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

VIII. EXECUTIVE SESSION

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by D.R.M.C Sec. 2-34.

A. Confidential Report

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 25, 2020

Board Item: II-A-1

Information Technology Batch Operation Services Contract 504249

Action by Consent

Individual Action

Purpose and Background:

As part of operating Denver Water's Information Technology systems, such as the Customer Information System (CIS), JDE - Enterprise Financial system, various reporting systems and routinely processing electronically stored information, it is necessary to staff an IT Batch Operations monitoring and response function on a 24 hour-a-day, 7 day-a-week, 365 day-a-year basis. This Batch Operations function controls and oversees the execution of approximately 1,500 system jobs (background processes) that run each day, using the Tidal Workload Automation software. Job execution problems can and do arise for a variety of reasons, including data, software, hardware and network problems. When problems arise, it is critical that they are diagnosed quickly and corrected to resume the daily/nightly job execution schedule to complete the required system processing needed to support daily business operations for Accounting, Treasury, Call Center, Water Treatment, and others. Denver Water's decision to outsource the IT Batch Operations function has improved Batch Operations coverage and reduced operational costs.

Synertech Inc., the selected Batch Operation Services vendor, will remotely access Denver Water's systems over a secured network connection and will work closely with specific Denver Water IT teams when issues with jobs arise. The Synertech team will submit written summaries of activities performed at the end of every shift to keep Denver Water IT staff up to date on issues encountered.

Budget and Schedule:

The total amount of this contract is \$474,552 and the term of the contract is April 1, 2020, to March 31, 2023. Funds for this contract will come from the 2020 budget for CIS which has sufficient funds to pay the \$158,184 estimated to be needed in the year 2020. The remaining \$316,368 will be budgeted in the years 2021 through 2023.

Selection of Business Partner:

This competitive selection was issued through a Request for Qualifications ("RFQ"). Procurement's standard method for advertising is on Denver Water's website, on Rocky Mountain E-Purchasing System (BidNet) and through direct e-mail. Denver Water received one response from Synertech, Inc.

S/MWBE Information:

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

Recommendation:

It is recommended that the Board approve Contract 504249 with Synertech, Inc. for Denver Water's Information Technology Batch Operation Services for the contract period April 1, 2020 to March 31, 2023 for a total contract amount not to exceed \$474,552.

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Approvals:

- James S. Lochhead, CEO/Manager
- Julie Anderson, Chief of Staff
- Jessica R. Brody, General Counsel
- Angela C. Bricmont, Chief Financial Officer

- Brian D. Good, Chief Administrative Officer
- Mike King, Chief External Affairs Officer
- Robert J. Mahoney, Chief Engineering Officer
- Thomas J. Roode, Chief Operations Officer

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 25, 2020

Board Item: II-A-2

Ranch Creek Canal and Meadow Creek Pipeline Improvements Contract 504071

Action by Consent

Individual Action

Purpose and Background:

The Moffat Collection System gathers water from the Western Slope through various canals, pipes, tunnels, and siphons that come together to enter the Moffat Tunnel. The Ranch Creek Canal and Meadow Creek Pipeline are portions of this collection system, with the Meadow Creek Pipeline feeding into the Ranch Creek system. Since both the Ranch Creek Canal Piping project and the Meadow Creek Pipeline Repairs project need to be constructed within the same system outage, and both require a pipeline general contractor, the projects were combined in a single construction contract. This simplifies the bidding process and will save on administrative costs.

Placing an open canal into a pipe reduces seepage and evaporation losses, decreases wintertime maintenance tasks, and reduces public and wildlife safety concerns. In 1994, the first portion of the Ranch Creek Canal, downstream of Arrow Tunnel, was replaced with concrete pipe. This project places the most downstream portion of Ranch Creek Canal into an 84-inch concrete pipe. This section of canal is being piped due to a rapid development occurring in the Lakota Subdivision directly below the canal. The project scope includes piping of 4,400 feet of unlined canal, construction of a new measuring flume, stream intakes and bypasses, transition structures and repairs to existing infrastructure. Denver Water has worked with the U.S. Forest service for a year and half to secure a Special Use Permit to complete this work.

The Meadow Creek Pipeline, an approximately 12-mile-long pipeline that delivers water from Meadow Creek Reservoir into the Ranch Creek System, has developed significant leakage at numerous locations over the last few years. The leaks are contributing to measurable water loss from this part of the collection system and an increase in maintenance. This project scope is to repair leaks that have been previously identified with the goal of reducing water loss and road maintenance. The project will also install additional access points into the pipe to facilitate current and future leak repairs.

Budget and Schedule:

The total amount of this contract is \$5,681,576, and the term of the contract is March 25, 2020 to June 15, 2021. Funds for this contract will come from the 2020 budgets for Ranch Creek Diversion Canal Improvements and Meadow Creek System Improvements business units, which do not have sufficient 2020 funds to pay the \$6,011,249 estimated to be needed in 2020 to cover construction, consulting, and in-house expenditures. Due to permitting and outage considerations, the project schedule for the Ranch Creek Canal Piping was accelerated to have substantial completion in 2020 instead of 2021. A project budget adjustment in the amount of \$1,650,311 was previously recommended by the System Managers on March 16, 2020, with funds being taken from the 2021 budget for the Ranch Creek Canal Piping project. The remaining \$50,000 of the contract amount will be budgeted in year 2021 for revegetation.

Selection of Business Partner:

Denver Water solicited bids from four general contractors on the prequalified contractor list under the Civil Pipelines discipline. This contract was a restricted bid process using invitations to bid on the QuestCDN platform. On March 10, 2020 bids were received from three general contractors. Garney Companies, Inc. was selected based on the lowest cost bid.

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S/MWBE Information:

The Minority and Women-owned Business Enterprise goal established for this project is 5% participation. Garney Companies, Inc. has proposed 6.2% participation.

Recommendation:

It is recommended that the Board approve Contract 504071 with Garney Companies, Inc. for the Moffat Collection System Ranch Creek Diversion Ranch Creek Canal Improvements 84-Inch Pipe from Fraser Canal to Cub Creek and Meadow Creek Pipeline Access Installation & Joint Repairs Projects for the contract period March 25, 2020 to June 15, 2021 for a total contract amount not to exceed \$5,681,576.

Approvals:

- | | |
|---|--|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input checked="" type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 25, 2020

Board Item: II-A-3

Unemployment Insurance Claims Administration Power of Attorney Execution

Action by Consent

Individual Action

Purpose and Background:

As part of the outsourcing of payroll, timekeeping and select human resources functions to ADP, Denver Water will outsource the administration of unemployment insurance claims. ADP will provide full-service claims administration that includes providing information to the Colorado Department of Labor in response to claims for benefits, defending or pursuing appeals and protests of decisions, and providing representation in unemployment claims hearings when necessary. Denver Water will direct ADP's responses to claims including decisions regarding whether Denver Water will challenge a claim for benefits. Administration and representation will require Denver Water execute a power of attorney that will permit ADP to perform these actions on Denver Water's behalf.

Budget and Schedule:

The cost for this service is \$40.05 per claim.

Recommendation:

It is recommended that the Board execute a power of attorney to permit ADP LLC and its subsidiaries and TALX UCM Service Inc. to administer its unemployment insurance claims

Approvals:

- James S. Lochhead, CEO/Manager
- Julie Anderson, Chief of Staff
- Jessica R. Brody, General Counsel
- Angela C. Bricmont, Chief Financial Officer

- Brian D. Good, Chief Administrative Officer
- Mike King, Chief External Affairs Officer
- Robert J. Mahoney, Chief Engineering Officer
- Thomas J. Roode, Chief Operations Officer

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 25, 2020

Board Item: II-B-1

Fourteenth Amendment for Additional Funds for Insight Public Sector Contract 500079

Action by Consent

Individual Action

Purpose and Background:

Denver Water uses Microsoft products for a wide variety of business purposes. Many of the existing utilized services are enabled through Microsoft's Office 365 cloud and Software-as-a-Service offerings. Current use includes:

- Document management (editing, sharing, archival, legal holds);
- Business communication internally or with other entities (email, video conferencing);
- Data center infrastructure administration and support;
- Laptop, workstation, and mobile tablet administration and support;
- Business technology application support; and
- Cybersecurity protection.

Denver Water Information Technology conducted several activities to avoid unnecessary costs with this contract extension. An IT Asset Management audit of licensing validated appropriate user counts and license usage, which resulted in some reductions. A project to consolidate databases in the data center also resulted in additional reductions. These activities, as well as additional discounts offered by Microsoft, avoided approximately \$370,000 in additional costs.

Denver Water will add additional services with this contract extension to support approved projects, including:

- eDiscovery tools to reduce time needed for Colorado Open Records Act requests and litigation discovery;
- Additional cybersecurity tools for monitoring and detection;
- Cloud storage for regularly performed data backups; and
- Upgraded communication capabilities.

Denver Water IT Asset Management has identified that it is less expensive to purchase the new services listed above through bundled pricing. The \$506,392 increase in cost for the next three years provides us with new functionality worth \$858,000.

Budget and Schedule:

Microsoft software entitlements are purchased under a three-year State of Colorado Master Software Agreement with Microsoft Corporation, through Insight Public Sector, Inc., a national Microsoft reseller. Costs under the current three-year agreement, which ends on March 31, 2020 have been \$2,182,251 (approximately \$727,417 per year).

The new three-year agreement has a total cost of \$2,691,579.06 (approximately \$897,193 per year), representing a 23% increase in costs to the previous three-year agreement. The increase in cost includes new capabilities and requirements for Security and eDiscovery along with upgraded and discounted benefits.

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The term of the new three-year agreement is from April 1, 2020 to March 31, 2023. Funds for this agreement are included in the approved 2020 budget for Information Technology Asset Management and the corresponding project budgets.

Selection of Business Partner:

Insight Public Sector, Inc. is Microsoft's premier Large Account Reseller in Colorado and is able to provide the lowest possible pricing through the State of Colorado Master Software Agreement with Microsoft Corporation.

S/MWBE Information:

S/MWBE is not applicable for this item.

Recommendation:

It is recommended that the Board approve this contract amendment with the Insight Public Sector, Inc. for an additional three years in the amount of \$2,691,579 for purchases and maintenance of Microsoft software entitlements through March 31, 2023. With this amendment, the total contract amount will be increased to \$10,667,048.

Approvals:

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input checked="" type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 25, 2020

Board Item: II-B-2

Architectural and HVAC Work Package GMP 7 for Northwater Treatment Plant Contract 504226

Action by Consent

Individual Action

Purpose and Background:

The purpose of this board item is to execute the Architectural and Heating, Ventilating, and Air Conditioning (HVAC) Work Package (WP), also known as Guaranteed Maximum Price (GMP) 7, under the construction services agreement with Kiewit Infrastructure Co. (Contract 503388) in support of advancing the Northwater Treatment Plant (NTP) project through construction. The work for GMP 7 includes:

- Furnish and install site-wide architectural, HVAC, interior plumbing, fire alarm, and fire suppression systems for all facilities.
- Furnish and install the Operations Building, Communications Tower Building, and Guard Station, including foundations and interior finishes.

Budget and Schedule:

The GMP 7 baseline budget is \$33,017,125, which includes an Owner contingency of \$1,000,000. The estimate at completion, based on scope shifts from other GMPs that have occurred since the budget was established, is \$37,496,954. The cost of WP 7 is \$38,296,560, which includes Owner and Contractor contingencies and allowances, which is slightly higher than the estimate at completion. The NTP business unit for 2020 through 2022 includes sufficient funds for GMP 7.

The project's estimated costs at completion remain within the approved project budget.

Contingencies and Allowances:

As part of GMP 7, Kiewit Infrastructure Co. is assuming risks related to subcontractor performance, scope gaps, weather event clean-up, schedule acceleration, material tolerances, procurement delays, safety, and quality, which have been carried as Contractor contingency in the amount of \$1,339,200. Risks associated with code and certification changes, staff shortages and relocations, HVAC Controls and unaccepted value engineering alternatives have been carried as allowances in the amount of \$881,345.

This results in a total Contractor contingency allocated to date of \$14,429,862, leaving \$13,570,138 of unallocated Contractor contingency out of an overall \$28,000,000 budget.

Consistent with Contract 503388, Denver Water assumes risks associated with changes required by Authorities Having Jurisdiction, tariffs, Owner-directed schedule changes, and Owner-directed design changes, for which a \$1,750,000 allocation of Owner contingency is requested as part of GMP 7. This allocation results in \$3,513,400 remaining in the original \$20,000,000 Owner contingency budget.

Selection of Business Partner:

Kiewit Infrastructure Co. was previously selected through a competitive selection process and contracted through Contract 503388 which was executed by the Board on September 26, 2018. The GMP 7 work was procured through competitive bids and will be completed by PCL Constructors.

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S/MWBE Information:

The Minority and Women-owned Business Enterprise (MWBE) participation goal for GMP 7 is 14.3%. Based on the outcome of bids, MWBE participation is expected to be above the target with participation at 16.5%. NTP remains on track to meet the overall 8% goal for construction.

Recommendation:

It is recommended that the Board approve proposed Contract 504226 with Kiewit Infrastructure Co. for GMP 7 for the contract period of March 25, 2020 to September 30, 2022, with a total not to exceed cost of \$38,296,560, including Owner contingency.

Approvals:

- | | |
|---|--|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input checked="" type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input checked="" type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 25, 2020

Board Item: II-B-3

2020 Amended Budget

Action by Consent

Individual Action

Purpose and Background:

The Board approved the 2020 Budget on December 11, 2019. Since then, two significant items have been approved by the Board. A summary of the proposed amended budget and significant items is outlined below.

On December 16, 2019, the U.S. Environmental Protection Agency approved Denver Water’s application to implement a comprehensive Lead Reduction Program (LRP) in place of orthophosphate treatment, concluding that Denver Water’s LRP “provides a holistic and permanent lead reduction approach that is as effective at protecting public health, more efficient in reducing exposure to lead in drinking water, less harmful to the environment, more equitable in its public health benefits and more cost effective as compared to orthophosphate treatment.” Subsequently, the Board approved contracts related to the LRP which allowed Denver Water to begin the associated activities as defined by the program timeline.

On February 12, 2020, the Board approved the recommendation of settlement to acquire property interests at Lupton Lakes South Cell.

<i>\$ in thousands</i>	2020 Approved Budget	Adjustments	2020 Amended Budget	Budget Change
Water sales	306,147	-	306,147	-
Hydropower	3,872	-	3,872	-
SDC revenue and Contributions	38,017	-	38,017	-
All other revenue	20,393	-	20,393	-
TOTAL REVENUE	\$ 368,429	\$ -	\$ 368,429	\$ -
Proceeds from debt	140,000	15,000	155,000	15,000
TOTAL SOURCES OF FUNDS	\$ 508,429	\$ 15,000	\$ 523,429	\$ 15,000
Salaries and Benefits	129,357	(18)	129,339	(18)
Professional and Purchased Services	43,950	(275)	43,675	(275)
Materials, Supplies, and Chemicals	19,461	-	19,461	-
Travel, Training, and Conferences	1,392	-	1,392	-
Other Expense	1,143	-	1,143	-
TOTAL OPERATING w/o PROJECTS	\$ 195,304	\$ (293)	\$ 195,010	\$ (293)
Information Technology Projects	4,527	-	4,527	-
Systems and Programs Projects	20,903	674	21,577	674
Operating Projects	25,430	\$ 674	\$ 26,104	674
TOTAL OPERATING COSTS	\$ 220,734	381	221,114	\$ 381
Information Technology Projects	156	-	156	-
Systems and Programs Projects	219,690	76,559	296,249	76,559
TOTAL CAPITAL	\$ 219,846	\$ 76,559	\$ 296,405	\$ 76,559
Interest expense	26,243	-	26,243	-
Principal payments	19,926	-	19,926	-
DEBT SERVICE	\$ 46,169	\$ -	\$ 46,169	\$ -
TOTAL USES OF FUNDS	\$ 486,749	\$ 76,939	\$ 563,688	\$ 76,939

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Recommendation:

It is recommended that the Board approve the amended 2020 Budget as described in this board item.

Approvals:

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 25, 2020

Board Item: II-B-4

Personnel Policy Section 2-1-(1)-(b) Emergency-Related Delegation of Authority to CEO/Manager to Make Exceptions to Personnel Policies

Action by Consent

Individual Action

Purpose and Background:

The ongoing Coronavirus situation has brought to light the need for flexibility in handling personnel matters during an emergency or under other unusual circumstances where strict compliance with the *Personnel Policies* may adversely impact Denver Water. The proposed new policy would allow the CEO/Manager to make exceptions to the policies on a case-by-case basis when necessary for Denver Water operations or to protect the health or safety of the public or employees. The proposed policy would provide for the following delegation of authority from the board to the CEO/Manager:

Emergency-Related Delegation of Authority to CEO/Manager to Make Exceptions to the Personnel Policies. The CEO/Manager may grant exceptions to Board-adopted policies for the purposes of responding to emergency situations or under unusual circumstances where compliance with the policies could adversely impact Denver Water operations or the health and safety of employees or the public. Exceptions to the policies will be made on a case-by-case basis. Each exception to the policies granted by the CEO/Manager under this section shall be issued in writing and shall identify the applicable emergency or unusual circumstances and the need for the exception. Exceptions shall be reported to the Board in a timely manner.

Recommendation:

It is recommended that the Board adopt the proposed policy Section 2-1-(1)-(b).

Approvals:

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Mike King, Chief External Affairs Officer |
| <input checked="" type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER WATER FINANCIAL REPORT

as of 2/29/20

<i>\$ in thousands</i>	Current Budget	YTD Actuals	Rem. Mo. Forecast	Full Year Forecast	Budget Over/(Under)	Budget Var %	Variance Comments
Water sales	306,147	30,962	274,741	305,703	(444)	-0.1%	
Hydropower	3,872	218	3,524	3,742	(130)	-3.4%	
Special assessments and fees	6,940	61	7,062	7,123	183	2.6%	
Interest income	4,169	724	3,653	4,377	208	5.0%	
Other revenue	8,584	1,875	7,073	8,948	364	4.2%	DIA S. Campus Fire Protection (\$118K), Rapid Wire reimb. (\$91K)
Sale of assets	700	182	583	765	65	9.4%	
SDC revenue and Contributions	38,017	4,623	32,270	36,892	(1,125)	-3.0%	Billing correction from 2019 (-\$936K)
TOTAL REVENUE	\$ 368,429	\$ 38,645	\$ 328,907	\$ 367,551	\$ (878)	-0.2%	
Proceeds from debt	140,000	-	140,000	140,000	-	0.0%	
TOTAL SOURCES OF FUNDS	\$ 508,429	\$ 38,645	\$ 468,907	\$ 507,551	\$ (878)	-0.2%	
Regular wages	87,092	15,642	70,616	86,258	(834)	-1.0%	Budgeted vacancy rate of 5.0%, actual vacancy rate of 6.0%
Limited Term Employee wages	965	106	658	764	(202)	-20.9%	
Seasonal Labor	409	7	403	411	1	0.3%	
Other pay	6,341	1,461	5,486	6,947	606	9.6%	HR: Leave Pay expensed to HR after ADP (\$122K); O&M: additional OT, Shift, On Call pay (\$430K)
Applied labor	(10,003)	(1,054)	(8,643)	(9,697)	306	-3.1%	
Benefits	44,553	8,924	35,000	43,924	(629)	-1.4%	
Salaries and Benefits	129,358	25,088	103,520	128,607	(750)	-0.6%	
Professional services	10,273	746	9,544	10,290	17	0.2%	
Contingent staffing	1,985	99	1,814	1,913	(72)	-3.6%	
Purchased services	13,120	2,170	11,080	13,250	130	1.0%	
Construction and field services	4,261	712	3,329	4,040	(220)	-5.2%	
Waste disposal services	1,111	191	976	1,167	56	5.0%	
Facility services	4,965	375	4,594	4,969	4	0.1%	
Utilities	8,237	859	7,303	8,162	(75)	-0.9%	
Professional and Purchased Services	43,952	5,153	38,639	43,792	(160)	-0.4%	
Materials and supplies	13,738	2,141	12,034	14,176	438	3.2%	O&M: Materials for main breaks and service line repairs (\$410K)
Chemicals	5,724	500	5,245	5,745	21	0.4%	
Materials, Supplies, and Chemicals	19,461	2,641	17,279	19,921	459	2.4%	
Travel	661	56	594	650	(11)	-1.7%	
Training	385	57	330	387	2	0.5%	
Conferences Registration	344	53	260	314	(31)	-8.9%	
Travel, Training, and Conferences	1,390	166	1,184	1,350	(40)	-2.9%	
Rents and leases	638	61	558	619	(20)	-3.1%	
Conservation (rebates)	-	-	-	-	-	-	
Other insurance and legal claims	250	7	243	250	-	0.0%	
Misc. expenses	255	(11)	254	243	(11)	-4.4%	
Other Expense	1,143	57	1,055	1,112	(31)	-2.7%	
TOTAL OPERATING COSTS w/o PROJECTS	\$ 195,304	\$ 33,106	\$ 161,677	\$ 194,782	\$ (522)	-0.3%	
Collection	888	10	972	982	94	10.6%	
Distribution	6,570	6	6,564	6,570	-	0.0%	
Expansion	10,701	78	10,623	10,701	-	0.0%	
Information Technology	4,527	298	4,323	4,621	94	2.1%	ERP Ph I (\$120K), PLC Upgrades (\$95K), Velocity (\$69K), Office 365 (-\$93K), SCADA Network Design (-\$195K)
Operations Support/Other	2,375	334	2,419	2,753	378	15.9%	Variance Lead Program (\$196K), OCR Non-Project (\$97K)
Treatment	1,043	489	479	968	(74)	-7.1%	
Operating Projects (incl. applied labor)	26,104	1,215	25,380	26,595	491	1.9%	Combined with Capital projects for metric (combined variance is 5.9%)
TOTAL OPERATING COSTS	\$ 221,408	\$ 34,320	\$ 187,057	\$ 221,377	\$ (31)	0.0%	

DENVER WATER FINANCIAL REPORT

as of 2/29/20

<i>\$ in thousands</i>	Current Budget	YTD Actuals	Rem. Mo. Forecast	Full Year Forecast	Budget Over/(Under)	Budget Var %	Variance Comments
Collection	36,371	1,226	35,587	36,813	441	1.2%	Ranch Creek Diversion (\$1.7M), Strontia Elec. Upgrade (-\$730K), S. Boulder Trunnion Bearing (-\$558K) Conduit 16 (\$3.0M), Pump Station Portable Generator (\$2.0M), Main Replacements (\$1.2M) Lupton Lakes South Cell - will be included in Amended Budget (\$2.7M) OCR (\$4.9M) Sodium Silicofluoride Bulk Bag (-\$267K)
Distribution	77,854	10,807	72,723	83,530	5,676	7.3%	
Expansion	14,166	3,267	13,853	17,119	2,953	20.8%	
Information Technology	156	24	156	180	24	15.3%	
Operations Support/Other	14,783	1,915	18,030	19,945	5,162	34.9%	
Treatment	75,842	1,556	73,926	75,481	(360)	-0.5%	
TOTAL CAPITAL (incl. applied labor)	\$ 219,173	\$ 18,794	\$ 214,274	\$ 233,068	\$ 13,896	6.3%	Combined with Operating projects for metric (combined variance is 5.9%)
Interest expense	26,243	49	26,194	26,243	0	0.0%	
Principal payments	19,926	1,451	18,475	19,926	(0)	0.0%	
Debt Service	\$ 46,169	\$ 1,500	\$ 44,669	\$ 46,169	\$ (0)	0.0%	
TOTAL USES OF FUNDS	\$ 486,749	\$ 54,614	\$ 446,000	\$ 500,614	\$ 13,865	2.8%	

Metrics

Revenue: +/- 5%

Operating expense categories: +/- 5%

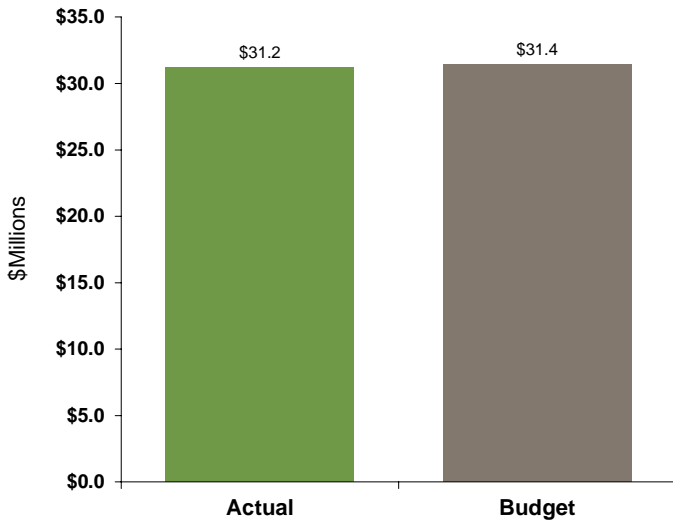
Total Operating w/o Projects: +/- 2%

Operating Projects and Capital Projects: +/- 5% combined

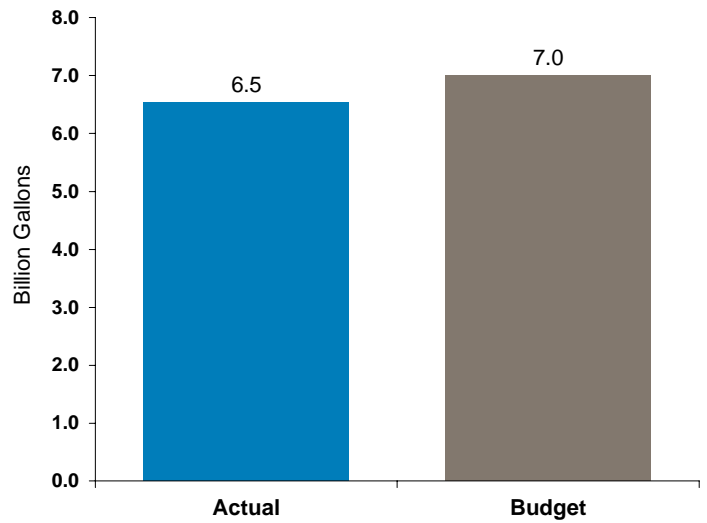
Gray: Items from prior months

Black: Items from current month

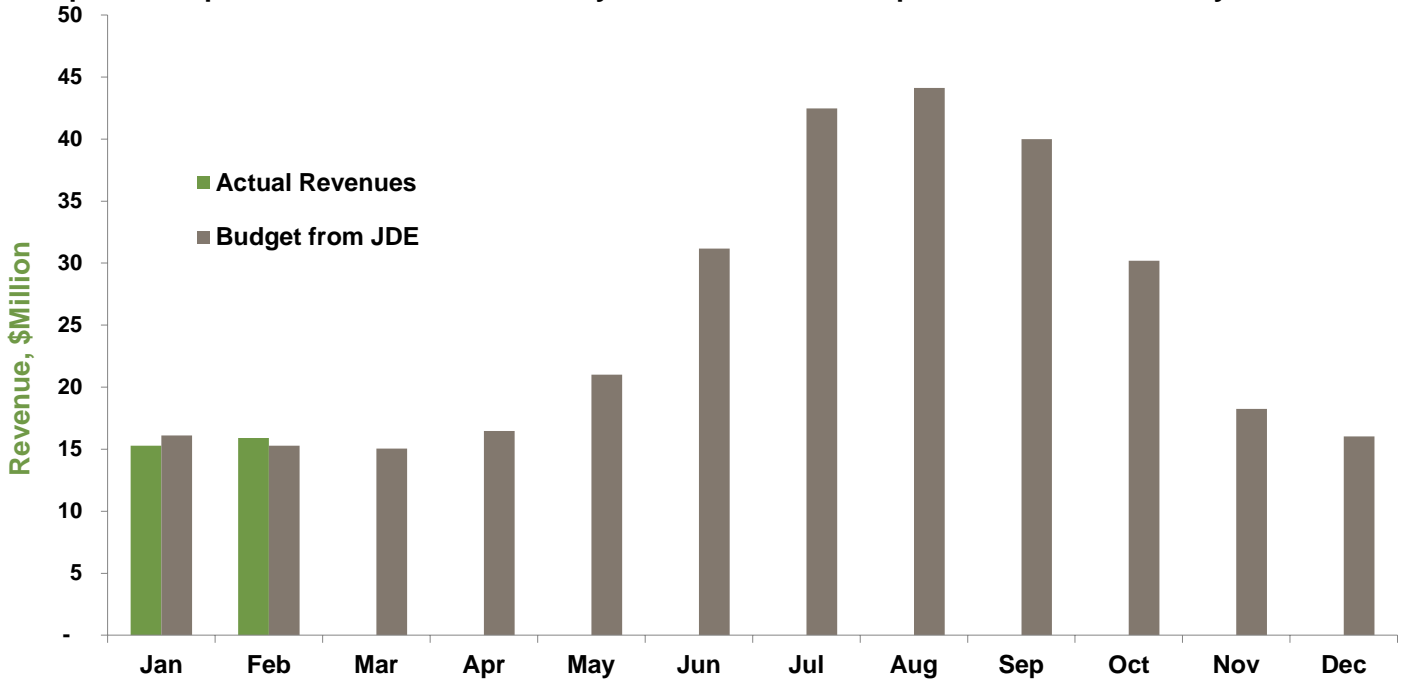
Graph 1: YTD revenue comparison¹



Graph 2: YTD consumption comparison



Graph 3: Comparison of 2020 actual monthly revenue and consumption to forecast monthly revenue



1. The values in this report are based on bill cycle periods which may not correspond with calendar month periods. As a result, the revenue and consumption in this report can vary from the revenue and consumption reported by accounting.

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 25, 2020

Board Item: V-A-1

Briefing Paper for Legislative Update

Strategic Plan Alignment

Lenses: Customer Centric Industry Leader Long-Term View
Denver Water's Strategic Plan calls for an organization with satisfied and supportive customers and strategically effective relationships to enhance our trusted reputation. Part of that effort is fostering strong relationships with community leaders as well as government officials at local, regional, state and national levels. Our work at the Colorado Legislature supports our role as a thought leader and allows us to impact policy and regulatory matters that affect the organization.

Summary

Given the current environment with the COVID 19 virus, the Colorado General Assembly has passed a resolution to pause their Session until March 30. However, it seems reasonable to think that they could extend that pause as circumstances warrant. The Government Relations staff and our teams of reviewers will continue to review a few remaining bills we have on our list as if the Session will resume on March 30 and as if they plan to move forward with all remaining introduced legislation.

As of the drafting of this paper there are 563 bills that have been introduced in the legislature. Denver Water's interest in legislation currently breaks down as follows:

- Tracking 39 bills.
- Supporting six bills.
- Amending two bills.
- Opposing five bills.

We do not have any recommendations on bills to share with you. We have a few updates listed below along with an attached summary table of all the bills we are tracking.

Background

Updates:

HB20-1327 Water Diversions From Rio Grande Basin: In conjunction with many other water providers, we were able to get this basin of origin bill postponed indefinitely. **Position: OPPOSE.**

DRAFT Bill on Mutual Ditch Companies: We are reviewing draft language regarding the operations of mutual ditch companies that have changed a portion of their ditch shares for purchase by municipal water users. Initial indications are that this concept will be very controversial.

Ballot Measure Titles on Enterprise Funds: We are reviewing three ballot measure titles that attempt to ensure that enterprise funds that raise certain amounts of revenue must be voted on by voters. Denver Water is an enterprise fund so we need to determine if and how these could impact us.

Budget

N/A

Alternatives N/A

Approach N/A

Owner(s) External Affairs

Attachments Summary Table of 2020 Legislation

Respectfully submitted,

Chris Piper, State Affairs Manager

Mike King, Division Chief

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 25, 2020

Board Item: V-A-2

Briefing Paper for Current Water Supply Conditions

Summary

The Upper South Platte River basin snowpack is 122% of normal and the Upper Colorado River basin at 125% of normal. Streamflow forecasts range from 101% to 132% of average. Reservoir storage is currently 85% of average, which is 6% above normal for this time of year. National Oceanic and Atmospheric Administration Climate Prediction Center three-month outlooks show a slight probability for above normal temperatures and equal chances of above or below precipitation. The U.S. Drought Monitor classifies Denver Water's collection system as drought free.

Background

South Platte snowpack is 122% of normal. Since October 1, 2019 the South Platte has accumulated 10.9 inches of snow water equivalent or 92% of the normal 11.8 inches seasonal peak. Colorado River snowpack accumulation is 127% of normal. Snowpack above Dillon Reservoir is 127% of normal. Last year it was 154% of normal on this date.

Streamflow forecasts indicate at least average runoff, ranging from 101% of average at Williams Fork Reservoir to 132% of average at Antero Reservoir. Dry soil moisture conditions from last fall will likely require above normal snowpack to achieve average spring runoff.

Reservoir storage is 85% of average, and the average for this time of year is 79%. Forecasts indicate a high likelihood of achieving full reservoir storage this summer, and the current worst-case scenario of maximum storage is 96% full.

Three-month climate outlooks forecast equal chances for above or below normal precipitation and slightly above normal temperatures.

Since the start of the water year, the U.S. Drought Monitor has steadily improved; currently all areas in Denver Water's Collection System are classified as drought free.

Water supply conditions were presented to and reviewed by the Water Shortage Committee. Staff from Water Resource Strategy and Public Affairs are coordinating on Dillon Reservoir runoff season preparedness in Summit County.

Owner(s)

External Affairs

Respectfully Submitted,

- ☒ Mike King, Chief External Affairs Officer
- ☒ Nathan Elder, Planning Manager