

AGENDA

Denver Board of Water Commissioners

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

Wednesday, June 12, 2019 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 from May 8, 2019 Open Session
2. Minutes from May 22, 2019 Open Session
3. Cafeteria Food Services – Contract 503824

B. Individual Approval Items

- | | | |
|--|-------------|-----------|
| 1. 2019 Main Replacement – Contract 503891 | Tom Roode | 5 minutes |
| 2. 2019 Water Main Replacement Proposal Delivery Project – Contract 503967 | Tom Roode | |
| 3. Roberts Tunnel East Portal Hydro Upgrades – Contract 503722 | Bob Mahoney | 5 minutes |

III. POLICY MATTERS

- | | | |
|----------------------------|------------|------------|
| A. National Western Update | Tom Roode | 20 minutes |
| B. Supplier Diversity | Brian Good | 20 minutes |

IV. EXECUTIVE UPDATE

- A. CEO Update
- B. CFO Update
- C. Operations Update

V. BRIEFING PAPERS & REPORTS

- A. Briefing Papers
- 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 §24-6-402(4)

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 12, 2019

Board Item: II-A-3

Cafeteria Food Services Contract 503824

Action by Consent

Individual Action

Purpose and Background:

Denver Water contracts with a third-party vendor to provide café food, catering, and vending services to its employees at the main operations and Quivas complex. An onsite cafeteria provides a convenient location for employees and visitors to quickly obtain food in an area of Denver where few restaurants are in close proximity.

Budget and Schedule:

The total amount for this contract is \$470,000 and the term of the contract is June 12, 2019, to August 1, 2022. Funds for this service will come from the 2019 budget for Human Resources, which has sufficient funds to pay the \$68,750 estimated to be needed in 2019. The remaining \$401,250 will be budgeted in the years 2020-2022.

Selection of Business Partner:

Denver Water released RFP 503824 for Cafeteria Services in March 2019. The selection committee evaluated each proposal based on the company's experience and qualifications as a food services/ catering provider; staffing plans; sample cafeteria, catering and vending menus; associated pricing, and quality; cooking demonstrations; availability 24/7, convenience, customer service; and the proposed management fee and subsidy amount. Four companies were invited to conduct cooking demonstrations and to interview with the selection committee. Reference checks and site visits were conducted for two finalists. The committee recommends Paragon Dining Services to provide cafeteria food, catering, and vending services.

S/MWBE Information:

There was no S/MWBE goal established for this procurement.

Recommendation:

It is recommended that the Board approve contract 503824 with Paragon Dining Services for cafeteria food, catering, and vending services for the period June 12, 2019, through August 1, 2022, for a total contract amount not to exceed \$470,000.

Approvals:

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

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 12, 2019

Board Item: II-B-1

2019 Main Replacement Contract 503891

Action by Consent

Individual Action

Purpose and Background:

Water distribution mains are replaced as part of the annual maintenance program. The 2019 annual budget includes the goal to increase the distribution main replacement rate from 0.6% to 1.0% by the end of 2023. When the 1.0% goal has been reached, the projected service level goal of future customer outage hours will be evaluated to determine if a modification of the 1.0% replacement rate is warranted. Denver Water will utilize internal crews, conventional design-bid-build contracting, and unit price contracting to achieve the 1.0% replacement goal. This contract will replace 9,650 feet of distribution mains through our conventional design-bid-build approach. At the conclusion of this contract, the various methods of replacement will be evaluated to determine the best approach to obtain the most cost-effective replacement program.

Budget and Schedule:

The total amount of this contract is \$2,163,000 and the term of the contract is June 12, 2019, to February 14, 2020. Funds for this contract will come from the 2019 budget for the 2019 Main Replacement project, which has sufficient funds to pay the \$2,063,000 estimated to be needed in 2019. The remaining \$100,000 will be budgeted in the year 2020.

Selection of Business Partner:

Denver Water solicited bids from five general contractors listed on the Prequalified Contractor List under the Pipelines discipline. This contract was an unrestricted bid process using invitations to bid on the QuestCDN platform. On May 23, 2019, bids were received from five general contractors. T. Lowell Construction, Inc. of Colorado was selected based on the lowest cost bid.

S/MWBE Information:

The Minority and Women-owned Business Enterprise (MWBE) goal established for this construction project is 5% participation. T. Lowell Construction, Inc. achieved 5.2% participation.

Recommendation:

It is recommended that the Board approve Contract 503891 with T. Lowell Construction, Inc. for the 2019 Main Replacement project with a contract period of June 12, 2019, to February 14, 2020, for a total contract amount not to exceed \$2,163,000.

Approvals:

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

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 12, 2019

Board Item: II-B-2

2019 Water Main Replacement Proposal Delivery Project Contract 503967

Action by Consent

Individual Action

Purpose and Background:

Water distribution mains are replaced as part of the annual maintenance program. The 2019 annual budget includes the goal to increase the distribution main replacement rate from 0.6% to 1.0% by the end of 2023. When the 1% goal has been reached, the projected service level goal of future customer outage hours will be evaluated to determine if a modification of the 1.0% replacement rate is warranted. Denver Water will utilize internal crews, conventional design-bid-build contracting, and unit price contracting to achieve the 1.0% replacement goal. This contract will replace 6,310 feet of distribution mains utilizing Procurement's invitation for bids competitive selection approach, seeking unit price bids for various elements of distribution piping installation. The selected contractor will be issued project maps to install distribution main, using Denver Water-furnished piping materials similar to Denver Water crews. At the conclusion of this contract, the various methods of replacement will be evaluated to determine the best approach to obtain the most cost-effective replacement program.

Budget and Schedule:

The total amount of this contract is \$1,800,000 and the term of the contract is June 12, 2019, to December 31, 2019. Funds for this contract will come from the 2019 budget for 2019 Main Replacement, which has sufficient funds to pay the \$1,800,000 estimated to be needed in 2019.

Selection of Business Partner:

Denver Water issued an Invitation for Bids (IFB) to the public on the Rocky Mountain E-Purchasing System (BidNet), on Denver Water's website, and through direct notifications to 15 known vendors and to 59 Small Business Enterprise (SBE) and Minority and Women Business Enterprise (MWBE) contacts. Denver Water received three bids; two are from SBE bidders. The recommendation of award is being made on best value criteria, including their qualifications and experience, bid pricing, references, and ability to secure bonding.

S/MWBE Information:

This service is an O&M Construction Related covered category under the Supplier Diversity program, which has an annual enterprise target of 30%. Iron Woman Construction and Environmental Services, LLC is not an SBE or MBE. The Invitation for Bids encourages utilization of SBE and MWBE subcontractors and suppliers and requires reporting of any participation achieved. Iron Woman Construction and Environmental Services, LLC have indicated they will achieve MWBE participation through use of an asphalt and concrete paving subcontractor, which will contribute towards the annual target.

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Recommendation:

It is recommended that the Board approve Contract 503967 with Iron Woman Construction and Environmental Services, LLC for construction and installation of up to approximately 6,310 feet of distribution water main replacement for the contract period June 12, 2019, to December 31, 2019, for a total contract amount not to exceed \$1,800,000.

Approval

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

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 12, 2019

Board Item: II-B-3

Roberts Tunnel East Portal Hydro Upgrades Contract 503722

Action by Consent

Individual Action

Purpose and Background:

The Roberts Tunnel Power project is located at the East Portal and Outlet Works of the Harold D. Roberts Tunnel near Grant, Colorado. The Roberts Tunnel diverts water held in Dillon Reservoir, transporting it under the Continental Divide and into the North Fork South Platte River. The Roberts Tunnel hydroelectric unit was installed in the mid-1980s. Power generated from the unit operates Denver Water facilities and the excess is distributed to Intermountain Rural Electric Association (IREA). IREA is responsible for delivering power to Xcel Energy for purchase under the Denver Water and Xcel Power Purchase Agreement 10246A.

The Roberts Tunnel East Portal hydroelectric unit has been a stable power and revenue producer for 30 years. The existing equipment has paid for itself and has generated years of additional revenue for Denver Water and renewable energy for Colorado. The equipment is now obsolete and difficult to replace or repair, causing increased equipment failures that are costly in both revenue and resources. The facility requires an upgrade to safely and reliably continue to produce power and revenue.

Engineering evaluated options ranging from a “no action” alternative of continuing to maintain the current equipment to a full replacement of the hydroelectric unit. The no-action alternative is not recommended because it is anticipated to result in long, unplanned outages due to failures of obsolete equipment. Unplanned outages would cause the loss of revenue generated from the Roberts Tunnel hydroelectric facility, and potentially the other hydroelectric facilities in the current Power Purchase Agreement with Xcel Energy, if capacity falls too low. The proposed project, in contrast, will result in the safe, reliable operation of the Robert’s Tunnel East Portal Hydroelectric facility and Denver Water’s largest single hydroelectric unit.

A maintenance teardown is required to facilitate the required upgrades to the Roberts Tunnel East Portal’s hydroelectric unit. The teardown will include the replacement of an antiquated governor system and turbine runner in the hydroelectric unit, installation of new brakes and speed systems for the generator, and a new electrical power distribution system. The new power distribution system will provide greater reliability and efficiency and is designed for a high level of personnel safety while meeting or exceeding agency, regulatory, and industry standards.

Benefits of the project include:

- Increased personnel safety, reliability, efficiency, and revenue.
- Agency and regulatory compliance.
- Reduced maintenance and unexpected outages.
- Improved equipment protection, security, and operational ease.
- Maintenance of the hydroelectric facility that has a substantial impact on Denver Water’s annual hydroelectric power generation revenue.

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Budget and Schedule:

The total amount of this contract is \$10,425,600 and the term of the contract is June 12, 2019, to November 19, 2021. Funds for this contract will come from the 2019 budget for the Roberts Tunnel East Portal Hydro Upgrades business unit, which has sufficient funds to pay the \$376,105 estimated to be needed in 2019. The remaining \$10,049,495 will be budgeted in years 2020 and 2021.

Selection of Business Partner:

The Roberts Tunnel East Portal is a remote and constrained site with no large area for material staging and without sufficient lodging accommodations in the area for contactor staff. Denver Water aggressively solicited involvement from nine general contractors and solicited proposals from three that were listed on the Prequalified Contractor List. This contract was a restricted proposal process using invitations for proposal on the QuestCDN platform. On May 21, 2019, proposals were received from three general contractors. Gracon, LLC was selected using a quality-based selection process.

S/MWBE Information:

The Minority and Women-owned Business Enterprise (MWBE) goal established for this construction project is 1% participation due to the limited opportunities for MWBE participation. Gracon, LLC, achieved 2.2% participation.

Recommendation:

It is recommended that the Board approve Contract 503722 with Gracon, LLC for the completion of Roberts Tunnel East Portal Hydro Upgrades for the contract period June 12, 2019, to November 19, 2021 for a total contract amount not to exceed \$10,425,600.

Approvals:

- | | |
|---|--|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Christopher R. Dermody, Chief Information Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
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