

# AGENDA

## Denver Board of Water Commissioners

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

**Wednesday, September 12, 2018 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. Minutes from August 8, 2018 - Open and Executive
2. Minutes from August 22, 2018 - Open and Executive
3. Miramonte Colorado LLC, MOA – Contract 503414
4. Amendment to Personnel Policies Concerning “Premium Pay”
5. Recreational Lease with City of Lakewood at the Moffat Treatment Plant – YMCA Property – Contract 503141

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6. Intergovernmental Agreement with North Table Mountain Water and Sanitation District for Northwater Treatment Plant – Contract 503619
7. Vault Modifications 2018/2019 – Contract 503256
8. Conduit No. 26 Fiber Optic Communication Cable Installation – Contract 503325

**B. Individual Approval Items**

- |   |               |            |
|---|---------------|------------|
| 1. Third Amendment to Contract 503074 for The Gross Reservoir Expansion Project Design Engineer Selection | Jeff Martin   | 10 minutes |
| 2. Third Amendment to Contract 503042 for Water Bill Printing & Mailing Services                          | Chris Dermody | 10 minutes |
| 3. Second Amendment to Contract 501437 for Emergency Water Damage Cleanup                                 | Brian Good    | 10 minutes |
| 4. Letter to Colorado Water Conservation Board regarding Colorado River Compact Compliance                | Jim Lochhead  | 15 minutes |

**III. POLICY MATTERS**

- |   |            |            |
|---|------------|------------|
| <b>A. Foothills Treatment Plant Process/Mechanical Project Update</b> | Ryan Walsh | 10 minutes |
|---|------------|------------|

**IV. EXECUTIVE UPDATE**

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

## **V. BRIEFING PAPERS & REPORTS**

### **A. Briefing Paper**

1. Call Center as a Service

### **B. Report**

## **VI. ADJOURNMENT**

## **VII. TRUSTEE MATTERS**

## **VIII. EXECUTIVE SESSION**

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by C.R.S. Sec. 24-6-402 or D.R.M.C Sec. 2-34.

- A. Confidential Report § 24-6-402(4)

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 12, 2018

Board Item: II-A-3

## Miramonte Colorado LLC, MOA Contract 503414

Action by Consent

Individual Action

### Purpose and Background:

Throughout the permitting process for the expansion of Gross Reservoir, Denver Water has developed numerous mitigation plans and agreements to mitigate and minimize impacts of the project, one of which is the following agreement with a community of landowners near Gross Reservoir.

When Gross Reservoir was initially constructed in 1954, land for a portion of the current reservoir was acquired from land owners to the South, who belong to a limited liability corporation known as "Miramonte." Denver Water's first agreement with Miramonte transferred the land from Miramonte to Denver Water and described a road, to be constructed by Denver Water, that would allow Miramonte access to South Boulder Creek. The road was constructed and remains in use today.

The Gross Reservoir Expansion Project will impact a portion of this existing road. Denver Water has agreed to replace this road for Miramonte during construction. During these negotiations, Miramonte expressed concerns about trespassing and threat of forest fires from recreation use at Gross Reservoir. This Memorandum of Agreement ("MOA") was the result of years of negotiation to mitigate, minimize and address concerns of this neighboring community related to construction and recreation use activities. Denver Water has agreed to create a fuel break on Miramonte property along the property line; install gates on the new road; and provide funds to Miramonte to construct a fence and post "No Trespassing" signs along their property. Denver Water will not be responsible for maintenance of the fuel break, road, fence, or signs.

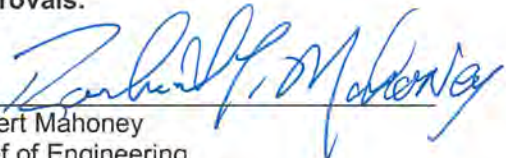
### Budget and Schedule:

The total amount of this contract is \$73,000 in cash (fence and permit) and an estimated \$580,900 in services (road construction, gate, fuel break, noise plan). Funds for this MOA (fence, permit, road construction, and gate) will come from the 2019 and/or 2020 budget for the Gross Reservoir Expansion Project (BU: 2009612013), which will have sufficient funds to pay the \$73,000 estimated to be needed in 2019 if the 2019 budget is approved. The remaining obligation (fuel break and noise plan) will be budgeted to coincide with tree removal and construction activities associated with the Project.

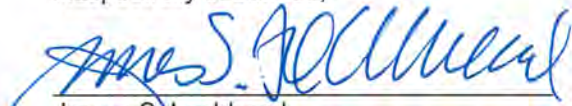
### Recommendation:


It is recommended that the Board approve Contract 503414 with Miramonte Colorado LLC for a total contract amount not to exceed \$73,000 in cash and an estimated \$580,900 in services.

### Approvals:

  
Robert Mahoney  
Chief of Engineering

Respectfully submitted,

  
James S. Lochhead  
CEO/Manager

  
Angela Brichmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 12, 2018

Board Item: II-A-4

## Amendment to Personnel Policies Concerning “Premium Pay”

Action by Consent

Individual Action

### **Purpose and Background:**

With the strategy to outsource certain non-core business functions, Denver Water is reviewing existing benefit, timekeeping and payroll processes. Our current premium pay policy and accompanying procedure is complicated and does not function properly within our Kronos timekeeping system, requiring manual coding by supervisors. This manual intervention by supervisors creates opportunities for errors and incorrect pay. Further, the current premium pay procedure cannot be processed by potential payroll outsource providers as it is not based in generally accepted best practices.

The proposed change will simplify the overtime and premium pay policy in a manner that allows the system to work as designed without manual intervention, simplifying the user's experience and minimizing errors while still meeting the business need for this type of pay.

Allowing planned Personal Leave (PT) and Paid Time Off (PTO), as well as injury leave and jury leave, to count towards time worked for calculating overtime is a change from past practices. This change should not have a significant cost impact and may lead to a small reduction in total compensation based on the elimination of incorrectly coded premium pay in the current system.

Simplification of this policy will encourage employees to proactively schedule PL and PTO so that supervisors can maintain service coverage and allow abuse of the system to be much more visible and therefore corrected.

### **Budget and Schedule:**

If the Board approves this policy change it would be effective for the pay period beginning September 23, 2018.

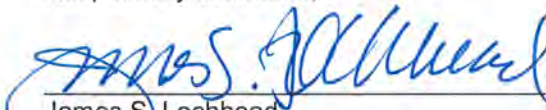
### **Recommendation:**

It is recommended that the Board adopt the modifications to the Personnel Policies described in the attachment.

### **Approvals:**

  
\_\_\_\_\_  
Gail Cagle  
Chief Human Resources Officer

Respectfully submitted,

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

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 12, 2018

Board Item: II-A-5

## Recreational Lease with City of Lakewood at the Moffat Treatment Plant – YMCA property Contract 503141

Action by Consent

Individual Action

### Summary:

Denver Water owns approximately nine acres of property adjacent to the Moffat Treatment Plant located at 20<sup>th</sup> Avenue and Quail Street in the city of Lakewood. The property was acquired in 2005 from the YMCA for a future treated water reservoir site. The YMCA recreation center was subsequently demolished and for the last 10+ years two of the nine acres have been utilized on and off by Denver Water for construction and materials storage related activities while the southern portion of the site has functioned as passive open space. This holding pattern was planned to continue until the future of the Moffat Treatment Plant and associated treated water storage needs were finalized. For many years, the City of Lakewood elected officials and surrounding residents have expressed interest in creating a formal park on the former YMCA site.

In 2018, the decision to build the Northwater Treatment Plant while continuing operations at the Moffat Treatment Plant was approved. No new treated water storage needs were identified under this near-term (10-20 year) scenario rendering a continued waiting period for the YMCA property's final development decision. It is anticipated that over the next 20 years our demands will trigger decisions on whether the YMCA property will be needed for Denver Water purposes or be available for surplus designation evaluation.

Denver Water Property and Recreation staff worked with the City of Lakewood to identify a 0.58-acre portion of the YMCA property that may be available for park space under multiple future scenarios, including the placement of one 10 MGD or two 5 MGD reservoirs. In Contract 503141, Denver Water grants the City of Lakewood a recreation lease to install a play structure and other improvements within a 0.58-acre area for a term of 10 years. During the lease term the City agrees to assist with public communication regarding Denver Water activities and future master planning on the entire property. The agreement also allows the City the opportunity to purchase the leased area if at the end of our master planning process the site is identified as available for park uses.

### Budget Information:

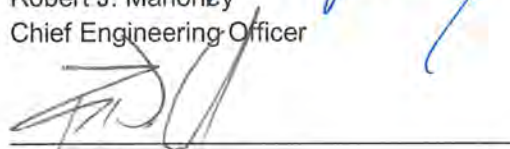
The proposed agreement is a no cost lease for 10 years. The City of Lakewood is responsible for the installation, maintenance and management of all facilities installed on the leased property.

### Recommendation:

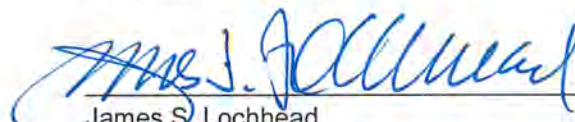
It is recommended that the Board approve contract 503141 with the City of Lakewood for the recreational lease of 0.58 acres at the Moffat Treatment Plant – YMCA property.

### Approvals:

  
Robert J. Mahoney  
Chief Engineering Officer

  
Brian D. Good  
Chief Administrative Officer

Respectfully submitted,

  
James S. Lochhead  
CEO/Manager

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 12, 2018

Board Item: II-A-6

## Intergovernmental Agreement with North Table Mountain Water and Sanitation District For Northwater Treatment Plant Contract 503619

Action by Consent

Individual Action

### Purpose and Background:

The purpose of this Board Item is to execute an Intergovernmental Agreement (IGA) with North Table Mountain Water and Sanitation District (NTM), Contract No. 503619, in support of the Northwater Treatment Plant (NTP) construction. The IGA is necessary to remove NTM's existing raw water lines and appurtenances previously constructed within an easement on Denver Water's Ralston site, which conflict with proposed NTP construction. The IGA identifies a new, shared raw water pipeline across the NTP site to continue to provide raw water to NTM's existing water treatment plant (WTP), as well as Denver Water's Moffat WTP and the City of Arvada's Ralston WTP. The IGA commits NTM to sharing in the construction cost of the new 48-inch raw water pipeline. Construction of the pipeline, known as NTP Guaranteed Maximum Price (GMP) 2B, was previously approved by the Board on May 23, 2018 as an Amendment to Construction Agreement 503448 (previously known as 503212).

### Budget and Schedule:

The estimated reimbursement expected from NTM is \$500,000, with the actual amount determined following construction of the improvements, based upon the cost sharing percentages identified within the IGA. This outside funding has been accounted for within the Total Project Cost presented to the Board on June 27, 2018. Construction of the IGA improvements is anticipated to be complete in mid-2019, with reimbursement by NTM for its portion of the cost in late 2019.

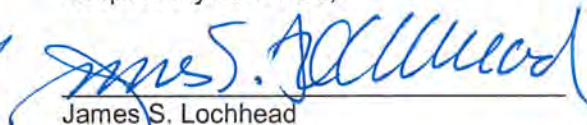
### Recommendation:

It is recommended that the Board approve the proposed IGA with NTM, which has an approximate value of \$500,000 reimbursed by NTM to the NTP Business Unit.

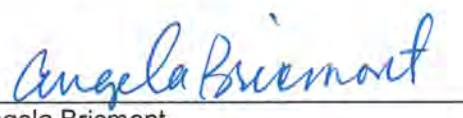
### Approvals:

  
Robert J. Mahoney  
Chief Engineering Officer

Respectfully submitted,

  
James S. Lochhead  
CEO/Manager

  
Tom Roode  
Chief Operations/Maintenance Officer

  
Angela Bricmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 12, 2018

Board Item: II-A-7

## Vault Modifications 2018/2019 Contract 503256

Action by Consent

Individual Action

### Purpose and Background:

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 staff 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:

- East Hampden Avenue and South Yosemite Street - New 8-inch Pressure Regulating Valve (PRV) vault;
- West Yale Avenue between South Green Court and South Federal Boulevard - New 8-inch PRV vault;
- Raccoon Creek Golf Course - New 10-inch PRV vault;
- South Clarkson Street and Sunset Lane - New 6-inch PRV vault;
- South Clarkson Street and East Chestnut Trail - New 6-inch PRV vault;
- South Clarkson Street and East Littleton Boulevard – Abandonment of 6-inch PRV vault.

### Budget and Schedule:

The work begins in 2018 and will be completed in 2019. Funds for this contract will come from the 2018 Capital Improvements 2018/2019 Vault Modifications Business Unit which includes sufficient funds of \$636,636 for the estimated \$500,000 of 2018 expenditures. The remaining funds will be budgeted in the 2019 Capital Improvement Budget.

### Selection of Business Partner:

Denver Water solicited proposals from four General Contractors listed on the Prequalified Contractor List under the Civil-Vaults discipline. This Contract was a restricted bid process using Invitation to Bids on the QuestCDN platform. On August 28, 2018, bids were received from 4 General Contractors. T. Lowell Construction, Inc. was selected based on the lowest cost bid.

### S/MWBE Information:

*The Minority and Women Business Enterprise (MWBE) goal established for this construction project is 5% participation. T. Lowell Construction, Inc. achieved 5.00% participation.*

### Recommendation:

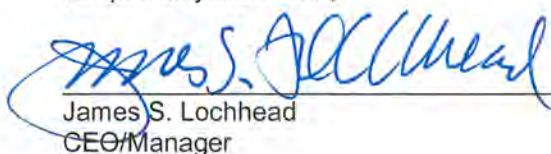
It is recommended that the Board approve Contract 503256 with T. Lowell Construction, Inc. for the Vault Modifications 2018/2019 for the contract period September 12, 2018 to June 28, 2019 for a total contract amount not to exceed \$2,075,000.00.

### Approvals:

  
Robert J. Mahoney  
Chief Engineering Officer

  
Angela Brimont  
Chief Finance Officer

Respectfully submitted,

  
James S. Lochhead  
CEO/Manager



# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 12, 2018

Board Item: II-A-8

## Conduit No. 26 Fiber Optic Communication Cable Installation Contract 503325

Action by Consent

Individual Action

### Purpose and Background:

The overall scope of the project is to run new fiber optic communications line through Conduit No. 26 from the Strontia Springs Operations Building to the Foothills Treatment Plant to provide more reliable and expansive data communications for Strontia Springs. Strontia Springs is a critical infrastructure location and the current communications cable system is at capacity. Due to this limitation, we are currently unable to add additional security/monitoring systems. Facility Operators have indicated that the current network has recently failed several times requiring repairs by Century Link and there are concerns about its long-term viability. Upgrading the network would allow for more reliable communications, security and safety. Running the cable through Conduit No. 26 presents cost savings as compared to directional boring or trenching down Waterton Canyon, due to increased material and labor costs resulting from the longer distance and challenging terrain. There will be approximately 18,500 feet of fiber needed for the project which includes 16,200 feet run inside the conduit and 2,300 feet with trenching or directional boring.

### Budget and Schedule:

The work begins in 2018 and will be completed in 2019. The 2018 Capital Improvement Plan for Conduit No. 26 Fiber Optic Communication Cable Installation Business Unit includes sufficient funds of \$500,000 for the expenditures of \$500,000 in 2018. The remaining funds will be budgeted in the 2019 Capital Improvement Plan.

### Selection of Business Partner:

Denver Water solicited bids from three General Contractors listed on the Prequalified Contractor List under the Electrical discipline. This Contract was a restricted bid process using Invitation to Bids on the QuestCDN platform. On August 21, 2018, bids were received from three General Contractors. Sturgeon Electric Company, Inc. of Colorado was selected based on the lowest cost bid.

### S/MWBE Information:

*The Minority and Women Business Enterprise (MWBE) goal established for this construction project is 3% participation. Sturgeon Electric Company, Inc. achieved 3.17% participation.*

### Recommendation:


It is recommended that the Board approve Contract 503325 with Sturgeon Electric Company, Inc. for Conduit No. 26 Fiber Optic Communication Cable Installation for the contract period September 12, 2018 to April 19, 2019 for a total contract amount not to exceed \$1,166,982.95.

### Approvals:

  
Robert J. Mahoney  
Chief Engineering Officer

Respectfully submitted,

  
James S. Lochhead  
CEO/Manager

  
Angela Bricmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 12, 2018

Board Item: II-B-1

## Third Amendment to Contract 503074 for The Gross Reservoir Expansion Project Design Engineer Selection

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water continues to form an integrated project team comprised of Denver Water staff, Consultants, Engineers, Contractors, Specialists, and Regulators to deliver the Gross Reservoir Expansion (GRE) project. In January 2018, Denver Water contracted with Stantec/AECOM to fulfill the Design Engineer role. Their scope and fee were negotiated based on our understanding of the work in late 2017.

Since January 2018, the GRE management team has engaged with several review organizations including: the Board of Consultants, Federal Energy Regulatory Commission, State Engineer's Office, and Colorado Department of Transportation. Each of these groups have requested or directed scopes of work not anticipated in the original Design Engineer contract including: additional geotechnical investigations at the quarry; additional investigation at the dam; and design of a new intersection at State Highway 72 and Gross Dam Road.

In addition, through early planning in 2018, the GRE management team in conjunction with several Denver Water departments identified the need to incorporate improved communications infrastructure at Gross Dam. The communication improvements represent a progressive design element culminating in new facility infrastructure. The new infrastructure will address long standing communication needs at the facility for safety and operation as well as aid in development of the GRE project.

The purpose of this Board Item is to execute the Third Amendment to the GRE Design Engineer contract for Phase 2 work that is a result of the aforementioned design elements and unexpected regulatory requests.

### **Budget and Schedule:**

The amount of the original agreement with Stantec Consulting Services, Inc. for the Design Engineer is \$13,000,000. Amendment No. 1 was a no cost amendment for the addition of Co-Location Office requirements. Amendment No. 2 was a no cost amendment for corrections to Design Engineer Labor Rates. Amendment No. 3, in the amount of \$539,522, brings the total contract amount to \$13,539,522. Funds for this Amendment were included in the 2018 and 2019 forecasted budgets presented in the most recent Board report. The overall GRE program budget is unchanged as a result of Amendment No. 3.

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

The GRE Design Engineer was selected through a value based competitive process which considered qualifications, design approach, technical submissions, and cost

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

No specific S/MWBE goal was set for the Design Engineer services. However, the Stantec/AECOM team will achieve an approximate 6% S/MWBE participation for the total of the Phase 2 service.

### **Recommendation:**


It is recommended that the Board approve the Third Amendment to Contract 503074 with Stantec/AECOM as the Design Engineer for an extension of the contract period through December 31, 2020 and for a total amended contract amount not to exceed \$13,539,522.

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**Approvals:**

  
Robert J. Mahoney  
Chief Engineering Officer

Respectfully submitted,

  
James S. Lochhead  
CEO/Manager

  
Angela Bricmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 12, 2018

Board Item: II-B-2

## Third Amendment to Contract #503042 (formerly 14095A) for Water Bill Printing & Mailing Services

Action by Consent

Individual Action

### **Purpose and Background:**

Denver Water requires water bill and customer letter printing, inserting and mailing services to send monthly water bills and other correspondence to its customers. These services have been provided by One2One Communications LLC (d/b/a OneSource) since 2013. Prior to 2013, Denver Water's utility bill printing, inserting, and mailing was operated in-house. Each month, OneSource currently prints and mails approximately 195,000 bills, 6,500 delinquent notices, and 7,300 customer letters on behalf of Denver Water. On occasion, Denver Water also utilizes OneSource's mailing and printing services to send out required announcements at the request of regulators such as CDPHE. OneSource has consistently provided excellent service for Denver Water.

In June 2018, Denver Water released an RFP in anticipation of OneSource's contract expiration on September 30, 2018. During the advertisement period of the RFP, Denver Water's IT division experienced an unforeseen loss in personnel resources. As a result, Denver Water no longer had sufficient resources to support the integration of a new Customer Bill Printing vendor if a new vendor was found to be more favorable than the current vendor. Denver Water cancelled the RFP and expects to repost the RFP in approximately eighteen (18) months. A two-year contract extension with OneSource will allow sufficient time to re-staff and train IT's CIS support team, release an RFP, and integrate a new vendor (if favorable), without impact to the existing billing process.

### **Budget and Schedule:**

OneSource has agreed to maintain its current printing, material, and insert rates for the duration of the two-year extension. The additional amount for this two-year contract extension is \$2,850,000, bringing the total contract amount to \$9,350,000. Printing, material, and insert costs account for approximately 20% (\$570,000) of the total amendment amount. The majority of the cost in this agreement is US postage, accounting for approximately 80% of total amendment amount (\$2,280,000). OneSource passes through its postage costs at an average of \$0.387 per envelope. The total \$2,850,000 amendment amount includes a 5% buffer (\$128,125) to account for potential postage fee increases and unforeseen regulatory announcements. Funds for this contract extension will be included in the 2019 & 2020 operational budgets.

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

In 2013, an RFP was issued via the Procurement Section's standard method for advertising. The RFP was posted on Denver Water's website, Rocky Mountain E-Purchasing System (BidNet), directly to known suppliers, and through notifications to the SBE and MWBE communities. Denver Water received nineteen (19) proposals. OneSource was selected in 2013 based on costs, size and print volume, printing and design capabilities, disaster recoverability, experience and a confirming a site visit to their Chicago area facility.

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

One2One Communications LLC d/b/a OneSource is not an SBE.

**Recommendation:**

It is recommended that the Board approve Amendment 3 to Contract No. 14095A (503042) with One Source, for Customer Bill Printing and Mailing for the period from October 1, 2018 to September 30, 2020 to add \$2,850,000 for a total contract amount not to exceed \$9,350,000.00.

**Approvals:**

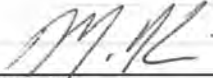


Chris Dermody  
Chief Information Officer

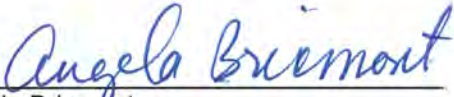
Respectfully submitted,



James S. Lochhead  
CEO/Manager



Mike King  
Chief External Affairs Officer



Angela Bricmont  
Chief Finance Officer

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: 9/12/2018

Board Item: II-B-3

## Second Amendment to Contract #501437 (formerly 16755A) for Emergency Water Damage Cleanup Services

Action by Consent

Individual Action

### **Purpose and Background:**

As a matter of Board policy and as a service to our customers, Denver Water assists property owners and tenants with on-site cleanup and payment for damage to real or personal property caused by main breaks. Restoration Logistics, Inc. is under contract to perform this work for Denver Water. The policy applies to owners or tenants, but not to insurance companies seeking reimbursement for claims paid to their insureds.

Due to the unanticipated main breaks and related damage to numerous residential and commercial properties at 29th and Zuni in 2017 and a cluster of significant breaks in late spring and early summer 2018, the funds allocated to the contract, including those added with the first amendment, have been depleted, and additional funds are needed for cleanup and restoration work.

Based on the main break experience over the last few years, Staff has undertaken a thorough review of the main break policy and implementation and intends to present to the Board several alternative approaches to responding to main breaks for potential revisions to the policy. Staff intends to bring the policy alternatives to the Board within the month.

### **Budget and Schedule:**

The original amount of this contract was \$650,350 for the three-year period September 1, 2016 to August 31, 2019. A first amendment, approved by the Board on July 24, 2018, added \$300,000 to the contract. The 2018 budget for Safety and Loss Control includes \$325,000 for this service/contract, but only about \$59,000 remains, and a variance will be required. This amendment seeks an addition of \$350,000 in contract funding, which Staff believes will cover the cost of claims through December 2018. Additional funds are needed to cover additional costs associated with the June and July breaks that impacted multiple homes. After the Board has made a decision about the main break policy, Staff will be able to determine how much funding will be needed for the remainder of the contract period and/or will rebid the contract.

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

In July 2016, Denver Water issued a Request for Proposal (RFP) for emergency water damage cleanup services via the Denver Water public website, Rocky Mountain E-Purchasing System (Bidnet), and direct e-mail to the SBE/MWBE chambers e-mail list. Denver Water received nine proposals. Of the nine companies submitting proposals, one was a MBE and one a WBE. Restoration Logistics is a Small Business Enterprise.

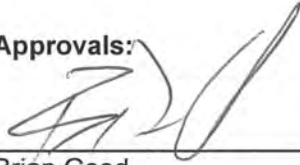
### **S/MWBE Information:**

Emergency water damage cleanup services is a covered spend category under Denver Water's Covered Goods and Services MWBE program.

### **Recommendation:**

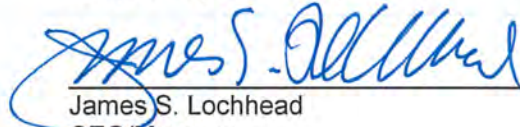
It is recommended that the Board approve the Second Amendment to Contract #501437 (formerly 16755A) with Restoration Logistics, Incorporated for emergency water damage cleanup, an addition of \$350,000 for a total amended contract amount not to exceed \$1,300,350.

**Approvals:**



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

Respectfully submitted,



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



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

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 12, 2018

Board Item: II-B-4

## Letter to Colorado Water Conservation Board regarding Colorado River Compact Compliance

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Action by Consent

Individual Action

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### **Purpose and Background:**

The state of Colorado has been working with the other 6 Colorado River basin states and the Department of the Interior to develop drought contingency plans for the upper and lower Colorado River basins. In the lower basin, the drought contingency plan would provide for the conservation and forbearance of water use to store over 1 million acre-feet of water in Lake Mead, in addition to shortages otherwise imposed when Lake Mead drops to critically low elevations.

In the upper basin, the drought contingency plan incorporates two principle elements. First, water held in federal upper basin reservoirs (Flaming Gorge, Navajo and Blue Mesa Reservoirs), would be released to Lake Powell to keep Lake Powell elevations above critically low levels. If this operation were unsuccessful, the upper basin states (Colorado, Utah, New Mexico and Wyoming) would implement a "demand management" program, whereby uses of water would be reduced or eliminated to allow more water to be stored in Lake Powell, again to assure adequate storage levels and the ability of the upper basin to comply with its obligations under the Colorado River Compact. This "demand management" water would be held in a designated storage account in Lake Powell that would be available to the Upper Division states by the Department of the Interior without charge. Accounting for and management of the storage account would be the responsibility of the Upper Colorado River Commission. Ideally, the creation of water for storage in a Lake Powell storage account would be on a temporary, voluntary and compensated basis, similar to the way the System Conservation Pilot Program worked. If necessary, the state engineers of the respective Upper Division states could exercise authority to order water use reductions, either to avoid a violation of the Colorado River Compact, or to pay back any liability for a Compact violation.

Because these drought contingency plans would require changes in the laws governing Colorado River operations, Congressional authorization for the plans will be necessary. The Congressional authorization would specifically include the creation of the storage account in Lake Powell.

The prospect of a voluntary or mandatory demand management program and the creation of a storage account in Lake Powell generated significant concern on the western slope, that such a program would "target" west slope agricultural water rights and create disproportionate impacts on the western slope. Obviously, Denver Water also has an intense interest in how any demand management program would be conducted. As a result, Denver Water has discussed with other water users what principles, or side boards, could be agreed upon that would provide a level of comfort for all parties to support the Congressional authorization of the drought contingency plans and the storage account. We also coordinated with other members of the Front Range Water Council (Aurora, Colorado Springs, Pueblo and Twin Lakes), asking that they also support the principles.

The discussions generated tentative agreement on a draft letter that would be transmitted to the Colorado Water Conservation Board for consideration at its meeting in Steamboat Springs on September 19-20. The letter is attached. As of September 7, 2018, not all potential signatories to the letter have reviewed or reacted to the draft. As a result, before or after the Board meeting, some modifications may be advisable. However, the substance of the positions, from Denver Water's perspective, should be substantially the same as in the attached draft.

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

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





**Budget and Schedule:**

There are no budget implications or requests associated with this item.

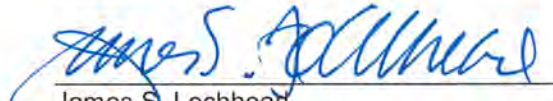
**S/MWBE Information:**

N/A

**Recommendation:**

It is recommended that the Board approve the attached draft letter to the Colorado Water Conservation Board, and authorize the CEO to sign and transmit it on behalf of Denver Water, including substantially the same terms as the attached draft. If the Colorado River District and Southwest Water Conservation District decline to execute the attached letter in substantially the same terms, it is recommended the CEO be authorized to express the same positions unilaterally or together with other entities to the Colorado Water Conservation Board, and take further actions in support of such positions.

Respectfully submitted,



James S. Lochhead  
CEO/Manager

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 12, 2018

Board Item: V-A-1

## Briefing Paper for Call Center as a Service

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### Strategic Plan Alignment

**Organization Perspective** – Business processes and assets that increase our efficiency and effectiveness; appropriate technologies that enhance our ability to achieve Denver Water’s business objectives.

**Customer Perspective** – A customer centric approach at all levels of the organization; outstanding customer service

### Summary

Over the past 3 years, Customer Relations leadership has been exploring ways to implement ways for employees to work from home, provide redundancy during disaster recovery planning, and mitigating end-of-life technology that supports the current call center functions. Due to a lack of redundancies for call center technology, we are forced to close the 30-seat call center in a disaster. There is a single point of failure with the technology coming to end of life and limitations of one subject matter expert to support the technology when issues arise. Current technology is at capacity, which is limited to 30 seats preventing Customer Relations from expanding functionality to other areas, i.e. Dispatch, Sales, and Business Support Team. Requirements for moving to the new Administration building in 2019 include this platform and system upgrade, estimated at \$632k. In an effort to reduce costs, Customer Relations leadership in partnership with IT explored the option to move their customer support call center infrastructure from an on-premise solution to a service oriented / cloud-based Call Center as a Service (CCaaS) solution and has selected RingCentral as the provider of that solution.

### Background

Denver Water’s current Call Center system is not meeting its needs and as a result an RFP process was initiated to find better solution. Currently Denver Water Customer Care is using a Genesys 8.X solution, supporting 35 agents. There are several other groups of agents that are using calling groups from the current Alcatel Telephone system. These two systems are integrated, but the other departments are on separate call-routing and reporting systems. The other departments include Water Sales, Business Support Team (BST) and Dispatch. There are approximately 35 agents in customer care and 22 agents in these other departments.

The purpose of this project is not to simply replace what Denver Water has today, but take an opportunity to look to the future of customer care and lay the foundation for the future direction of the customer contact center for Denver Water.

Denver Water is currently performing a campus-wide upgrade of its facilities, including a new Administration Building. It is the intention to have the new/upgraded system in place when the new Administration Building is completed

in late 2019, and it is expected that the contact center currently located at the Quivas facility will be relocated to the new Administration Building.

Denver Water engaged Communication Strategies, an independent consulting firm, to evaluate the current customer care contact center platform and provide options for moving to a new contact center platform to better meet the needs of Denver Water now and into the future.

## Budget

Funds for this Contract will come from the 2018 budget for external affairs for the call center software which has sufficient funds to pay the \$134,862.00 estimated to be needed in 2018. The remaining \$350,916.00 will be budgeted in years through 2021. As detailed in the table below, the three-year total cost of ownership of the RingCentral solution is approx. 50% less expensive than the cost to upgrade the existing Genesys Call Center platform to meet Denver Water's needs (\$485,778 vs. \$998,077).

## Alternatives

	RingCentral	Upgraded Genesys On Premise
Acquisition	No capital expenditure	Substantial up-front capital expenditure
	Minimal start-up and professional services costs	Large installation and professional service fees
	No hardware costs/no ongoing depreciation charges	Need to reconfigure/change power sources/modify the data center
	Pay for what is used	Pay for what is bought, regardless of whether or not it is used
	Negotiable and flexible payment options- monthly, quarterly, annual, etc.	One-time fees must be paid up-front and depreciated over a 5-year period
	Predictable and sizeable monthly operating costs	No monthly capital investments unless purchasing an upgrade
	No maintenance fees	No monthly usage fees
Integrations	Solution come with a selection of pre-built integrations to third-party applications on the price list	Vendors have many partners, and often leave it to the partner to build and maintain third-party application integrations
	Solutions designed to support hybrid cloud/premise-based and cloud/cloud environments	Do not easily integrate with other contact center ACDs or dialers
	Solutions are open and come with APIs to facilitate new integrations	Older-generation technology
	Vendor fees for integrations are intentionally low	Vendors generate substantial fees from integrations
Upgrades	Basic upgrades included; new modules are typically paid for through add-ons to the basic monthly fee	If on the "right" maintenance program, basic upgrades are included; new functionality is incremental
	End users do not have to commit resources and time to the upgrade process, but need to retrain staff and modify processes	End users have to manage the upgrade process jointly with the vendor; end users need to retrain staff and modify processes

	Does not require new hardware	Hardware must be replaced every 3-5 years
Support/Maintenance	Standard support is included	Sizeable annual maintenance fees range from 18% to 24% of the purchase price
	Users can purchase blocks of time from contact center experts who are dedicated to their operating environment	Users can purchase professional services
	Cloud solutions are designed to be easy to use and maintain, which reduces end-user and vendor time and effort	Ease of use was not a major consideration when the systems were built
Costs	<p><b>Installation:</b> RingCentral Implementation: \$79,031.70</p> <p><b>Annual Maintenance:</b> Call Center as a Service: \$134,862 Phone line: \$719,82 Total: \$135,581.82</p> <p><b>3 Year Total Cost of Ownership:</b> \$485,778</p>	<p><b>Installation:</b> SIP Platform Update: \$42,181 Voice Interaction Recording, QM and Coaching: \$26,789 Professional Services: \$436,800 Additional License Purchase: \$126,448 Total: \$632,218</p> <p><b>Annual Maintenance:</b> \$121,953</p> <p><b>3 Year Total Cost of Ownership:</b> \$998,077</p>

## Approach

### **ADVERTISEMENT METHOD:**

Denver Water's Procurement section issued an RFP on Denver Water's website, on the Rocky Mountain E-Purchasing System (BidNet), and through direct e-mail to the SBE/M/WBE Bid List and ten known contractors/consultants who perform this type of work.

### **VENDOR EVALUATION:**

*The Evaluation Team* evaluated the seven proposals under the following criteria:

- **Reliability:** A system that has a proven track record of reliability as well as an architecture that is inherently fault tolerant.
- **Functionality:** The ability of the system to improve how Denver Water conducts its mission, including efficiency and effectiveness of communications.
- **Administration:** A system that is easy to program, update, and maintain.
- **Capacity to Deliver:** a solution from a viable manufacturer by a Proposer with a demonstrated ability to design, install, and maintain.
- **Manufacturer Vision and Stability:** Manufacturer's commitment to excellence, financial stability, market share, and technological vision for the future.

- **Proposer Capabilities and Experience:** Evaluation of the Proposer's experience and ability to design and implement the proposed solution.
- **Warranty/Maintenance Support:** Ability to provide timely and high-quality support during the installation, warranty period, and ongoing maintenance.
- **Cost Effectiveness:** A cost-effective solution when considering Total Cost of Ownership (TCO), as defined by Schedule A, over the first three (3) years.

**VENDOR SELECTION:**

After a technical review of the proposals, interviews, demonstrations, reference checks and local reference demonstrations; RingCentral was selected to provide the call center software. The below factors helped the Contract Administrator choose RingCentral:

- Solution meets all requirements and desired outcomes.
- Support services are included in the recurring service price
- Local support – Branch office is in Centennial, CO
- Competitive pricing
- Reference interviews were conducted
- Current Software Genesys Pure Cloud
  - Did not provide robust out of box reporting
  - Was not as competitive with pricing
- Denver Water's Strategy is to leverage Denver Water IT and/or 3rd party application for enhanced and customer reporting
- Traditional contact center reporting such as call abandonment, is not a standard report and would require manual manipulation to create
- Support – Purchase tokens for support hours and charged for phone calls. There is no charge for on line help desk tickets

**Owner(s)**

Call Center software will be utilized by Customer Relations to support the Call Center, BST, Sales, and Dispatch. RingCentral will provide the majority of the support for the system as it is being outsourced. IT will continue to provide the necessary vendor management and support needed by Denver Water.

Respectfully submitted,



Jonathan Spitze  
Manager, Information technology



Chris Dermody  
Chief Information Officer